

## A Study of Factors Affecting Brand Switching for Processed and Packed Ready to-cook Food Packs

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### **Abstract**

The processed food market is projected to be over US\$ 100 bn, of which the primarily processed food market accounts for 60%, while the value-added processed food market is around 40%. The food processing industry in India has a share of 1.5% in the total GDP of the country, and as part of total manufacturing accounts for 9%. India's share in world trade in respect of processed food is about 1.6% .A large number of players in this industry are small sized companies, and are largely concentrated in the unorganized segment. This segment accounts for more than 70% of the output in volume terms and 50% in value terms. The segment preferences in rural market & influx of multiple product items in the segment makes it imperative to understand the peoples outlook towards the segment.

### **Key Word:**

Retail, Ready to cook segment, Processed food, Brand switching.



### **Indian Market overview:**

The Indian Ready to Cook (RTC) food segment has emerged from yesterdays;

- Globalization of Indian food and its culture are the core factors for popularization of ready to cook foods.
- Main motivation for these ready to eat foods is fast growing foreign market.
- Retail outlet culture is now growing rapidly in India.
- Shelf life of these foods is at least 12-18 months.
- Quality, Taste and Flavor of these foods remains as good as fresh up to the expiry date.
- Women wanting to spend more time out of the kitchen.
- More working bachelors staying away from homes.
- Cost effective in comparison to the Indian cuisine served by the restaurants in foreign countries.

companies in food processing sector using "Retort Technology" developed by Defense Food Research Laboratory (DRFL).These foods meet the specific needs of convenience, nutritional adequacy, shelf stability, storage, distribution to the centers and have become very popular after the Year 2002. The pioneer introduction of retorting technology has made the sale of 'Ready to Eat' food products commercially viable with great taste.

Ready to Cook (RTC) food segment has emerged from its early days of being a fringe alternative to home cooked meal or to eating out. A fast-paced urban lifestyle, increasing prevalence of nuclear family structure, rising disposable income, increasingly larger number of globe-trotting Indians with an experimentalize palate are all favorable demographic factors spurring the adoption of RTC foods in India. Further, the growth of modern retail has provided unprecedented brand and category visibility to convenience foods. Also, technological advancements in packaging and flavor science have brought RTC foods center-stage among urban Indians. In the RTC segments, and specifically in pasta, vermicelli and instant mix categories, the competitive landscape is largely dominated by 4-5 players, including MTR, Gits, ITC, Bambino, and Kohinoor Foods. Tata Strategic Management Group, today, released its analysis on the Ready-To-Eat (RTE) foods market in India currently worth Rs. 128Cr. (2006), expecting it to further expand to Rs 2900 Cr. by 2015. According to McKinsey & Co, the retail food sector in India is likely to grow from USD 70 billion now to USD 150 billion by 2025, with 60 per cent of this market belonging to this convenience food category

### **Objectives of the Study**

This study is being conducted to fulfill following objectives:

1. To identify the factors that triggers brand switching behavior among consumers for Ready-to-cook meal products.
2. To study the Consumers attitude towards Ready-to-Cook packaged brands.

### **Hypothesis**

#### ***Hypothesis Testing:***

1. Between Occupation and attributes

Ho: There is no Significance Relationship between Brand switching factors and Occupation of the respondent.

H1: There is Significance Relationship between Brand switching factors and Occupation of the respondent.

2. Between Family Type and Attributes

Ho: There is no Significance Relationship between Brand switching factors and Family Type of the respondent.

H1: There is Significance Relationship between Brand switching factors and Family Type of the respondent.

3. Between Family Income and Attributes

Ho: There is no Significance Relationship between Brand switching factors and Family Income of the respondent.

H1: There is Significance Relationship between Brand switching factors and Family Income of the respondent.

Steps in the research:

- Collection of data pertaining to Ready to cook market and identifying the research problem;
- Collection of data from secondary data related to the research problem;

Primary data collection using Questionnaire targeting a sample size of 384 people Data Collection Method

For the collection of primary data, online survey was conducted for the sample frame.

**Sample Size**

A sample of 384 was drawn .

**Sampling Method**

Sampling Method for the research was Non-Probabilistic, convenience Sampling Method.

**Sampling Unit**

The sample units of this research are the people of Ahmedabad who make purchase of ready to cook processed food packets.

**Data Collection Instrument**

For the collection of primary data, a questionnaire was designed. This questionnaire contained multiple choice questions, likert scale questions and questions pertaining to demographic information extraction.

**Demographic profile of Respondents:**

51% of the respondents are Male, and remaining 49% are female. 40% of the respondents are in age group of 18-25 years, 37% of the respondents are of 26-40 years age group. 16% and 7% of respondents are in age group of 41-55 years and above 55 years respectively. 23% of the respondents are self-employed and same percentages of respondents are in Service. 27% of the respondents are Student. 22% of the respondents are Housewives, and 5% of the respondents are Retiree. 40% of the respondents belong to Nuclear family. 29% of the respondents are part of joint family. And rest 23% and 8% belongs to Hostel/P.G. and travelling respectively .Majority of the respondents have a family Income between Rs. 50,001 – Rs. 1,00,000 monthly. Also, considerable percentage of respondents has a family Income between Rs. 20,001- Rs. 50,000.

**Analysis:***ANOVA:Occupation and attributes*

**Table 1 : Between Family Type and Attributes**

		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	<b>Result</b>
When my preferred brand is not available.	Between Groups	7.927	3	2.642	3.105	0.027	Hypothesis Ho rejected
	Within Groups	322.486	379	0.851			
	Total	330.413	382				
If other brand introduce any promotional scheme. ( Including lowering price)	Between Groups	1.446	3	0.482	0.5	0.683	Hypothesis accepted
	Within Groups	365.77	379	0.965			
	Total	367.217	382				
If another brand is recommended by someone you trust.	Between Groups	0.557	3	0.186	0.215	0.886	Hypothesis accepted
	Within Groups	327.829	379	0.865			
	Total	328.386	382				
If other brand is of superior quality	Between Groups	1.755	3	0.585	0.691	0.558	Hypothesis accepted
	Within Groups	320.804	379	0.846			
	Total	322.559	382				
If other brand has wider range of products	Between Groups	4.306	3	1.435	1.662	0.175	Hypothesis accepted
	Within Groups	326.552	378	0.864			
	Total	330.859	381				
If other brand is more easy to use (in terms of cooking)	Between Groups	0.736	3	0.245	0.264	0.851	Hypothesis accepted
	Within Groups	352.189	379	0.929			
	Total	352.924	382				
If other brand has more attractive packaging	Between Groups	2.955	3	0.985	0.901	0.441	Hypothesis accepted
	Within Groups	414.45	379	1.094			
	Total	417.405	382				
If other brand is being endorsed by a celebrity you like.	Between Groups	4.046	3	1.349	1.142	0.332	Hypothesis accepted
	Within Groups	447.672	379	1.181			
	Total	451.718	382				
Brand Image of other brand	Between Groups	5.151	3	1.717	2.108	0.099	Hypothesis accepted
	Within Groups	308.718	379	0.815			
	Total	313.869	382				

**Table 2 : Between Family Income and Attributes**

		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>	<b>Result</b>
When my preferred brand is not available.	Between Groups	3.839	3	1.28	1.485	0.218	Hypothesis accepted
	Within Groups	326.574	379	0.862			
	Total	330.413	382				
If other brand introduce any promotional scheme. ( Including lowering price)	Between Groups	7.186	3	2.395	2.522	0.058	Hypothesis accepted
	Within Groups	360.03	379	0.95			
	Total	367.217	382				
If another brand is recommended by someone you trust.	Between Groups	1.996	3	0.665	0.773	0.51	Hypothesis accepted
	Within Groups	326.39	379	0.861			
	Total	328.386	382				
If other brand is of superior quality	Between Groups	9.021	3	3.007	3.635	0.013	Hypothesis Ho rejected
	Within Groups	313.538	379	0.827			
	Total	322.559	382				
If other brand has wider range of products	Between Groups	1.462	3	0.487	0.559	0.642	Hypothesis accepted
	Within Groups	329.397	378	0.871			
	Total	330.859	381				
If other brand is more easy to use (in terms of cooking)	Between Groups	0.764	3	0.255	0.274	0.844	Hypothesis accepted
	Within Groups	352.16	379	0.929			
	Total	352.924	382				
If other brand has more attractive packaging	Between Groups	1.403	3	0.468	0.426	0.734	Hypothesis accepted
	Within Groups	416.002	379	1.098			
	Total	417.405	382				
If other brand is being endorsed by a celebrity you like.	Between Groups	2.027	3	0.676	0.569	0.635	Hypothesis accepted
	Within Groups	449.691	379	1.187			
	Total	451.718	382				
Brand Image of other brand	Between Groups	5.487	3	1.829	2.248	0.082	Hypothesis accepted
	Within Groups	308.382	379	0.814			
	Total	313.869	382				

**Table 3 : Between Occupation and attributes**

		Sum of Squares	df	Mean Square	F	Sig.	Result
When my preferred brand is not available.	Between Groups	6.516	4	1.629	1.901	0.11	Hypothesis accepted
	Within Groups	323.896	378	0.857			
	Total	330.413	382				
If other brand introduce any promotional scheme. ( Including lowering price)	Between Groups	25.173	4	6.293	6.955	0	Hypothesis Ho rejected
	Within Groups	342.044	378	0.905			
	Total	367.217	382				
If another brand is recommended by someone you trust.	Between Groups	8.761	4	2.19	2.59	0.036	Hypothesis Ho rejected
	Within Groups	319.625	378	0.846			
	Total	328.386	382				
If other brand is of superior quality	Between Groups	15.099	4	3.775	4.641	0.001	Hypothesis Ho rejected
	Within Groups	307.459	378	0.813			
	Total	322.559	382				
If other brand has wider range of products	Between Groups	3.639	4	0.91	1.048	0.382	Hypothesis accepted
	Within Groups	327.22	377	0.868			
	Total	330.859	381				
If other brand is more easy to use (in terms of cooking)	Between Groups	5.348	4	1.337	1.454	0.216	Hypothesis accepted
	Within Groups	347.577	378	0.92			
	Total	352.924	382				
If other brand has more attractive packaging	Between Groups	11.207	4	2.802	2.607	0.035	Hypothesis Ho rejected
	Within Groups	406.198	378	1.075			
	Total	417.405	382				
If other brand is being endorsed by a celebrity you like.	Between Groups	5.266	4	1.316	1.115	0.349	Hypothesis accepted
	Within Groups	446.452	378	1.181			
	Total	451.718	382				
Brand Image of other brand	Between Groups	4.798	4	1.2	1.467	0.212	Hypothesis accepted
	Within Groups	309.071	378	0.818			
	Total	313.869	382				

## ***Interpretation***

### *1. Between Occupation and Attributes:*

For Promotional scheme, Recommendation by someone trusted, Superior quality of the other brand, and attractive packaging, it can be said that there is a significance relationship with the Occupation of the respondent. And for the others attributes there is no significance relationship with the Occupation of the respondents.

### *2. Between Family type and Attributes*

Only for the attribute “Availability of the brand” it can be said that there is a significance relationship with the family type of the respondents, all other attributes do not possess any significance relationship with the family type of the respondents.

### *3. Between Family Income and Attributes*

Only for the attribute “Superior Quality of the other brand” it can be said that there is significance relationship with the family Income of the respondents. All other factors does not have any significance relationship with the family Income of the respondents

## ***Findings:***

- 52% of the respondents said that they picked up ready to cook food pack while shopping for the monthly grocery.
- Display at super market was rated as the best source of awareness for the ready to cook food products, after that T.V. Commercial was voted as best source.
- MTR, Knorr and Kitchen of India were found to be the most recalled brands among the customers.
- Customers have a positive attitude towards the ready to cook food packs, and they have accepted it as a part of their lifestyle.
- Majority of the respondents don't see any sort of health related concerns with the consumption of ready to cook food packs.
- Also, customers sees RTC food packs as value for their money.
- Customers were found to be flexible with the brands on various parameters such as Price, Quality, ease of use and several others.

## **Conclusion**

From this study it can be concluded that Ready to cook food packs brand have a positive place in the minds of consumers of Gujarat. People have started including RTC food packs as part of their grocery plan and RTC's are now not just remained to be used as aid in emergency. Thus, change in lifestyle of the people have empowered the brands to grow a larger customer base in the state. But the real problem for the brands lies in customers loyalty, the findings of the research suggest that customers are not very loyal towards the brand they use. They are ready to switch among brands if other better options are available. Options in terms of better price, Quality, celebrity endorsement and others. So, the RTC food packs brand require to build more of brand equity, and introduce more of loyalty programs.

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