Prospects of Convenience Food Market in Punjab – Perception of Consumers

Shivani Verma[1], Ramandeep Singh[2]
[1]*PhD Research Scholar, School of Business Studies, P.A.U, Ludhiana*
[2]*Professor, School of Business Studies, P.A.U, Ludhiana*

Abstract- **In India, the food processing is identified as sun-rise industry. The present study was undertaken to study and analyze the prospects of convenience food market in Punjab. The findings of the study revealed that 34.44 percent of respondents used to purchase convenience food 3-4 times a week. The results further depicted that manufacturing date, expiry date, quality and nutritional contents were considered important attributes while purchasing convenience food. The attitude of respondents towards convenience food showed that these foods often have better taste and flavor; attractive packaging; hygienic and uncontaminated; make life comfortable; easy to handle and store and decrease cooking time. In the case of factors responsible for the purchase of convenience food, the highest ranks were given to: type of family as socio-personal factor; food preferences as socio-cultural factor; need as socio-psychological factor; discounts as economic factor; friends as motivational factor.**

Index Terms- **Convenience food, food processing companies, perception, prospects.**

INTRODUCTION

In today's era, consumers are demanding better, safer as well as convenient food products and are willing to pay a higher price for health and convenience. The wide array of products has led to a change in the tastes and preferences of domestic consumers and this trend has been bolstered by rising incomes, increasing urbanisation, a young population and the emergence of nuclear families. The Indian food processing industry accounts for 32 percent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth (Anonymous, 2017a). The Prime Minister Narendra Modi pointed out that India is the biggest producer of milk in the world and the second in rice, wheat, fish and vegetable output. In terms of market size, the Indian food market was worth $193 billion in 2016 and is expected to cross $540 billion in 2020. The sector has been growing at the rate of 12 per cent annually. The Food Processing Minister Harsimrat Kaur Badal said that there is 100 per cent FDI (foreign direct investment) allowed into the sector through the automatic route and inflows have been increased 40 per cent over the last year (Anonymous, 2017b).

Convenience food has gained prominence during the past decades. The term 'Convenience food' means instant food which is easy to prepare, require minimum handling and impart convenience to the consumers by the way of little or no requirements of major processing or cooking before their consumption (Premavalli, 2000). These foods are often associated in practices involving less time and less effort, hence understood as associated with less skills and competences (Wahlen *et al.,* 2016). Convenience foods are broadly classified into three major categories *viz.* Ready-to-eat (RTE) foods, Ready-to-use (RTU) foods and beverages. Ready-to-eat (RTE) foods are foods intended to be consumed as they are. These foods do not require additional cooking and are usually stored in refrigeration or at room temperature (Muktawat and Varma, 2013). Ready-to-use Foods (RTU) need some preparations like cooking, frying, reconstitution, dilution *etc.* before consumption. Beverages are potable drinks which have thirst-quenching, refreshing, stimulating and nourishing qualities and they are specifically prepared for human consumption.

With more women in the workforce, the demand for convenience foods is rising, primarily in emerging economies. The study conducted by Banerjee *et al*

(2013) aimed to identify the factors responsible for awareness towards convenience food among women from Raipur city. Their study revealed that nuclear family was the only factor that made women more independent and aware of their responsibility towards health of their family. Buckley *et al*. (2007) conducted a study on the attitude and behaviour of consumers towards food in Great Britain based on a review of their convenience food lifestyle. The 'kitchen evaders' and the 'convenience-seeking grazers' were identified as convenience-seeking segments that provided food manufacturers with an insight into what motivates individuals to purchase convenience foods. Wales (2009) conducted research on the role of convenience in consumer food choices. His paper focused on two areas with an overall emphasis on fresh fruits and vegetables as a particular food category: 1) the dimensions of food convenience as part of a meal preparation and consumption process, and 2) individual characteristics of consumers and how they value these dimensions. When investigating food related convenience, the adoption of a 'meal perspective', rather than a 'product perspective' had been advocated. In addition, involvement and enjoyment in meal preparation were shown to affect individuals' convenience orientation. Studying and analyzing the prospects of convenience food market is helpful in determining the growth direction of successful ventures. Keeping these facts in view, the present study aimed to study and analyze the prospects of convenience food market in Punjab.

MATERIALS AND METHODS

The population for the present study comprised of all the consumers that used the products manufactured by the top nine convenience food companies operating in Punjab state. These companies are Bonn Food Industries, Kitty Industries Private Limited, Mrs. Bector's Food Specialties Limited, N.P. Fresh Foods Private Limited, Little Bee Impex, The Punjab State Cooperative Milk Producers' Federation Limited (Verka Milk Plant, Ludhiana), Sai Food Products (India), Supreme Food Products and Pagro Frozen Foods Private Limited. The information regarding the consumers obtained from the dealers of those companies. The details of dealers were given by the companies themselves. Primary data were collected from the consumers (end users) using structured non disguised questionnaire. Top five dealers of each company were selected on the basis of sales volume and then four consumers from each dealer were approached to get the questionnaire filled up. Thus the sample consisted of one hundred and eighty consumers from forty-five dealers of nine companies. The consumers were selected on the basis of convenience and willingness to share the information. The questionnaire included two main variables which were consumers' preference and consumers' buying behavior. The respondents were asked to rate different statements on a scale of 1 to 5 where 1 stands for Never and 5 stands for Always. They rated all the statements according to their knowledge and understanding. On the basis of frequency of rates for each statement, mean value for each statement was calculated and then the statistical tools were applied such as standard deviation, frequency, percentage, test of significance for single mean (n>30) and ranking method.

RESULTS AND DISCUSSION

This section deals with the results and discussion relating to the prospects of convenience food market in Punjab.

Demographic profile of consumers

To gain a better understanding of consumers' opinion, demographic profile of the respondents was analyzed. Demographic profile covered information regarding their age, educational qualification, occupation, annual income, family type and number of family members. The respondents were categorized into different age horizons. It was found in the Table 1 that the majority of the respondents fall in the age group of 20-30 years (54.44 percent), followed by 30-40 age groups (25.0 percent) and 40-50 age groups (8.89 percent).

On categorizing respondents on the basis of their education, it was found that 44.44 percent were graduates and 35 percent were post graduates. The results further revealed that 12.78 percent and 7.78 percent were higher secondary and matric pass outs respectively. 38.33 percent of the respondents were service class and 25.0 percent of the respondents were business class. The respondents were grouped into four categories on the basis of their annual income. Majority was with ₹300000-600000 income group with 41.11 percent followed by less than ₹300000 per annum income group with 27.78 percent. The information regarding family type and number of family members revealed that 83.33 percent of the respondents were belong to nuclear family and there were 52.78 percent of respondents who had less than 5 members in their family.

Table 1: Distribution of respondents according to different demographic variables

Demographic Variables	Frequency	Percentage
Age		
Less than 20	15	8.33
20-30	98	54.44
30-40	45	25.00
40-50	16	8.89
More than 50	6	3.33
Educational Qualifications		
Matric	14	7.78
Higher Secondary	23	12.78
Graduation	80	44.44
Post graduation	63	35.00
Occupation		
Job	69	38.33
Business	45	25.00
Housewife	28	15.56
Student	38	21.11
Family Type		
Nuclear	150	83.33
Joint	30	16.67
No. of family members		
Less than 5	95	52.78
5-10	72	40.00
10-15	9	5.00
More than 15	4	2.22
Income level (Rs. Per annum)		
Less than 300000	50	27.78
300000-600000	74	41.11
600000-900000	19	10.56
More than 900000	37	20.56

Specific information of consumers

In order to get complete knowledge about the consumers' perception and attitude regarding the convenience food, specific information was gathered and analyzed. The consumers were asked about the factors that used to influence the purchase decision of branded product and the results depicted from the Table 2 that 37.22 percent of the respondents used to select the brand among 2-3 brands in their minds at the time of purchase and 28.33 percent of the respondents used to decide the brand before purchasing. While talking about the frequency of purchase of convenience food, it was found that 34.44 percent of respondents used to purchase 3-4 times a week and 21.11 percent of respondents used to purchase more than 4 times a week. There were 40 percent of the respondents who viewed that the elder member was the decision maker in the family regarding purchase of convenience food. By analyzing the average monthly expenditure of respondents on convenience food, it was found that 34.44 percent and 25 percent of respondents used to spend more than 1500 INR and 500-1000 INR respectively. Further, 77.78 percent of respondents agreed that they found defective products.

Table 2: Distribution of respondents according to different specific variables

Specific Variables	Frequency	Percentage
Decision maker in the family regarding purchase of convenience food		
Husband	10	5.56
Wife	30	16.67
Both	49	27.22
Elder member in the family	72	40.00
Children	19	10.56
Factors influence the purchase decision of branded product		
Decide the brand before purchasing	51	28.33
Have 2-3 brands in mind and select out of those at the time of purchase	67	37.22
Buy as per the recommendations of dealer	22	12.22
By the influence of mass media	26	14.44
Standard Mark	14	7.78
Frequency of purchase of convenience food		
Buy less than once a week	29	16.11

1-2 times per week	51	28.33
3-4 times per week	62	34.44
More than 4 times per week	38	21.11
Average monthly expenditure on convenience food		
0-500 INR	20	11.11
500-1000 INR	45	25.00
1000-1500 INR	53	29.44
Above 1500 INR	62	34.44
Whether consumers found defective convenience foods or not		
Yes	140	77.78
No	40	22.22

Importance of attributes before the purchase of convenience food

In the Table 3, the mean value, standard deviation, z-value and p-value had been calculated using SPSS software. The p-value less than 0.05 indicate the strong evidence against the null hypothesis, so the null hypothesis is rejected. The p-value more than 0.05 indicate the weak evidence against the null hypothesis, so the null hypothesis is accepted. The p-value equals to 0.05 is considered to be marginal (can go either way).

Table 3: Opinion of respondents towards extent of importance of attributes before the purchase of convenience food

Attributes	Mean	Std. Deviation	Test Value = 3	
			z-value	p-value
Prices	3.93	1.00	12.48	0.001
Manufacturing date	4.37	0.85	21.77	0.002
Expiry date	4.32	0.95	18.51	0.001
Brand	3.96	0.89	14.54	0.003
Packaging	4.01	0.95	14.26	0.021
Quality	4.29	0.98	17.65	0.011
Place of buying	3.74	1.02	9.79	0.012
Store reputation	3.76	1.01	10.07	0.007
Appearance	3.90	0.98	12.38	0.001
Nutritional contents	4.18	0.95	16.70	0.010

The perusal of Table 3 depicted that all the attributes were considered to be statistically significant. It means the attributes mentioned above were very important for respondents before the purchase of convenience food as their mean values ranged from 3.74 to 4.37.

Attitude of respondents towards convenience food

The perusal of Table 4 depicted that all the statements regarding convenience food were considered to be statistically significant. It means the respondents had positive attitude towards convenience food as their mean values ranged from 3.46 to 4.24.

Table 4: Attitude of respondents towards convenience food

Attributes	Mean	Std. Deviation	Test Value = 3	
			z-value	p-value
Convenience foods are available in all season	3.74	1.18	8.38	0.011
Convenience foods have better taste and flavour	3.91	0.84	14.40	0.024
Convenience foods are hygienic and uncontaminated	3.92	0.86	14.47	0.021
Convenience foods preserve nutritional value of the food	3.83	0.97	11.51	0.007
Convenience foods decrease cooking time	4.02	0.98	13.96	0.030
Convenience foods are convenient to cook	4.13	0.97	15.62	0.001
Convenience foods are easy to handle and store	4.12	0.97	15.44	0.010
Convenience foods have	3.83	0.98	11.37	0.021

longer shelf life				
Convenience foods have additional cost	3.77	1.01	10.20	0.001
Convenience foods are just status symbol	3.59	1.19	6.61	0.012
Convenience foods save human as well as fuel energy	3.89	0.99	12.14	0.001
Convenience foods allure the consumer	3.46	1.04	5.89	0.003
Convenience foods are the demands of children	3.73	0.97	10.12	0.014
Convenience foods have compatibility to eating habits	3.83	0.91	12.15	0.032
Convenience foods have attractive packaging	3.93	0.91	13.69	0.020
Convenience foods make life comfortable	4.24	0.80	20.76	0.015

Opinion about price-quality relationship

The perusal of Table 5 reflected that the non-significant statements were ‘high priced convenience foods have low quality’, ‘moderately priced convenience foods have low quality’, ‘low priced convenience foods have high quality’ and ‘low priced convenience foods have moderate quality’.

Table 5: Opinion of respondents about price-quality relationship

Statements	Mean	Std. Deviation	Test Value = 3	
			z-value	p-value
High priced convenience foods have high quality	3.93	1.01	12.45	0.001
High priced convenience foods have moderate quality	3.46	0.83	7.38	0.020
High priced convenience foods have low quality	2.89	1.19	-1.19	0.240
Moderately priced convenience foods have high quality	3.16	0.99	2.11	0.040
Moderately priced convenience foods have moderate quality	3.14	0.97	2.00	0.040
Moderately priced convenience foods have low quality	2.96	1.03	-0.51	0.610
Low priced convenience foods have high quality	2.66	1.08	-4.26	0.540
Low priced convenience foods have moderate quality	3.06	0.99	0.83	0.410
Low priced convenience foods have low quality	3.52	1.13	6.16	0.001

Factors responsible for the purchase of convenience food

The respondents were asked to rank the factors in ascending order of importance that were responsible for the purchase of convenience food. Talking about the socio-personal factors, it can be seen from the Table 6 that type of family was considered to be the most important factor and income of the family was the least important factor. In the case of socio-cultural factors, food preference was ranked at the top. While considering the socio-psychological factors, the consumers ranked the factor ‘need’ as the most important factor and when economic factors were considered, it was found that the most important and the least important factor was discount and installments respectively. In the case of motivational factors, the consumers mostly used to feel motivated by friends. The respondents ranked food packages displayed on the store shelf as the most important source of information through which they got quickly informed about the particular convenience food.

Table 6: Opinion of respondents about the factors responsible for purchase of convenience food

Factors	Rank
Socio-personal factors	
Family size	2
Type of family	1
Income of family	3
Socio-cultural factors	
Religion	5
Beliefs	4
Food preferences	1
Gender discrimination	6
Education	3
Women's employment	2
Socio-psychological factors	
Prestige	5
Demonstration effect	3
Interest	2
Need	1
Attitude	4
Economic factors	
Credit	2
Instalments	3
Discounts	1
Motivational factors	
Friends	1
Relatives	3
Neighbours	4
Shopkeepers	2
Practical demonstrations	5
Exhibitions	6
Sources of information	
Radio	6
Television	2
Newspaper	3
Posters	5
Hoarding	4
Food packages displayed on store shelf	1

Reaction of respondents towards defective processed foods

The respondents were asked to rank the statements in order of importance to know the reaction towards defective processed foods. They said that when they got any defective product, they immediately return it to the shopkeeper and then complain about the defective product. The respondents hardly used to approach the consumer forum. So they rank it as the last.

Table 7: Reaction of respondents towards defective processed foods

Statements	Rank
Go and complain to the shopkeeper	2
Return the product	1
Write to the producer	3
Approach to the consumer forum	4

CONCLUSIONS

The findings of the study revealed that 28.33 percent of the respondents used to decide the brand before purchasing and 12.22 percent of the respondents used to buy the products as per the recommendations of the dealer. While talking about the frequency of purchase of convenience food, 34.44 percent of respondents used to purchase 3-4 times a week and 21.11 percent of respondents used to purchase more than 4 times a week. The results further depicted that manufacturing date, expiry date, quality and nutritional contents were given more importance as compared to the other attributes. The attitude of respondents towards convenience food showed that these foods often have better taste and flavor; attractive packaging; hygienic and uncontaminated; make life comfortable; easy to handle and store and decrease cooking time. They also viewed that high priced convenience foods have high quality and low priced convenience foods have low quality. In the case of factors responsible for the purchase of convenience food, the highest ranks were given to: type of family as socio-personal factor; food preferences as socio-cultural factor; need as socio-psychological factor; discounts as economic factor;

friends as motivational factor and the lowest ranks were given to: income of family as socio-personal factor; gender discrimination as socio-cultural factor; prestige as socio-psychological factor; installments as economic factor and exhibitions as motivational factor. In a nutshell, convenience food is going to become a whole lot more convenient; in the sense that it is not only accessible and affordable but that it comes in the form of delicious nutrients that are both necessities in our lives and ever prevalent in the fast changing needs and wants today.

REFERENCES

[1] Anonymous (2017a) Indian food processing. Retrieved on June 29, 2017 from www.ibef.org
[2] Anonymous (2017b) Food processing will be main industry in future: Jaitley. Retrieved on November 3, 2017 from www.economictimes.indiatimes.com
[3] Banerjee S, Joglekar A and Kundle S (2013) Consumer awareness about convenience food among working and non-working women. International Journal of Scientific Research. 2 (10): 1-4.
[4] Buckley M, Cowan C and McCarthy M (2007) The convenience food market in Great Britain: Convenience food lifestyle (CFL) segments. Appetite 49: 600-617.
[5] Muktawat P and Varma N (2013) Impact of ready to eat food taken by single living male and female. International Journal of Scientific Research Publication, 3: 1-3.
[6] Premavalli K S (2000) Convenience foods for defence forces based on traditional Indian foods. Defence Science Journal, 50: 361-369.
[7] Wahlen S, Horst H V D and Pothoff R (2016) How convenient!? Adolescents' vistas on food competences in a convenience context. British Food Journal. 118(11): 2828-2838.
[8] Wales M E (2009) Understanding the role of convenience in consumer food choices: a review article. Studies by Undergraduate Researchers at Guelph. 2 (2): 40-48.