Consumer Behavior for Local Food Items in India

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Abstract—*The food markets in India and the rest of the world are getting increasingly more and more complex and competitive. India is the world's 2nd largest producer of food next to China. With India's food production likely to increase significantly during the next decade, there is an opportunity for Indian food companies to increase their investments in food and food processing technologies, skills and equipment, especially in areas of canning, dairy and food processing, specialty processing, especially in packaging. Purpose of this study to analyses the behavior of consumers towards the local food items and also identified the factors which influenced consumers toward local food items. The research design was descriptive in nature and survey method was used to collect the responses of 326 respondents form NCR and Delhi .The Study finally revealed that availability and price offers were the two important factors which influenced the purchasing behavior of consumers towards local food items.*

Keyword*: local food items, consumer purchasing behavior, factors, indian companies*

1. INTRODUCTION

The food markets in India and the rest of the world are getting increasingly more and more complex and competitive. Some of the important reasons for such changes are like increasing pace of globalization, entry of large international and domestic firms in the food sector, intra-regional movement of consumers, larger proportion of working female population etc. There is increasing number and varieties of food products in the country and the above socio-economic changes have resulted in increased interest in the food sector among the business practitioners and researchers. The present study is an attempt to find out the factors that influence the purchase behavior of consumers in Delhi-NCR.

2. LITERATURE REVIEW

E. Carrillo et al. (2011), in his study investigated the consumer factor underlying the food choices and their attributes towards healthy eating. A questionnaire was formulated which was divided into two parts. The first part of the questionnaire was based on FOOD CHOCIES where factor analyses and other techniques was used which pointed that sensory appeal, price and conveyance are the most important factor of their food choices in Spain. While the second part of the questionnaire revealed about the consumption frequency of different kind of the products and accepted that dairy products are the one which is consumed the maximum. Mann (1963) studied the structure and pattern of food consumption in eastern Nigeria. The study revealed that a) Total annual expenditure per family kept a parallel trend upward with an increase in family members. b) The expenditure on food alone varied between 57.7% in lower family size group to 66.6% in the higher size group to total annual expenditure. c) The home supply of food was greater in the larger sized families, and, d) The quantity of food consumed per head was less in families with large numbers. Mulky et.al (2003) pointed to the fact that the structure of a country's retail sector has an enormous influence on marketing strategy and marketing activities of firms. Bhatnagar et.al (2006) pointed that the Indian retail sector is undergoing a metamorphosis. Kaur et.al (2008) try to study the changing lifestyle of the Indian consumer and how it makes it imperative for the retailers to understand the patterns of consumption. Mishra et.al (2007) emphasized the changing consumption patterns, trigger changes in shopping styles of consumers and also the factors that drive customers into stores, who explore the way organized retail has dramatically changed not only the Indian traditional retailing structure by also the consumption behaviour in terms of purchasing a particular product. A consumer is aware of some risks such as finance, psychology, performance, and time and thus he concluded that a thorough understanding of the perception of the consumer is essential for retailing Blackwell et.al.; (2001) in his study analyzed the fact that basic idea behind the consumer research was to know about the buying reasons. However researchers have to go much deeper and also question people, how and in which circumstances they purchase any particular product or service and consume it. Consumer behaviour mainly consists of ideas, experiences, feelings and actions of consumers with external factors like ads, prices and commends. Furthermore, it is a dynamic process, because of the continuous changes in ideas, perceptions and activities of consumers as an individual or in a group. Solomon, (2006); Peter et.al (2008) in their studies given the fact that consumer behaviour is considered as a complex pattern and sophisticated understanding for marketing researches. It is defined as study of (a) psychological, (b) social and (c) physical actions, when people buy the products/services/ideas/practices, use and dispose them. Armstrong et.al (2007). Buyer's black box is the vital

point that companies and other actors in the market have to discover from various researches.

3. RESEARCH OBJECTIVES

Hence, the broad objective of the proposed study is to explore the consumer behavior for local food products in India. Essentially, the study attempted to answer the following specific research questions:

- To explore the factors affecting purchase decisions for major categories of food local food products in India?

- To understand the perception of quality about various categories of food products?

- To analyze whether there is change in the food consumption habits and purchase decisions for people after their movement to different regions? If yes, what are the factors responsible for these changes?

4. RESEARCH METHODOLOGY

Based on literature survey and focused group discussions a list of relevant variables was prepared. A questionnaire was prepared to capture the relevant variables, which was initially pre-tested at diiferent location of NCR. After its finalization; primary data was collected from 326 respondents in National Capital Region (Delhi and its suburbs). The demographic profile of respondents in terms of age category, education level, source 4 and level of household income per month, number of adults and children in the family and respondents' current state of stay is presented in Table 1.

For identifying the impact of change in place of stay on food buying/consumption habits, people who did not change their native place or city during the last 10 years have been considered as people belonging to 'not moved' category. About 54 percent of respondents belonged to this category. Snowball method of sampling was used to pick respondents who moved from their native/original places. About 21 percent respondents moved out of their native places during the last 5 years and about 25 percent respondents had moved out of their native places during the last 5-10 years.

Table 1: Demographic Characteristics of Respondents

Demographic characteristics	Year of movement from native place			Total
	Not moved	During the last 5 yrs	During the last 5-10 yrs	
Total number of respondents	177	69	80	326
Age category				
<25 yrs	50	33	7	90
26-35 yrs	60	31	56	147
36-45 yrs	47	4	14	65
46-55 yrs	18	1	3	22
>55 yrs	2	0	0	2
Educational level				
Below metric	3	6	6	15
Metric	21	24	11	56
Intermediate	44	18	18	80
Graduate	62	14	26	102
Post Graduate	47	7	19	73
Source of household income				
Family business	47	4	10	61
Pvt. Job	49	37	47	133
Govt. Job	67	10	10	87
Agriculture & allied activities	2	0	0	2
Other	12	18	13	43
Household income per month				
< Rs.10 k	32	40	29	101
Rs 10-20 k	69	22	30	121
Rs. 20-30 k	53	6	16	75
Rs. 30 - 40 k	13	0	2	15
Rs. 40-50 k	5	1	2	8
> Rs. 50 k	4	0	1	5
Number of adult members in household				
Single	1	10	1	12
2-3	67	51	52	170
3-5	76	6	26	108
>5	33	2	1	36
Number of children in the household				
Single	36	23	20	79
2-3	94	23	46	163
3-5	14	0	1	15

5. ANALYSIS

Perception of quality about local food products:

People were asked to indicate their perception about the improvement in food quality related parameters, which is presented in Table 4. Most of the respondents do not have very high opinion about improvement in level of these quality parameters (maximum rating 3.32 for the taste and quality of food).

Table 2: Perception about quality related to local food products in India

Parameters	Rating
The taste of the food	3.35
Quality of the Food	2.91
Packaging of the food items	2.65
Affordability of the food items	3.21
Food safety	2.5
Nutrition of the food items	2.9

Note: 1 indicates "strongly disagree" and 5 indicates as "strongly agree"

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6. FACTORS INFLUENCING THE PURCHASING OF LOCAL FOOD ITEMS

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.788
Bartlett's Test of Sphericity	Approx. Chi-Square	2843.013
	df	21
	Sig.	.000

The KMO test value of 0.788 reflects adequate size of sample for the conduct of study on this channel. Post the application of factor analysis.

Table 4: Total Variance Explained

Compone nt	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Varianc e	Cumulativ e %	Total	% of Varianc e	Cumulativ e %
1	6.42 7	91.819	91.819	6.42 7	91.819	91.819
2	.322	4.606	96.424	7.23 4	72.831	72.831
3	.174	2.488	98.912			
4	.045	.638	99.550			
5	.023	.325	99.875			
6	.007	.095	99.970			
7	.002	.030	100.000			
Extraction Method: Principal Component Analysis.						

Table 4:Component Matrix[a]

	Component 1	Component 2
@12	.994	7.543
@13	.349	8.543
@14	.962	2.975
@15	.115	8.113
@16	.261	6.434
@17	.350	8.536
@18	.975	2.434

All 7 factors were compressed into 2 broad categories which explain important criteria/factors those influenced the consumers for preferring and purchasing local food items.

Table 5: Factor Extracted

CATEGORY 1	CATEGORY 2
Accessibility of food items	Best Price related to quality
Taste of food items	Verities of food products
Best Purchase Experience	Acceptable packaging according to price
	Best price over to Branded food prodcts

Locational Characteristics related to Availability	Price related Characteristics

Category 1 speaks about the Locational characteristics of the local food products in NCR, which sells the varieties of food items near to the home and market for purchasing these products consumers no need to go big market or malls.

Category 2 speaks about the price characteristics. Local food sellers offer the best price over the barded food items

7. CONCLUSION

As per the analysis, the two factors including the location and price are suggested to influence the consumers' preference and purchase for local food items.

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