

# An Empirical Study on Brand Awareness and Consumption Pattern of Edible Oil in Kolkata

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## Abstract

*The field of consumer behaviour studies deals with how individuals, groups and organisations select, buy, use and dispose of products and experiences to satisfy their needs and desires. Consumer buying behaviour is itself is a complex, dynamic issue which cannot be defined easily and commonly. The research work was conducted to explore the cause and effect relationships between the age groups, family size, degree of awareness, sources of awareness, brand preference in the edible oil segment, variants of edible oil frequently consumed, monthly consumption of the edible oil with an emphasis on Emami Healthy and Tasty brand.*

**Keywords:** Brand Preference, Brand Awareness, Decision Making Process, Buying Behaviour.

## Introduction

Consumer Behaviour is a broad area of study that crosses all the fields of economics, psychology, and sociology. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Customer behavior study is based on consumer buying behavior, with the customer playing the three distinct roles of user, payer and buyer. It is seen that consumer behavior is difficult to predict, even for experts in the field. A problem statement is a clear description of the issues. It includes a vision, Issue statement, and method used to solve the problem.

According to Oxford Advanced Learner's Dictionary, the word "consumer" means "a purchaser of goods or uses services". Black's Law Dictionary described consumer as "the one who consumes, individual who purchases, uses, maintains and disposes of goods and services." Consumer behaviour is

described as the dynamic intermingling of consumers with the marketing stimuli in pre-, during and post-purchase scenarios. Consumer buyer behaviour is considered to be an inseparable part of marketing and involves the study of the ways of buying and disposing of goods, services, ideas or experiences by the individuals, groups and organizations in order to satisfy their needs and wants (Kotler and Keller, 2011). Buyer behaviour has also been defined as "a process, which through inputs and their use though process and actions leads to satisfaction of needs and wants" (Enis, 1974). Consumer buying behaviour has numerous factors as a part of it which are believed to have some level of effect on the purchasing decisions of the customers.

Alternatively, consumer buying behaviour "refers to the buying behaviour of final consumers, both individuals and households, who buy goods and services for personal consumption" (Kumar, 2010). It is the process where an individual takes the decision of what, why, when, where, how and from whom to make the

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purchase (Walters & Paul, 1970). The field of consumer behaviour studies deals with how individuals, groups and organisations select, buy, use and dispose of products and experiences to satisfy their needs and desires. Consumer buying behaviour is itself a complex, dynamic issue which cannot be defined easily and commonly (Evans and Berman, 2005). Therefore, the concept of consumer buying behaviour has been defined in different ways by different researchers (Blackwell and Miniard, 2006). It could also relate to a process of choosing, purchasing, using and disposing of products or services by the individuals and groups in order to satisfy their needs and wants (Solomon, 1995). Similar definition of consumer buying behaviour was offered by Schiffman and Kanuk (2000) in which they described it as behaviour that consumers express when they select and purchase the products or services using their available resources in order to satisfy their needs and desires. Consumer buying behaviour was defined by Stallworth (2008) as a set of activities which would involve the purchase and use of goods and services which resulted from the customers' emotional and mental needs and behavioural responses. Gabbot and Hogg (1998) opined that the process may contain different activities and stages.

All such apparently varying definitions and opinions posit a common view that consumer buying behaviour would involve a process of selecting, purchasing and disposing of goods and services according to the needs and wants of the consumers. However, there is a general consensus among the researchers and academics that this process is subject to continual change over time as the purchase characteristics of the customers change due to their physical and psychological needs.

Today, consumer is called the king of the market. Consumer is at the centre stage of all market activities. It is constant endeavour of producers that the products must conform to the needs of consumer. Hence, it is imperative for the marketers to create value proposition and measure customer value in order to create strategic advantage over competitors (Butz and Goodstein, 2006). The research established the link between better awareness of consumer buying behaviour with well-being of a company and it also revealed that the quality of products could be drastically enhanced had the buying behaviour been understood properly, which in turn could increase the competitiveness of the product offerings in competitive market scenario (Egan, 2007).

## Literature Review

Vijayaganesh and Gomatheeswaran did a survey in Tamilnadu to understand the indispensability of cooking oil as an item in people's diet. The survey revealed that every consumer would try to obtain maximum satisfaction from the oil purchased by

him or her. Consumers could be influenced by the factors like price of the oil, quality of the oil, health aspects, brand name, Consumer's income, Consumer's attraction towards the oil, advertisement influence, Discounts and free gifts, any other attractions etc. This study tried to find out the most influential factor for selecting the cooking oil. Another study revealed that the demand for edible oils in India shown a steady growth at a CAGR of 4.43% over the period from 2001 to 2011, which was driven by improvement in per capita consumption and the inhabitants of several regions in India had developed specific preference for certain edible oils largely depending upon the oils available in the region, such as groundnut oil in the South and West whereas mustard seed/rapeseed oil in the East and North regions; even several pockets in the South would have a preference for coconut and sesame oil (Vyas, Siddiqui & Dewangan, 2013). An empirical study conducted in Coimbatore district explained the brand preference towards edible oil in rural areas (Prema, 2013).

Ashwin (2008) focused on the consumer behaviour in purchase of soybean oil and also the awareness of soya bean oil brand in his city. The study featuring 5 soybean oil brands was conducted on 100 end-users and 50 retailers - the local grocery shop owners. It was observed that the retailers wanted a higher margin from the company and wanted incentive to push the products to the end consumers, whereas the end consumers or users of soybean oil were very much attracted by the consumer sales promotions adopted by these companies. Leakage problem was another major problem as some companies did not follow the policy of product return and hence the retailers suffered the loss. Customers complained about the fact that the retailers did not make them aware of the new product schemes or offers and hence that created a hindrance in positioning of promotions by the company. The customers even complained that sometimes they even faced the problem of leakage due to poor packaging of 1-litre packs. This certainly could influence customers brand evaluation and adversely affect the possibility of repeat purchase (Aaker and Keller, 2008).

## The Research Process

### 1. Formulating the research problem

The research work was conducted to explore the cause and effect relationships between the age groups, family size, degree of awareness, sources of awareness, brand preference in the edible oil segment, variants of edible oil frequently consumed, monthly consumption of the edible oil with an emphasis on Emami Healthy and Tasty brand, being developed by "adopting the 7 Stage European Refining Technology to create a unique combination of purity and taste through retention of natural ingredients" (company website) available in 4 variants, Kachi Ghani

being the flagship one, which Emami Biotech, part of the Kolkata-based Emami Group, is planning to go national with an investment up to 400 crores (Modi, 2014).

Following set of hypotheses was formed to fulfil the research objective.

**H1: There is no association between monthly household consumption of edible oil and family size.**

For above case, family Size was divided into small (less than 4 members), medium (4 to 6 members) and large (more than 6 members) and monthly edible oil consumption was divided into ranges depending on the consumption pattern of the families, viz. low (1-3 litres), moderate (4-6 litres) and high (7-10 litres)

**H2: Awareness of edible oil brands is independent of Gender**

For above case, awareness was assessed on two categories, viz. aware and unaware and gender was considered on male and female.

**H3: Awareness of edible oil brands is independent of Age**

For above case, 3 age categories were chosen, viz. young (20 to 35 years), middle-aged (36 to 50 years) and old (more than 50 years) and the awareness was assessed on two categories, viz. aware and unaware.

**H4: Awareness of edible oil brands is independent of exposure to conventional marketing communication channels (such as TV commercials and print advertisements)**

For above case, awareness was assessed on two categories, viz. aware and unaware and exposure to conventional marketing communication channels was categorized into exposed and unexposed.

**H5: Awareness of edible oil brands is independent of the affinity to social networking sites.**

For above case, awareness was assessed on two categories, viz. aware and unaware and affinity to social networking sites was measured on two categories, viz. insignificant and significant.

**H6: Awareness of edible oil brands is independent of the presence of organised modern format retail stores.**

For above case, awareness was assessed on two categories, viz. aware and unaware and the presence of organised modern format retail stores was divided into two categories, viz. present and absent.

## 2. Research Design

The present study was conducted in the modern format store - Arambagh Food Mart at three locations in Kolkata, viz. Kasba, Jodhpur Park and Santoshpur. The respondents surveyed during the study were direct consumers of edible oil who purchased directly from the modern format stores.

## 3. Sources of data

(a) **Primary data:** Primary data is a type of data which is collected from first hand experience. Three methods were used to collect primary data.

- **Communication Survey:** The survey was conducted by questioning people on subjects of the edible oil and collecting their response by personal means with the help of the questionnaire that consisted of several relevant questions about the customer profile, opinion and edible oil purchase and consumption pattern. Questionnaires were mostly filled up by the researcher for the sake of the customers' convenience.
- **Intercept Survey:** The survey was also conducted by stopping or intercepting shoppers in the organized retail store at random, asking them whether they would be willing to participate in the research study then conducting the interview on the spot and filling in the questionnaires.
- **Observation Survey:** Keen observation was made on the purchase behaviour of people and major decision in purchasing was observed during the survey. Also the buying pattern and trend for other shopping products was observed in various Arambagh Stores.

(b) **Secondary data:** Secondary data is the one that is readily available from different sources and is not the first hand data collected by the person during the research. For the current research, secondary data was taken from a number of books, journals and the internet for better understanding of the area of study.

## 4. Sampling design

- **Target Population:** The target population was primarily the people procuring edible oil from Arambagh Stores (Kasba, Santoshpur, and Jodhpur Park) in Kolkata City. The target audience involved people purchasing edible oil for their family though the survey was just not restricted to people procuring oil, but also extended to the other sections of the store.
- **Sampling Frame:** The sample was piloted by using two frames i.e. List Frame by including the Arambagh food mart in different localities and the Area Frame which was restricted to Kolkata.

- **Sampling Unit:** The sample unit was the food mart of Arambagh in Kolkata. The reporting units were the people purchasing edible oil and the unit of reference was the edible oil.
- **Sample Size:** The survey was accompanied by a sample size of 347 respondents who were shopping at Arambagh Food Mart.
- **Sampling Method:** The survey was conducted by Non probabilistic sampling methods, such as Volunteer Sampling & Convenient Sampling.

#### 5. Statistical Technique

Chi square test was conducted to test the set of hypotheses. Various symmetric measures were used to measure the degree of association.

### Findings

- I. **Family size influences monthly household consumption:** Chi-square test (Pearson Chi-Square=55.277, df=4,  $p<.05$ ) rejected the hypothesis that the family size and monthly household consumption were independent to each other and hence there might be association between family size and monthly household consumption. The symmetric measures (Phi=.402, Cramer's  $V=.284$ ,  $p<.05$ ) found out quite a significant association between family size and monthly household consumption.
- II. **Awareness of edible oil brands is independent on Gender:** Chi-square test (Pearson Chi-Square=0.547, df=1,  $p>.05$ ) accepted the hypothesis that the gender and awareness are independent of each other and there existed no relationship between these two variables.
- III. **Awareness of edible oil brands is independent of Age:** Chi-square test (Pearson Chi-Square=2.186, df=2,  $p>.05$ ) accepted the hypothesis that the age and awareness are independent of each other and there existed no relationship between these two variables.
- IV. **Awareness of edible oil brands is influenced by the exposure to conventional marketing communication channels:** Chi-square test (Pearson Chi-Square=65.012, df=1,  $p<.05$ ) rejected the hypothesis that the awareness of edible oil brands is independent of exposure to conventional marketing communication channels and hence there might be association between awareness and exposure to conventional marketing communication channels. The symmetric measures (Phi=.433, Cramer's  $V=.433$ ,  $p<.05$ ) found out quite a significant association between awareness and exposure to conventional marketing communication channels.

V. **Affinity to social networking sites does not influence awareness of edible oil brands:** Chi-square test (Pearson Chi-Square=0.421, df=1,  $p>.05$ ) accepted the hypothesis that the affinity to social networking sites and awareness are independent of each other and there existed no relationship between these two variables.

VI. **The presence of organised modern format retail stores influences the degree of awareness of edible oil brands:** Chi-square test (Pearson Chi-Square=73.809, df=1,  $p<.05$ ) rejected the hypothesis that the presence of organised modern format retail stores influences the degree of awareness of edible oil brands and hence there might be association between them. The symmetric measures (Phi=.461, Cramer's  $V=.461$ ,  $p<.05$ ) found out quite a significant association between the presence of organised modern format retail stores and the degree of awareness of edible oil brands.

### Limitations of the Research

The time of research was restricted to 4 weeks, which was a major limitation of the study since it limited the access to more number of respondents. The research work was limited to Arambagh Stores because of corporate tie-up. It would have been better if stores like Spencers and Big Bazaar could have been considered because of much higher footfall.

Being posted in the same area (Arambagh Jodhpur Park) for two weeks, the survey was restricted. The locality being the same the customer base was often seen to be the same, making repeat purchases. Often the customers seemed uninterested and reluctant to respond to the survey. Lack of co-operation of some customers and rejections were also faced. Reliability of data was questionable in case of those customers who were unable to recall thus providing ambiguous and incomplete answers. These cases were dependent on memory bias.

Certain male customers had no personal decision making role as to the purchase of cooking oil due since such household decisions are usually taken female members in the family. Many of them had no idea about the monthly oil requirement in the family or even the brand of cooking oil being used at home.

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