CONSUMER BUYING BEHAVIOUR TOWARDS VIRGIN EDIBLE OILS – A PILOT STUDY WITH REFERENCE TO COIMBATORE DISTRICT

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Abstract:

With growing interest in the health and well-being, today's world is revolving around organic foods and traditional food pattern. In this regard, there is lots of scope for studying the consumer buying behaviour of such goods. Edible oils are always a notable component in one's food list. Hence this study attempts to understand the consumer buying behaviour of edible oils in Coimbatore district. The present study is a descriptive research with a sample of 110 respondents from the same region. The study makes a basic understanding of the consumer's opinion on buying virgin edible oils and the factors influencing them to go for the same. This study shows that the people are much health conscious and are aware of the virgin edible oils and they find it bit costlier than the commercial oils. Also the growing interest and need in virgin edible oils has been deeply discussed in this paper. This paper would pave way for a separate sector for organic food products which will leave chance for improved livelihood of the farmers and other related groups who involve in this market directly and indirectly.

Keywords: Consumer buying behaviour, Virgin oils, Edible oils, Pilot study, Coimbatore

Introduction :

'Food and grocery' is the second-largest section of the retail industry and is the least organized. According to a recent report by Ernst & Young, 'food and grocery' accounts for almost 54% (USD 152 billion) of the total Indian annual retail business1. However, food retail continues to be dominated by small local stores in the unorganized sector. Fuelled by the large disposable incomes, the food sector is now witnessing a remarkable change in consumption patterns, especially in case of food. Food retailing is undergoing a transformation from selling of food items in grocery shops & mandis, haats and bazzars to selling of processed food and grocery in supermarkets where consumers inspect and select the products in a comfortable ambience and still pay a fair price for the product and the merchandise. Sometimes it happens that one pays less than the price one would pay at the nearest food store.

The global edible oil market is anticipated to witness a substantial growth owing to increasing popularity of unrefined, unprocessed, healthy, and organic oil. In the coming years, vegetable oils with low cholesterol, fat, and calories are likely to gain high response due to growing health awareness among people across the world. In addition, major improvement in retail network, increasing crop yields, oil production, and growing economies are some of the prominent factors supporting the growth of the global edible oil market. Furthermore, growing popularity of canola oil, trans-fat free soybean oil, and emerging preference for olive oil will drive the global market for edible oil.

The retail segment is expected to drive the sales of edible oils on account of strong supply chain of chain of edible oil products and established chain of retail outlets. Vegetable oil consumption has increased in developing countries due to increasing demand from growing population, surging retail sector, and rise in overall household income. Additionally, manufacturers of edible oils are adopting advanced processing technique to offer healthier and affordable oil. However, they lack in the production of edible oil in comparison with incoming demand.

The market for edible oil can be segmented on the basis of type, end-users, and geography. In terms of type, the market can be classified into palm oil, canola oil, olive oil, sunflower oil, specialty blended oil, and corn oil. Increasing consumption of fried foods has significantly increased the demand for edible oils. Based on end-users, the marker for edible oil can be divided into food processor, food service, and retail. Improving living standards, changing dietary habits, and increasing consumer preference for healthy edible oil supporting the growth of the global edible oil market.

Review of Literature

Ali, Kapoor,and Moorthy (2009),conducted a study to develop a marketing strategy for a modern food/grocery market based on consumer preferences and behaviour. The results show that the preferences of the consumers clearly indicate their priority for cleanliness/freshness of food products followed by price, quality, variety, packaging, and non-seasonal availability. Fruits and vegetables are mostly purchased daily or twice a week due to their perishable nature, whereas grocery items are less frequently purchased.

Hemalatha, Sivakumar, Jayakumar, (2009) suggested that different groups of consumers believe that different store attributes are important. Therefore, store attributes appears to be a promising market segmentation criterion. In this sense, their work focused on store attributes as a possible criterion to segment the shoppers. They started by analysing the importance of consumer segmentation to the retailers. Finally, three clusters of Indian shoppers, namely, economic shoppers, convenient shoppers and elegant shoppers were identified. Main conclusions and its implications for retailing management were pointed out.

Erdem, Oumlil, Tuncalp, (1999) proposed that retailing business is greatly affected by the patronage behavioral orientations of shoppers. Understanding these orientations can assist retailers in developing appropriate marketing strategies toward meeting the needs and wants of consumers.

Omar and Abisoye (2008) examined the role price as a determining factor in consumer patronage of grocery retail stores in the United Kingdom. A cross-section of grocery consumers (n = 250) constituted the sample for the study. Grocery stores were grouped and stores were selected for the study on the basis of the variety of grocery stores offers the consumers. A mail survey was used to investigate price perceptions and store choice across three different retail formats

Mittal (2009) compared the consumer evaluation of store attributes for grocery and apparel retail segment. The retail format- which represents the right mix of various store dimensions- will eventually depend upon the interplay between various store attributes.

Alhemoud, (2008) studied the product selection processes from Kuwaiti nationals based on their shopping habits in the Co-Operative Supermarkets (A government owned grocery stores. The literature on consumer behavior and store choice presented in the study suggests that consumers make decisions to patronize a particular store on the basis of a set of attributes that they view as important. This study attempts to explore the determinant attributes that influence the patronage decisions of supermarket consumers in Kuwait

Goswami & Mishra (2009) studied Indian consumers move from kirana stores to organized retailers when shopping for groceries. The study was carried out across four Indian cities- two major and two smaller cities with around 100 respondents from each city. It was found that Customer patronage to grocery stores positively related to location, helpful, trustworthy salespeople, home shopping, cleanliness, offers, quality and negatively related to travel convenience. Kiranas do well on location but poorly on cleanliness, offers, quality, and helpful trustworthy salespeople. The converse is true for organized retailers.

Carpenter and Moore, (2006) provided a general understanding of grocery consumers' retail format choice in the US marketplace. A random sample of US grocery consumers (N=454) was surveyed using a self-administered questionnaire. Descriptive and inferential statistical techniques (regression, ANOVA) were used to evaluate the data. Identifies demographic groups who frequent specific formats (specialty grocers, traditional supermarkets, supercentres, warehouse clubs, internet grocers) and examines store attributes (e.g. price competitiveness, product selection, and atmosphere) as drivers of format choice.

SoonyongBae, Taesik Lee (2010) they investigates the effect of consumer reviews on consumer's purchase intention. In particular, they examine whether there are gender differences in responding to online consumer reviews. The results show that the effect of consumer reviews on purchase intention is stronger for females than males.

Isaac J. Gabriel (2007) studied consumers' risk perceptions and will reveal a "cognitive map" of their attitudes and perceptions to risks. It was accomplished by composing a master list of online hazards and activities, measuring current level of perceived risk, desired level of risk, and desired level of regulation associated with them, composing a master list of risk characteristics, determining risk dimensions, and revealing position of each hazard or activity in the factor space diagram.

Guda Van Noort, M.A., Peter Kerkhof, Ph.D and Bob M. Fennis, Ph.D. (2007) in two experiments, the impact of shopping context on consumers' risk perceptions and regulatory focus was examined. They predicted that individuals perceive a shopping environment's riskier and that a shopping environment, by its risky nature, primes a prevention focus.

Seyed Rajab Nikhashem, Farzana Yasmin, AhsanulHaque. (2011) Studied that investigated peoples" perception as well as why some people use this facility while some who do not use it stick to the traditional way to fulfill their needs. In addition, factors such as what inform peoples" eagerness and unwillingness to use internet facilities are also examined. The outcome of this research showed a comprehensively integrated framework that can be utilized by policy makers and business enterprises to understand the dynamic relationships among dimensions of perceived risk, user trustworthiness, usefulness, familiarity and confidence. Also, this study considered how price perception and security can be utilized to understand the consumers" perception.

Yu-Je Lee, Ching-Lin Huang, Ching-Yaw Chen The purpose of this study is to use structural equation modeling (SEM) to explore the influence of consumers' perception on their purchase intention. Through literature review, four constructs were used to establish a causal relationship between perception of consumers' purchase intention. Results of this study show that product perception, shopping experience, and service quality have positive and significant influence on consumers' purchase intention, but perceived risk has negative influence on consumers' purchase intention, and shopping experience is most important.

RaminAzadavar, Darushshahbazi, and Mohammad EghbaliTeimouri. (2011) examined the factors influencing consumers' perception of shopping and developed a causal model that explains how this perception affects their shopping behavior. Research found that factors like, trust, customer service, customers' income, price of products or services and security are more important to encourage people to purchase online the computer related products and services. In other side factors like product customization and price of product were not much effective on purchasing behavior of the respondents. So high level of security in marketing of computer related products and services has this potential to growth more and more to encourage people to reduce the time and cost of transaction. Most important concern regarding to online shopping is the security of transactions. The study intends to explore the understanding of consumer behavior regarding to the direct and indirect influences of the perceptions of online shopping on consumer behavior. Based on our analysis first, a factor analysis was conducted on the student's perception of 13 items, and three factors, "convenience, anxiety regarding security, and "poor navigation", were extracted. A model was created reflecting the direct influence of these three "perception" related factors on behavior or their indirect influence through consumers' attitudes.

KanwalGurleen. (2012) focuses on the understanding of demographic profiles of adopters and non-adopters of shopping. For this purpose the data from 400 respondents was collected in the form of questionnaires. The study has been conducted in 3 cities of Punjab, a sample of urban respondents were selected from the Jalandhar, Ludhiana and Amritsar The paper also analyses the various reasons for adoption and non-adoption of online shopping.

Zaryab Ali et al. (2013) study identifies major factors affecting consumption of edible oil in Pakistan. Data was collected from primary. Many factors affecting consumption of the food in Pakistan and it is a key ingredient of household population growth, urbanization, brands liking and disliking. In demand function of oil income, share expenditures oil and family size was significantly affecting the consumption of edible oil. The effect of price was negative but insignificant. In demand function of ghee income, family size, share expenditure of ghee, were insignificant for the consumption of ghee. From the research analyzed that majority of the population used ghee in the cooking in Pakistan. Prices of edible oil should be lowered so that poor people can also use it in their meals as it is better from health point of view.

H. R. Kulkarni et al. (2017) through this study, author has highlighted the brand references for edible oil by consumers. Efforts have been made to understand the various factors which are taking into consideration while purchasing edible oil. Through the study author has also highlighted the variants of edible oil preferred by the consumers. This study is also focused on the awareness of consumers regarding the weight, expiry date, ingredients etc. of edible oil. It is found that, in a city like Pune, majority of families' monthly income is between incomes is between Rs. 20,002 Rs. 30,000, 34% families' monthly income is above Rs. 30,000. Therefore, all these families preferred branded edible oils. The family is whose monthly income is below Rs. 10,000 preferred cheap/unbranded/loose edible oil. Easy availability and price of edible oil, are the most significant factors which are most influencing on the decision-making for purchasing particular brand of edible oil in a apart from this, health issue taste of labour also important factors in decision-making. Sample house hold have a push down less interest in understanding the factors like ingredients, net weight, nutritional benefits, expiry date etc.

Horsu Emmanuel Nondzor et al. (2015) study was to ascertain consumer's knowledge, perceptions and preference of edible oil. A cross sectional approach was used for study. Pre-tested semi-structured questionnaires were administrated to 206 respondents. As the consumers are becoming more enlightened in their food intake, their quest for the right combination of food nutrients has become more eminent especially as several health-related problems are attributed to food that they consume. Refined edible oils were preferred by consumers, and were normally purchased from supermarkets for almost all their meals. Unrefined edible oils however were used mostly when needed and normally purchased in open markets. It was clear from the study that the totality of consumer's decision of buying both refined and unrefined edible oils are influenced by their perceived knowledge on edible cooking oils.

RESEARCH METHODOLOGY

Objectives of the Study

- To analyze the primary factors of purchasing of Virgin oil
- To analyze the customer perception towards purchasing of virgin oils
- To find the association between the level of satisfaction and factors influencing the purchase of virgin oils
- To find the difference between level of satisfaction and price of the oils taken for the study.

The type of research design used here is descriptive research design. The convenience sampling method was used for this study. Convenience sampling refers to the collection of information from members of the population who are conveniently available to provide it. A sample is obtained by selecting convenient population elements from the population. The sample size is limited to110. The primary data were collected through a questionnaire. The secondary data were collected from the files of the websites, journals, documents, reports and company magazines. This study has been conducted among the customer who bought the product from the dealer in Coimbatore city.

Tools for Data Collection

The questionnaire is arranged in logical sequence. The questionnaire consists of a variety of questions presented to the people for the response. Dichotomous questions, multiple choice questions, ratings are asked. Google forms are used to frame the questionnaire and get responses using system generated link.

1. Profile of the Respondents

	Particulars	No Of Respondents	Percentage Of Respondents
Nature of the respondents	Existing	**74**	**67**
	New	**36**	**33**
Years of association with the product	1 Year	8	7
	1 – 3 Years	26	24
	3 – 5 Years	45	41
	More than 5 Years	31	28
Awareness about the product	Advertisement	12	11
	Referral	59	54
	Others	39	35
Attributes about the product	Advertisement	12	11
	Referral	59	54
	Others	39	35
Level of Satisfaction abut availability of the product.	Highly Satisfied	34	31
	Satisfied	51	46
	Neutral	17	16
	Dissatisfied	8	7
	Highly Dissatisfied	-	-
Level of Satisfaction with the Quality of Product	Highly Satisfied	68	62
	Satisfied	26	24
	Neutral	16	14
	Dissatisfied	-	-
	Highly Dissatisfied	-	-

From the above table, it was found that 67% of the respondents are existing customers and the rest of 33% of them are new customers. The above table shows number of years respondents associated with the product, from which it was found that, 41% of the respondents are associated with the product between 3 – 5 Years, 28% of them associated More than 5 Years, 24% of them associated between 1 – 3 Years and the rest of 7% of them associated with the product only 1 year. From the above table it was found that, 54% of the respondent came to know about the product by referral, 35% of them came to know by other sources and the rest of 11% of them came to know by the advertisement. Towards the level of satisfaction about availability of the product, 62% of the respondents highly satisfied, 24% of them satisfied and the rest of 14% of them are in neutral.

2. Chi square Analysis:

2.1 Relationship between customer type and level of satisfaction with the price of the product

Null Hypothesis (Ho): There is no significant relationship between years of association and level of satisfaction with the quality

Alternate Hypothesis (H1): There is significant relationship between years of association and level of satisfaction with the quality

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.814a	3	.000
Likelihood Ratio	85.909	3	.000
Linear-by-Linear	60.236	1	.000
N of Valid Cases	110		

1 cells (12.5%) have expected count less than 5. The minimum expected count is 2.62.

The above table tells the relationship of the variables, from which it is found that there is significant relationship between customer type and level of satisfaction with the quality.

2.2 Relationship between number of years associated and level of satisfaction with the price of the product

Null Hypothesis (Ho): There is no significant relationship between number of years associated and level of satisfaction with the price of the product.

Alternate Hypothesis (H1): There is significant relationship between number of years associated and level of satisfaction with the price of the product.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	186.085a	12	.000
Likelihood Ratio	199.002	12	.000
Linear-by-Linear	87.685	1	.000
N of Valid Cases	110		

10 cells (50.0%) have expected count less than 5. The minimum expected count is .87.

The above table tells the relations of the variables, from which it is found that there is significant relationship between number of years associated and level of satisfaction with the price of the product.

3. ANOVA:

Difference between levels of satisfaction with price of the product

Level of satisfaction with price of the product	Between Groups	135.824	4	36.874	217.984	0.002 (sig value)
	Within Groups	46.597	235	0.461		
	Total	182.421				

H: There is no significant difference between levels of satisfaction with price of the product.

H1: There is significant difference between levels of satisfaction with price of the product.

From the above table it is inferred that the ANOVA test that the P-value has been less than 0.005 and the result has been significant at 5% level. Hence the alternative hypothesis (H1) has been accepted and null hypothesis (H0) has rejected. From the analysis it has been concluded that there is no statistical relationship between levels of satisfaction with price of the product.

FINDINGS:

- Majority 67% of the respondents are existing customers and only 33% of them are new customers.
- Nearly 41% of the respondents are associated with the product between 3 – 5 Years, 28% of them associated More than 5 Years, 24% of them associated between 1 – 3 Years and the rest of 7% of them associated with the product only 1 year.
- About 49% of the respondent use virgin groundnut oil, 19% of them consume seaseme oil and the rest of them consume other oils.
- Majority 54% of the respondent came to know about the product by referral, 35% of them came to know by other sources and the rest of 11% of them came to know by the advertisement.
- Towards the attributes about the product, 23% of the respondents influenced by availability, 35% by brand image and the rest of 42% by health benefits, aroma etc.,
- Towards the customer level of satisfaction 46% of the respondents satisfied, 31% of them Highly Satisfied, 16% of them are in neutral and the rest of 7% of them dissatisfied.
- Towards the customer level of satisfaction on features of the product, Majority 41% of the respondent highly satisfied and only 5% of them dissatisfied.
- Towards the customer level of satisfaction about easy handling of the product, Majority 51% of the respondents highly satisfied and only 7% of them are in neutral.
- Towards the level of satisfaction about availability of the product, Majority 62% of the respondents highly satisfied and only 14% of them are in neutral.
- Towards the level of satisfaction about price of the product, Majority 27% of the respondents are satisfied and only 11% of them are highly dissatisfied.
- There is significant relationship between customer type and level of satisfaction with the quality.
- There is significant relationship between number of years associated and level of satisfaction with the reliability.
- From the analysis it has been concluded that there is no statistical relationship between levels of satisfaction with price of the product.

SUGGESTIONS AND CONCLUSION

6.1SUGGESTIONS:

- As Per the analysis, existing type penetration is only 67%, the company should take initiate to increase the ratio by giving loyalty bonus to the existing customers during their product purchase.
- In the source of awareness about the product, referral factor plays a major percentage level, this should be increased with the help of customer relationship department and the dealer, since it is a cost free tool to increase our sales.
- Few customers are not satisfied with the quality, durability and reliability of the product, those customers should be contacted directly with the help of company service department personnel to find the reason for the same and the problem should be identified and rectified as soon as possible.
- Majority of the respondents are not satisfied with the product price, so company should educate the dealer to convince the customer in this factor or else reduce the price.
- The customer service part has to be improved to avoid customer complaints and also to increase referral sales.
- Based on the demand & supply of last few months' trend stock to be maintained to avoid on-availability of products.

CONCLUSION:

After having analysed and interpreted the findings, it is concluded that customers who have purchased the virgin oil and from the dealers as well as multi dealer outlet in Coimbatore. It signifies that the virgin oils are now receiving high demand among the consumers. Due to heavy competition a brand should be positioned in proper manner. Based on the customer feedback, the availability, quality and prices can be fixed to enhance the sales of the virgin oils. With the growing demand, there is a high scope for the virgin oil businesses and still awareness can be given to increase the same. Also, most of the people are showing interest in going organic which is a positive step towards enhancing the livelihood of farmers and other related sellers.

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