

Demographics as determinants of consumption pattern of packaged food products: A post globalization study in India

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ABSTRACT

Globalization refers to increasing global connectivity, integration and interdependence in the economic, social, technological, cultural, political, and ecological spheres.

Globalisation creates unparalleled economic opportunities as well as deepening social inequalities and personal insecurities. The raising consumer awareness on the importance of sustainable production and consumption patterns has captured the media attention.

This paper under study, views the affect of Globalisation on the consumption pattern of the Indian consumers with special reference to packaged food products (PFP). This paper attempts to study the effect of globalization on consumption pattern of Indian consumer in general and packaged food product in particular. The primary variable, which determines consumption pattern, is income of the respondent. The secondary variables are Household income, Age, Occupation, and Number of family members- Independent/ Dependent. The study had considered two variables one is gender and the other is occupation, in order to find whether there are any differences in the perception of man and women belonging to service and business class about the effect of globalization on their consumption pattern.

Key words: Globalization, consumption pattern, demographics, packaged food products.

INTRODUCTION

Globalization is more than a trade reform it is revolutionary in nature. Over a period of time globalization has increased in importance and countries have become less narrow in their policies and framework. There are however two differences between earlier phases of globalization and the present one. First, the speed of change is faster. Second, because most flows (including capital) are private ones, governments have become less powerful in controlling or determining the shape of globalization. This increase is due to open FDI policy which has given foray to private players across sectors. However, there is a dogmatic element to globalization as well. The cross- cultural empirical evidence is fairly robust that more the economies tend to perform better than more sequestered ones. Borders have become irrelevant today in the world of trade, after all boarders are artificial boundaries, created by political and legal environment. The point about efficiency gains need not be thrashed. If it does not make sense for Delhi to produce everything that is consumes, it does not make sense for India to produce everything that Indian consumes and this holds true globally. Present study attempts to study the consumption pattern of Indian consumers with special reference to Packaged food products. The demographic variables taken to find out the difference between the heterogeneous consumer groups were gender and occupation.

REVIEW OF LITERATURE

India has progressively become a part of globalization process; it has been possible due to opening up of economies and increased trade opportunities around the world. Globalization is defined as free cross-border flow of goods, services, capital, labor, information, ideas, and intellectual property (**Debroy, 2005**). Indian reactions to Globalization cannot be considered self-regulating of Indian reactions to liberalization. While discussing the political economy of reforms, consumers represent a powerful lobby in favor of reforms. Consumers could be divided into various classes on the basis of demographic factors like lifestyles, dwelling area, purchasing power, saving habits, spending behavior, broadly into Higher, Middle and Lower class. If one wants to study the impact of globalization on these classes which comprises of different consumers with different consumption habits. Major impact of Globalization can be seen on the High-income and Middle-income group. Post Globalization the availability of services and product have increased a great deal and as a result the consumers are enjoying huge variety of goods and services that is why it is so correctly said "Consumer is king" (**Kotler 2003**). The size of consumer market is vast and expanding constantly. Consumer preferences are changing and becoming highly differentiated. Indeed, a major concern for too many international companies are that there is huge diversity in the Indian population and the same lacks the familiarity with the needs, preferences and consumption habits of consumers in foreign markets. Marketers now use cross-cultural consumer research studies as the basis for product development and promotional strategies to meet the needs of targeted foreign consumers (**Schiffman and Kanuk 2004**). India is a country full of diversities therefore it becomes very essential to conduct a market research before entering in to Indian market. Indian consumers are different from other consumers in various aspects like tastes, preferences, lifestyles, buying behavior, consumption behavior etc.

The four decades since 1960 have witnessed rapid growth of the global economy and a doubling of the world population. At the same time, global food consumption has kept pace with income and population growth, leading to increased demand for most food commodities. There are studies, which have been taken place in the area of studying consumption pattern (**Huang and David, 1993**). Most of the studies are undertaken in foreign countries. Studies of the world's population have consistently shown that the rate of growth in population is slowing, and that global population may even cease growth sometime in the 21st century. Projections of global food demand have already taken consideration this slowing of the rate of population growth. In most projections, the other main determinants of food consumption have been income and prices. Recent research (**Blisard and Blaylock, 1994**) has suggested that other demographic variables also determine the rate and composition of changes in food consumption. In studies of food consumption over an item, it is important to include age-related variables. In order to explain past changes in food habits and to project future levels of food consumption, economists need to think through and empirically test linkages from the demographic shifts to the observed changes in food consumption.

With the evolution of food retail modernization and rapid changes in the buying behaviour of consumers, the retail market for packaged food product is multiplying rapidly. To capture the opportunities of a growing organized retail market in the country, big corporate organizations are foraying into this segment. (**Ali et. al., 2010**) Many studies on consumption pattern have shown that consumption pattern varies with various demographic variables, consumption pattern is bound to change as an individual grow older (**Blisard and Blaylock, 1994**). At the house hold level, the consumption pattern is defined as the amalgamation of the types, quantities and frequencies of diverse food items consumed within a given period of time. It had been

observed that as income level increases people tend to spend more on food items. The quick pace in the nutrition transition is driven by a radical change in the food marketing and distribution system. The emergence of supermarkets in developing countries is at the heart of the development. (Schmidhuber, 2003) therefore the availability of various processed food items had seen a substantial increase. Studies have shown that the major determinants of consumption pattern are ethnicity, and cultural traditions, household income and household location. Household location influences structure of consumption by influencing the availability of various food items (Kari 1989). Some researchers had also emphasized the role of price as a determinant of consumption pattern (Shaik 2007).

There is a shift seen among the Indian consumer's people are moving towards urban areas for jobs and several other reasons. Due to which the awareness among the consumers of 21st century regarding the variety of packaged food items have increased, Urbanization also means that people more frequent eat outside the home due to availability of products, often under budgetary constraints. The packaged food companies had catered for these constraints by providing fast access to cheap meals, take away service or home delivery services (Schmidhuber 2003). Availability factor also plays an important role as a determinant because consumers don't have much time to spend while purchasing for food items.

OBJECTIVES OF THE STUDY

1. To find out weather there is any significant difference in packaged food consumption pattern among male and female consumers.
2. To find out whether there is any significant difference in packaged food consumption pattern among different occupational groups.

RESEARCH METHODOLOGY

Study

The study is exploratory in nature undertaking to develop a comprehensive framework of consumption pattern with special reference to PFP.

Research Design

	Service	Business	Total
Male	26	27	53
Female	29	19	48
Total	55	46	101

Sample

Sample consists of 101 respondents from business and service class in Indore city with the mean age of 29.

Sampling Techniques

Convenient sampling was used for the purpose of the study.

Tools**a) Data Collection**

Self-designed questionnaire, on the basis of literature review, was prepared with forty-five statements and five point likert scale was used to answer these statements for the purpose of the study.

b) Data Analysis

H1: There is no significance difference between the mean perception of male and female consumers with respect to consumption of packaged food product

H2: There is no significance difference between the mean perception of service and business class consumers regarding the consumption of packaged food products.

T test was used to analyze the data to find the significance difference between the mean perception of male and female consumer as well as between business and service class consumers.

Results

The detailed discussion highlights that both gender and occupation plays a significant role on determining consumer preferences towards consumption of packaged food products.

Table 1: Comparison of mean perception regarding each statement between male and female consumers

S.N.	H ₀ : There is no significant difference between the mean perception of Male and Female consumers regarding:	t value	Result H ₀	α
1	the increased availability of packaged food product in the market.	2.3954 *	Rejected	0.05
2	increased variety of packaged food product in the market.	1.8269	Accepted	0.05
3	improved quality of packaged food product.	1.3238	Accepted	0.05
4	compatible prices of PFP .	1.8686	Accepted	0.05
5	increased consumption of PFP.	0.8916	Accepted	0.05

Table 2: Comparison of mean perception regarding each statement between service and business class consumers

S.N.	H ₀ : There is no significant difference between the mean perception of service and business class consumers regarding:	t value	Result H ₀	α
1	the increased availability of packaged food product in the market.	0.6356	Accepted	0.05
2	increased variety of packaged food product in the market.	2.1874 *	Rejected	0.05
3	improved quality of packaged food product.	0.6956	Accepted	0.05
4	compatible prices of PFP .	0.0857	Accepted	0.05
5	increased consumption of PFP.	3.5486 *	Rejected	0.05

DISCUSSION

The results indicate that there is no significant difference between the perceptions of male and female; service and business class consumers regarding the increased job opportunities after globalization. For the reason that workforce in India is cheaper as compared to other countries, Multi National companies had entered Indian market to employ Indians. The results indicate that there is no significant difference between the male and female but significant between business and service class consumers regarding increase in their personal income post globalization. Perceptual difference between male and female regarding understanding of diet role is mainly because of the reason that females are more involved in managing family's diet as compared to males. A businessman has least time for looking after its family's health and diet as compared to a serviceman, this may be one of the reasons for the perceptual difference. The consumers today are growing more health conscious and are well informed about the various ingredients and their effect on health. They are equally concern about the content and ingredients used in the processed foods so as to avoid health related (Posner, 1996). Perception of male and female; business and service class consumers regarding availability of PFP was same. Regarding variety of PFP a significant difference was revealed by the study with a thinking of more variety of PFP in service class consumers than business class. Perception of male and female was same with regard to the perception of variety. Difference was observed because in view of businessmen there is yet a potential for the variety of PFP to be explored but servicemen feels that a wide variety of PFP is available in the market. PFP have been slow in penetrating the large potential presented by India's 250 million strong middle-class. But due to growing urbanization and changing food habits, the demand has been rising at a good pace and there is enough latent market potential waiting to be exploited through developmental efforts (Food Processing Industries, 2016). Perception of male and female; business and service class consumers does not differ significantly regarding the quality of PFP. Indian food processing markets are opening up for wide foreign investments across the globe. The food processing market is one of the most significant in terms of production, exports and import percentage and consumption prospects. India is one of the major producer of food products in the world and is witnessing huge reforms in its food trade policy. Study revealed that there is no significant difference between male and female; business and service class consumers regarding compatible prices of PFP in the market.

CONCLUSION, SUGGESTIONS AND IMPLICATIONS:

As consumers today are more aware about latest developments going around them, they are more concerned regarding the role of diet in health. The choices among the consumers are more therefore it's a challenge in front of the marketers to produce goods which not only match the level of consumer satisfaction but are also able to fight intense competition. In case of Packaged food consumption of male and female consumers differs which shows that gender plays an important role in determining the consumer behavior, therefore it poses a challenge in front of marketers and producers of packaged foods to study both the segments separately because of the basic difference in their taste preferences and role in the family. The other demographic variable, which plays an important role in determining the consumption pattern, is occupation. There were few differences in the consumption pattern of service and business class consumers therefore it is important to study occupation of consumers while segmenting them.

The effect of gender within a group of business class, service class, a group of age or a group of income can also be further studied. As presents study considers only two demographic variables gender and occupation other variables like age, income, size of family etc can also be focused to determine consumption pattern of

packaged food products. Lifestyle and social class can be two important psychographic variables, which can be studied to find out their influence on consumption pattern of packaged food products. Every culture has its own customs, values, eating habits and tastes depending on which it can differ in consumption pattern and thus impact of culture on consumption pattern of packaged food products can be an area of future research. On the similar lines a detailed study can be done on Fast Moving Consumer Goods (FMCG) in place of packaged food products taking age, income, family size, gender and occupation as demographic variables.

The study had shown that occupation plays an important role because of different life styles people have being in different occupations i.e. business and service class. Therefore, marketers can design products by keeping this distinction in mind. As the study had shown that there lies a significant difference between male and female consumers in terms of consumption behavior therefore marketers should design various advertisements and promotional schemes to cater these segments separately because of their unique needs. Another important implication of the study could be for the restaurant owners. As the results had shown that business class people are generally reluctant to eat out therefore the restaurant owners can create an ambience that would even encourage business class families.

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