

# A Study on Consumer Behavior towards Packaged Food & Beverages in the State of Assam.

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**Abstract:** The Food and Beverage service industry is one of the most vibrant service industries within India with over 25% yearly growth. Although predominantly concentrated in the unorganised space, with the advent of foreign and Indian chains. The organised market is likely to expand quite rapidly. Food expenditure constitutes the majority of our consumption basket and with an increasing young population. Amongst the various segments within this sector a large portion is governed by packaged food and beverages industry. Indian entrepreneurs have also capitalized on the opportunity and it is likely for more organised chains to emerge in the next decade. It has also given due importance to persons belonging to different categories of age. This paper has tried to analyze the relationship of packaged food and beverages with to age, gender and monthly disposable income.

**Keywords:** Consumer Behavior, Packaged Food & Beverages, Age, Gender, Monthly Disposable Income

## I. INTRODUCTION

The packaged food & beverages industry is greatly influenced by the ever changing consumer demand and preference. Due to rapid urbanization and higher disposal of incomes, Indian consumers are now becoming more brand conscious in all dimensions. This is in-depth study and analysis of feasible market trends, demographics and consumer behavior. This research paper is to analyze the potential customer of ready to eat or consume packaged food & beverages in terms of demographic and monthly disposable income, in Assam. Research starts with designing questionnaire. Purpose of study is to identify target audience can be categorized and the audience with highest potential was selected. Finding of research was drawing based on hypothesis testing for the three categories under study. Changing demographics and increase in disposable income is primarily taken into consideration. This Sector is taken into study as the F&B service market is worth INR 204,438 crore, growing at compound annual growth rate (CAGR) of 23-24% and has touched INR 380,000 crore in 2017. The food & beverage service market is dominated by unorganised segment and although it will decline significantly over the next 4-5 years, it is likely to remain more than 60% of the market

## II. OBJECTIVES OF THE STUDY

1. To study the association of different age groups towards packaged food & beverages.
2. To study the association of gender towards packaged food & beverages.
3. To study the association of monthly disposable income towards packaged food & beverages

### III. REVIEW OF LITERATURE

According to Kotler (2008), consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It is a subcategory of marketing that blends elements from psychology, sociology, socio psychology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people needs. He also stated that it also tries to assess influences on the consumer from group such as family friends, reference groups, and society in general for example while consumers purchase the shoe, then they go for family decision, comfort, satisfaction, price and quality.

**Vibhuti, Tyagi and Pandey** (2014) has analyzed the buying decisions of the respondents in respect of select FMCG products viz. chocolate Bar, Milk, Edible oil, Bath Soap & Shampoo. They had used nine Factors like Price, Availability, Quality, Taste, and Attractiveness of the Packages, Quantity, Ingredients Brand and Influence by Media. The basis of decision making was measured on 3 point likert scale as Most Important, Important & Not Important. In respect of **Chocolate Bar**, Taste was considered to be the most important factor while Availability & Media Influence as consider as next important factor. In case of **Milk**, Quality was considered to be the most important factor and Ingredients i.e. Fat content was considered to be the next important factor. In case of **Edible Oil**, Quality was considered to be the most important factor, while Taste and Packing were next important factors. In case of **Bath Soap**, Availability, Brand and Media Influence were considered to be most important factors, while Ingredients was next important factor. In case of **Shampoo**, Brand was considered to be the most important factor while Quality and Ingredients was considered to be the next important factors. It was also found that in sales promotion cash discount, free gifts, gift vouchers and hampers were highly influential tools. However the contest/coupons were the least influencing factor. Regarding media influence on the buying decisions, Television was found to be highly influencing media the next were Newspapers and Magazines, surprisingly internet and Hoardings were considered to be least influencing medias.

Salmon, (2008). A reference group is used by an individual as a framework of personal identification or to identify and/or classify others .Groups that have direct influence on an individual are called as membership groups. Groups with indirect influence are then called as non-membership groups. Hawkins, Best and Coney (1989) conclude that most of us belong to a number of various groups and perhaps would like to belong to several others.

HareemZaib, (2011) Examines the Pakistani women of the consumer purchasing behavior and to understand the key factor of branded clothing which influence the consumption of female participation trend toward branded clothing. A survey was conducted in a general way the consumption of female aged between 13-19 to obtain empirical evidence by using questionnaire and statistical techniques. The total of 320 respondents completed the questionnaires. The results have shown that the status of brand, the brand attitude, paying premium of branded clothing, and the self-concept and the reference group has been found to have positive effects on women consumer buying behavior while increasing consumer participation of clothing to the mode. This paper develops understanding female consumer buying behavior related to Pakistani environment and highlights the factors that strongly influence the consumption participation in clothing to the mode. However that research is

totally conducted in Pakistani context and it is applied in Pakistan related to our research work because authors examined the female consumer buying behavior and involvement regarding branded product. Authors used effective and well-organized methodology by using the questionnaire for quick response by the participants.

According to Martin and Bush, (2000) noted that Teenager influence each other's when they adopt particular life styles, building loyal buying model that continue with them all over their mature life and have comparatively greater payments power.

#### IV. RESEARCH METHODOLOGY

In order to study consumer buying behavior on packaged food & beverages, research has made on different categories of consumers. Information is collected through 120 respondents from Assam by questionnaire method. Stratified random sampling is used for collection of data. For testing hypothesis chi square test is applied.

#### V. FACTORS MEASURED FOR THE STUDY

To study consumer buying behavior on packaged food & beverages following factors are considered.

**1. Age group:** Information collected through questionnaire from 120 respondents is classified according to their age. Respondents are classified in to three different age groups. Respondents of age 18 years to 30 years are classified as "Young respondent"; age 31 to 40 years is classified as "Medium age group" and age 41 years and above is classified as "Elderly age group". It is divided equally as 40 respondents for each category.

**2. Gender:** Information about gender is collected from 120 respondents is classified in to two groups namely "Male" and "Female". It is divided equally as 60 respondents for each category. Further, it is divided as 20 male and 20 female for each category of age.

**3. Monthly disposable Income:** Information about annual income is also collected through questionnaire from 120 respondents. Respondents are classified in to three different age groups. Respondents having annual income less than 5 lacs is classified in to "Low income group", respondents of annual income from 5 lacs but less than 10 lacs is considered as, "Middle income". Out of the total 120 respondents, 25 are from "High income" (i.e. above 10 lacks) group, 49 are from medium annual family income group (i.e. 5 to 10 lacks) and remaining 46 belong to low annual income group ( i.e. 3 to 5 lacks).

#### Hypothesis One:

H0: There is no impact of age on consumer behavior towards packaged food & beverages.

H1: There is an impact of age on consumer behavior towards packaged food & beverages.

#### Hypothesis Two:

H0: There is no impact of gender on consumer behavior towards packaged food & beverages.

H1: There is an impact of gender on consumer behavior towards packaged food & beverages.

#### Hypothesis Three:

H0: There is no impact of monthly disposable income on consumer behavior towards packaged food & beverages.

H1: There is an impact of monthly disposable income on consumer behavior towards packaged food & beverages.

Results of Chi-square test					
Sl.no	Null Hypothesis	Degree of Freedom	Calculated Chi-square	Table Chi-square Value (5% l.o.c.)	Result of Test
1	There is no impact of age on consumer behavior towards packaged food & beverages.	4	14.073	0.03	Accepted
2	There is no impact of gender on consumer behavior towards packaged food & beverages.	2	13.219	0.02	Accepted
3	There is no impact of monthly disposable income on consumer behavior towards packaged food & beverages.	4	10.744	9.49	Rejected

Above table indicate results of chi-square test for testing of null hypothesis.

**Null Hypothesis H1:** There is an impact of age on consumer behavior for packaged food & beverages. To test null hypothesis chi-square test is applied. Results of test are given on the above table. Chi-square calculated value is (14.073) is less than chi-square table value (0.03) at 5% level of significance. Therefore test fail to accept the null hypothesis. Hence there is an impact of age on consumer behavior for packaged food & beverages.

**Null Hypothesis H2:** There is an impact of gender on consumer behavior for packaged food & beverages. To test null hypothesis chi-square test is applied. Chi-square calculated value is (13.219) is less than chi-square table value (0.02) at 5% level of significance. Therefore test fail to accept the null hypothesis. Hence, there is an impact of gender on consumer behavior for packaged food & beverages.

**Null Hypothesis H0:** There is no impact of monthly disposable income on consumer behavior for packaged food & beverages. To test this null hypothesis chi-square test is applied. Chi-square calculated values is (16.401) is greater than chi-square table value (12.5) at 5% level of significance. Therefore test is fail to reject the null hypothesis. Hence, there is no impact of monthly disposable income on consumer behavior for packaged food & beverages.

## VI. FINDINGS OF THE STUDY:

From the above study findings are as follows:

1. Consumer buying behavior has an association with age. Preference for packaged food & beverages is not equal across all age groups.
2. Consumer buying behavior has an association with gender. Preference for packaged food & beverages is not equal for men and women.
3. Consumer buying behavior has no association with monthly disposable income. Preference for packaged food & beverages is equal for all the categories of income groups.

## VII. CONCLUSION:

To conclude the researcher would like to state that irrespective of any age or gender the packaged foods and beverages are equally consumed by the respondents. But there is a difference among people having different monthly disposable income. Hence, the packaged food and beverages industry has a greater scope in relation to price and consumption analysis.

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