

# Factors Influencing Consumer Buying Behaviour for Edible Oil



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## Abstract

Edible oil is very important part of day to day life. The first and the most inevitable ingredient of any dish is the oil in which we cook it. It has higher importance in preparation of tasty food, improving texture of food items, increasing palatability of food, flavor of food and is also one of the crucial components of energy for human survival. India is a vast country and inhabitants of several regions have developed specific preference for certain edible oils largely depending upon the oils available in the region. Today, the highly fragmented Indian edible oil industry with large number of players both from the organized and unorganized sectors has resulted in severe competition and as a result, edible oil businesses in India have shifted their focus to understand consumer choices better on one side and increasingly moving away from products to embracing a structured brand management to achieve competitiveness and profitability in the market place. With increase in literacy rate of the population and also increase in standard of living of the people, use of Branded Edible Oil has increased. Consumers nowadays are very particular about health, as day to day health related problems are increasing and food people eat directly affects health. Therefore people are very particular in purchasing Edible oil. Consumer behavior is not static. The differences in consumer behavior are due to individual factors such as the nature of the consumers, lifestyle and culture, which makes the study essential. This study focuses on the factors affecting the buying behaviour towards edible oil.

**Keywords:** Edible Oil, Consumer Buying Behavior.

## Introduction

Edible oil is the imperative aspect in daily life of everybody. It is one of the most important and frequently used products by all the people. It is one of the basic and important ingredients traditionally used by the people for the food items and is essential for everything that is to be cooked. The market is flocked by different types of edible oils. Such as sesame oil, groundnut oil, coconut oil, gingili oil, sunflower oil, mustard oil, etc (Bhuvanewari, 2015).

Consumers seek to prepare tasty food without any compromise on the nutritional value and health benefits. This can be completed only by adding suitable oil in the dishes that provide energy to human body. The dietary choices and lifestyle have forced the consumers to choose not only the right amount of oil, but also to ensure that the oil should be of the best quality. In modern world, an individual has plenty of choices that make decision on health benefits and bad consequences of dietary fat as it gets a lot of bad drive on health. The dietary fat, which plays a key role in regulating many physiological processes in the body, is essential for healthy life. The crucial task for everybody is how to choose the right kind of, monounsaturated fats, Saturated fats and polyunsaturated present in vegetable oil.

The per capita income of Indian household has risen substantially in the last decade. With the encouraging change in per capita income, the edible oil industry in India has under gone significant changes. The preference for packed oil has increased over loose oil due to affordability and increased attention to health and hygiene. The presence of many organized outlet has augmented this across the country that sell packed oil (Vyas et al 2013). Each year, India consumes over 10 million tons of edible oils. Edible oils have a very high penetration of 90% in India. A growing population, increasing rate of consumption and increasing per capita income are accelerating the demand for edible oil in India (Rajaveni and Ramasamy, 2012)

**Review of Literature**

Kolhatkar (2017) in the research stated that the behavior of the consumers changes with the innovations, change in taste, their likes and dislikes for food items. The main focus of the study was to awareness of consumers regarding ingredients, date of expiry, weight of edible oil. Ambujakshi, (2016) in research on consumers in Bangalore, attempted to know the various trends in the preference of consumers towards edible oils. The research tried to find out the factors influencing the consumer preferences when they purchase edible oils. The finding of the author is that the edible oil industry in India is experiencing a transition in the direction of organized and active integration from the main players. Consumers have specific preference or choice. Consumers analyze the price, quality, packaging aspects etc. before they buy the product and hence, it is up to the different brands of oil manufacturers to concentrate on the related aspects and workout better strategy to magnetize more consumers for their brands. The manufacturers should be able to feel the pulse of consumers. They should plan their production as well as distribution strategies and activities as per the needs and convenience of the customers (Prema, 2013).

Rajaveni and Ramasamy (2012) analyzed and assessed the consumer behavior on consumption of edible oils from various income groups. They also assessed the trend in edible oil consumption. Dasgupta and Pareek (2010) mentioned in their study that a customer is exposed to more than 1500 advertising messages a day. Consumers' encounters more than 150 soaps, 200 edible oils and 90 toothpastes on the shelves of grocery stores to choose from thus leading them towards the state of confusion. After getting aware of that who is your customer and who is involved in decision-making process, it becomes imperative to evaluate the factors that affect consumers.

Pathak and Tripathi (2009) in their study connoted that Indian customers are more sensitive to quality, status and customer service. Sometimes they are even ready to pay exorbitant sums, provided their needs are satisfied. They are essentially looking for an experience which is more of cognitive than physical. Kokatnur (2009) highlighted on quality of the product plays a major role in the consumers preference of the product, their satisfaction and repurchase intension. Maintaining consistent quality can enhance the market share of private labels. Another factor influencing consumer perception of private brands is the package. The taste test study revealed that consumers rate private labels higher than manufacturers' brand.

Hasan and Khan (2009), study proposed that packaging is one of the significant variables for consumer brand preference in edible oils. The study indicates that consumer brand preference has association with packaging characteristics in edible oils.

In India 60% of the health problems are raised by not using the quality edible oil in their regular diet. The consumers must care about the use

of edible oil to avoid the health problems (Sarwade, 2011). Vyas et al (2013) identified that health factor plays a predominant role in selecting the brands. It was identified in the study that most of the respondents switch to different brands of oil for better health. A very strong brand loyalty is not displayed for oil consumption.

Nowadays, Indian customer is demanding more value for the price paid by them. Social structures like peer groups, family and role models are under pressure largely because of the change created by media, technology and competition. These change drivers are today impacting the customer's awareness, social structures, values and even the personality of individual customer.

Consumer behavior is not static. The differences in consumer behavior are due to individual factors such as the nature of the consumers, lifestyle and culture, which makes the study essential. Therefore people are very particular in purchasing edible oil. This study focuses on the factors affecting the buying behaviour towards edible oil.

**Research Methodology****Objective of The Study**

The study is to find out the various possible categories in which consumer classify the influential aspects of edible oil. The objectives of the study are as follows:

1. To know the perceptions of consumers towards edible oil;
2. To identify the factors determining the buying behaviour of consumers towards edible oil;
3. To study the impact of promotional activities on the buying behaviour of consumers for edible oil.

**Sampling and Data Collection**

The National Capital Region (NCR) is the designation for metropolitan area in India. It covers the entire National Capital Territory of Delhi, including New Delhi and urban areas surrounding it in neighboring states of Haryana, Uttar Pradesh and Rajasthan. Strict sampling cannot be applied in selecting the respondents as exhausted list of population is not available. In such cases, Cadler et al, (1981) advocated the use of convenience sampling keeping in mind the important dimensions of population.

The population targeted for this study is the consumers of edible oil. In this study data has been collected from the decision makers of edible oil and also from the informative hand about the use of edible oil.

**Questionnaire Formulation**

A pool of 35 simple and understandable statements relating to – identification of the factors determining the perception of consumers regarding consumption of the edible oil, were collected in the initial stage of construct formulation. Queries

As major measure of construct validity (Messick, 1955), experience survey (Sellitz, 1976) of expert professional (Messick, 1955) was consulted for generation of pool of items. Judgmental sample of professors from Institute of Management Studies, Ghaziabad dealing in consumer behaviour was included in experience surveys as experts, as is

advocated by Churchill, (1979). The statements were further refined to 26 statements after discussion between authors. A non-disguised and structured questionnaire has been utilized as the instrument for data collection. The questionnaire has been divided into two parts. The first part is prepared with the statements related to the factors determining buying and consumption pattern of the edible oil. A 5-point Likert Scale has been developed with the points ranging from 5 to 1, 5 stands for 'Strongly Agree', 4 is for 'Agree', 3 stands for 'Neutral', 2 is for 'Disagree' and 1 is for 'Strongly Disagree'. This scale has been used to collect the data from the respondents. Sensitive questions like demographics and income were kept in the second part of questionnaire. Apart from the primary data a second set of data has also been used for the study i.e., the secondary data. It has been collected from the internet sources, magazines, journals, books, reports, newspapers etc.

#### Sample Size

As discussed earlier that the population targeted for this study is the consumers of edible oil from Delhi NCR. In this study data has been collected from 200 respondents across Delhi NCR, who ought to be the decision makers of edible oil and also from the informative hand about the use of edible oil.

#### Statistical Techniques

Demographic profile of respondents was analyzed by using frequency distribution. Reliability of construct was checked by applying cronbach alpha. Factor analysis using principal components method of factor extraction with varimax rotation was used to bring down the statements to manageable level of dimensions.

## DATA ANALYSIS AND RESULTS

### Analysis of the Demographic Profile of the respondents

A consumer's decisions are also influenced by personal characteristics such as the buyer's age, gender, income etc. Table 1 connotes the classification based on prominent demographic dimensions such as gender, age, qualification, income, marital status and occupation. To analyze the demographic profile of the consumers simple percentage analysis has been utilized. As may be seen from the table that 55 percent are males and 45 percent are females. Age of the consumers reveals that about 16 percent are in the age bracket of 18-27 years, 31 percent falls in the age group of 28-37 years, followed by 24 percent in the age group of 38-47 years and rest 29 percent fall in the category of years 47 and above. It is clearly visible in the table 1 that 41 percent of the respondents are Graduate, 29 percent are having qualification of post graduation, 16 percent of the respondents are school educated and 11 percent fall under the category of illiterate. It can be connoted from the monthly income of the consumers that 10 percent are earning less than 20,000, 17 percent of respondents are earning income between 20,001-35,000, 23 percent are earning between 35,001-45,000, 30 percent of respondents' earnings falls between 45,001-55,000, and rest 20 percent consumers are earning above 55,000. Marital status of the consumers reveals that 75 percent of the consumers are married and 25 percent consumers hold the status of being unmarried.

**Table 1: Demographic Profile of the Consumers of Edible Oil**

Profile	Characteristics	Frequency	Percentage
Gender	Male	110	55%
	Female	90	45%
Age Group	18-27	32	16%
	28-37	62	31%
	38-47	48	24%
	47 & Above	58	29%
Qualification	Illiterate	22	11%
	School Education	38	16%
	Graduate/Diploma	82	41%
	Post Graduate & Above	58	29%
Income (per month)	Below 20,000	20	10%
	20,001-35,000	34	17%
	35,001-45,000	46	23%
	45,001-55,000	60	30%
	55,001 & Above	40	20%
Marital Status	Married	150	75%
	Unmarried	50	25%
Occupation	Home Maker/Retired	44	22%
	Service	116	58%
	Business/ Professional	30	15%
	Others	10	5%

**Factors Influencing the Buying Behavior**

Demographic profile of respondents was analyzed using frequency distribution. Reliability of construct was checked by applying cronbach alpha. Factor analysis using principal components method of factor extraction with varimax rotation was used to bring down the statements to manageable level of dimensions. The value of KMO measure of sampling

adequacy comes out to be 0.76 and Bartlett's test of sphericity was found to be significant, depicting that factor analysis can be applied on this data of 200 respondents. All the 26 statements of questionnaire were subjected to alpha test of reliability; the cronbach alpha statistic for 26 statements was 0.820 showing that scale is reliable.

**Table 2: Four Factor Solution Influencing The Buying Behaviour**

Factors	Variables	Factor Loadings	Eigen Value	% of Variance
<b>Product Centric</b>	Quality	0.811	15.23	31.74
	Brand	0.836		
	Price	0.822		
	Variety	0.723		
	Smell of the Oil	0.715		
	Nutrition Content	0.710		
	Taste	0.709		
	Colour of the Oil	0.626		
	Perishability	0.611		
	Fat Content	0.605		
<b>Personal aspects</b>	Health Benefits	0.815	11.10	20.95
	Budget	0.801		
	Weight Control	0.756		
	Heart Health	0.730		
	Suitability for all ages	0.705		
<b>Promotional Activities</b>	Discounts, offers & free gifts	0.805	7.61	15.85
	Advertisement Impact	0.795		
	Brand Ambassador	0.775		
	On the shelf availability	0.730		
	Suggestions of Retailer	0.682		
	Packaging	0.652		
	Shelf- Display	0.639		
<b>Consumption Pattern</b>	Quantity Used	0.835	6.31	5.76
	Purpose	0.812		
	Expense	0.807		
	Occasions	0.779		

Table-2 provides the various factors determining buying behavior of edible oil. The basis of factor extraction was kept as the rotated factor loading of at least 0.50 which is desirable (Costello and Osborne, 2005). Principal component analysis extracted 4 factors explaining approximately 77 percent of variance. The 4 factors or dimensions which were extracted were named as Product Centric, Personal Facets, Promotional Activities, and Consumption Pattern (Table 2).

Product centric factor is the main determining factor in buying pattern of edible oil which covers 10 variables and explains 31.74 percent of variance in data with Eigen value of 15.23. Quality, brand, price and variety are the top four variables for the consumers in selecting edible oil. The other variables are smell of the oil, nutrition content, taste, colour of the oil, perishability and fat content.

Personal aspects have tremendous influence in determining purchase of edible oil. It explains 20.95 percent of variance in data with Eigen value of 11.10. This factor has five different variables such as health benefits, budget, weight control, heart health and suitability for all ages.

The third factor, promotional activities have seven variables and explain 15.85 percent of variance

in data with Eigen value of 7.61. While discounts, offers and free gifts along with the advertisement, brand ambassador plays a vital role in the consumer decision making process for choosing edible oil, the other variables under this factor are- on the shelf availability, suggestions of retailer, packaging and shelf display. To influence the buying behaviour of the consumers the manufacturer has to create better advertisement which will influence the consumers to make a choice among the different brands of edible oils.

Bhuvanewari, 2015 has also quoted that the manufacturers should focus on the suitable packaging so that the consumers will be attracted towards their products. It has also been recommended that the discounts, samples and combo offers also influence the consumers to buy the edible oil.

The last factor is Consumption pattern which is loaded with variables explaining 5.76 % variance in the data with Eigen value of 6.31. The variables under this factor are Quantity used, purpose, expense and occasions.

It is pretty evident that the buying of edible oil and its perception in the mind of consumers is determined by various factors, which were discussed in the study above.

**Conclusion**

The growth of the population, increasing purchasing power of the consumers, drastic changes in the environment, lifestyle and the dietary have lead to more consumption of edible oils. Findings suggest that quality, brand and price of the edible oil are the important product related variables on the basis of which buying decisions are taken. Felzensztein et al. (2004) connoted that price and value for money are the motivation for the buying intentions. The personal aspects related to health, weight control, heart health and budget are also found as the main determinants for the buying behaviour. Study highlights that the respondents of the study have keen interest on sales promotional activities and the availability of the edible oil. Companies should run effective promotional offers and campaigns so as to attract the new customers and also to retain the existing ones. The companies should also focus on the availability of these product varieties with more and more visibility so as to generate more sales.

Brand ambassadors and advertisements also play a vital role in making the choice of edible oil. The consumption pattern also plays a major role in the buying decisions such as quantity purchased, occasions etc. A buyer's decisions are also influenced by their demographic profile also. It is visible from the demographics of the respondents that most of them are males and are married too. A large part of the respondents fall in the category of service class. Nowadays the buying roles have considerably changed due to the evolving lifestyles. It can be witnessed that traditionally women were the main purchasing sway for the buying decisions related to food etc. But these days most of the women are holding job therefore the role of husbands have increased in relation to the family purchase decisions. From the study it can be ascertained that product centric and promotional activities largely determines the buying decisions along with ensuring better health.

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