

## CONSUMERS' AWARENESS AND PREFERENCE TOWARDS QUALITY CERTIFIED PRODUCTS

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### ABSTRACT

*Good quality food has been man's main endeavor from the earliest days of human existence. Food quality is the prime and important for any consumer and now a day's people are interested to know about the food safety. Food safety factors are being incorporated in the standards to compete in world trade. Lack of consumer awareness about the certified products available in the market. In this study, Primary data was collected from the 120 sample respondents through pre tested Interview Schedule. The study was undertaken to analyse the consumers' awareness, preference of certified products and their perception on pricing products with reference to ghee, vegetable oils and spices.*

**Keywords:** *Consumer, Satisfaction, AGMARK*

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## INTRODUCTION

Good quality food has been man's main endeavor from the earliest days of human existence. Nutritional status, health, physical and mental faculties depend on the food we eat and how we eat it. Safety of food is a basic requirement of food quality. "Food safety" implies absence or acceptable and safe levels of contaminants, adulterants, naturally occurring toxins or any other substance that may make food injurious to health on an acute or chronic basis. Food quality can be considered as a complex characteristic of food which determines the value or acceptability by consumers.

In India, food marketing systems are not well organized and developed as compared to other developed nations. This may be due to many factors such as growing population, lack of resources to deal with pre-and post-harvest losses in food, etc. Many countries have a food control system, to protect their population against unsafe, adulterated, or otherwise poor quality food. In India we have Food Act, AGMARK, etc to ensure quality food products. But still there are many lacunae and also there exists lack of awareness about food safety and the like among consumers. Grading of food products in terms of physical, chemical and biological properties is one of the most important activities to assure food safety for the consumers.

AGMARK Grading and Standardization is a Central Sector scheme started with the objective for promotion of grading and standardization of agricultural and allied commodities under Agricultural Produce (Grading & Marking) Act, 1937. Quality standards for agricultural commodities are framed based on their intrinsic quality. Food safety factors are being incorporated in the standards to compete in world trade. Standards are being harmonized with international standards keeping in view the WTO requirements. Certification of agricultural commodities is carried out for the benefit of producer/ manufacturer and consumer. Certification of adulteration prone commodities viz. butter, ghee, vegetable oils, ground-spices, honey, wheat, atta etc. is very popular. Blended edible vegetable oils and fat spread are compulsorily required to be certified under AGMARK. .

Lack of consumer awareness for AGMARK products leads to lesser movement of the products. The study was undertaken to analyse the consumers' awareness, preference of certified products (AGMARK) products and their perception on pricing products with reference to ghee, vegetable oils and spices.

## METHODOLOGY

Primary data was collected from the 120 sample respondents through pre tested Interview Schedules. Information related to socio-economic factors of the consumers, place of purchase of products, quality and price perceptions etc., were gathered from consumers. To measure the response on consumers' preference, Likert scale was used in subjective form. The consumers were asked to indicate on a five point scale ranging from one (very insignificant effect) to five (Very significant effect).

Likert scaling is a bipolar scaling method, measuring both positive and negative response to a statement. Sometimes Likert scales are used in a forced choice method where the middle option of "Neither agree nor disagree" is not available. After the questionnaire is completed the score on each item is summed together, to create a test score for the respondent.

## RESULTS AND DISCUSSIONS

### Income Levels of the Consumers

Income of the household, influence the purchasing power of the family. Based on income of the household per month, the sample consumers were classified into three categories and the details are presented in Table 2.

**Table 1: Income Levels of the Sample Households**

S.No	Income Group (Rs / Month)	No. of Respondents	Per cent to total
1	Group I (<Rs 10,000)	27	22.50
2	Group II (Rs 10,000 – 20,000)	41	34.17
3	Group III ( Rs > 20,000)	52	43.33
	Total	120	100.00

It could be seen from the above Table, that 43.33 per cent of the sample consumer households had an average monthly income of more than Rs.20, 000 and one third of the household was classified into group II. Group II and group III which constituted 77 per cent could be considered as the target consumers who might be seeking quality products.

### Factors in Selection of a Brand

Consumers are found to go in for different brands of the commodities under study. The factors influencing the selection of a brand were analysed using Likert scale and the results are furnished in Table 2.

The results (Table 2) indicated that consumers gave maximum weightage to the quality in terms of purity i.e., without adulteration. Price of the product scored a mean of 4.2 which

indicated that consumers are price sensitive. Advertisement and influence by relatives / friends scored above mean score, showing the importance given by consumers for advertisement. Thus the results clearly indicated the importance of quality and price in selection of a brand while purchasing ghee, vegetable oils and ground spices. It was also observed that there was trade off between quality and price in selecting the brand.

**Table 2: Factors Considering in Selection of Brands**

S.No	Factors	Mean Score / (max = 5)
1	Quality – purity	4.6
2	Price	4.2
3	Advertisement	3.8
4	Friends / relatives.	3.1
5	Fast moving brand	2.9

### Information Observed in Product Package

To find out the quality, price etc, certain details are printed on the packages. The consumers' were enquired about the different information that they look for on the packages. The details are furnished in Table 3. It was evident that maximum (81.67 per cent) consumers were conscious and look for the price of the product. Manufacturing date / expiry date leads the quality of the product, was mentioned by 64.17 per cent of the consumers.

**Table 3: Items Observed in Product Package**

S.No	Items	Numbers	Per cent
1	Price	98	81.67
2	Manufacturing date / Enquiry date.	77	64.17
3	Weight / volume	74	61.67
4	Brand	38	31.67
5	Contents of the product	37	30.83
6.	Expert recommendation	14	11.67

### Consumers' Awareness on AGMARK Products

From the table 4, it could be observed that 85 per cent of the sample consumers knew about AGMARK by name and only 70.83 per cent were aware about the AGMARK products. As income increased the awareness on AGMARK products also increased. About 55 per cent of

the high income group were (Group III) aware of AGMARK products more specific to ghee. Low income group (Group I) accounted to only 15.29 per cent.

**Table 4: Consumers' Awareness on AGMARK**

Income group	AGMARK	
	Known	Products
Group I	17 (16.67)	13(15.29)
Group II	33(32.35)	25(29.41)
Group III	52(50.98)	47(55.29)
Total	102(100.00)	85(100.00)

(Figures in parenthesis indicate percentage to total)

### Decision Making Unit of the Household

It would be quite interesting to the marketers to understand the decision making behaviour of the households. Therefore, it was attempted to assess the role of the family members in decision making process towards purchase of consumer products and the results are furnished in Table 6.

**Table 5: Decision Making Unit of the Household to Push AGMARK**

S.No	Decision maker	Numbers	Per cent
1	Wife	47	55.29
2	Both husband and wife	21	24.71
3	Husband	9	10.59
4	Elders	8	9.41
	Total	85	100.00

From the table, it could be noted that in 55.29 per cent of the consumer households the decisions towards purchase of consumer products were made by wives. In 24.71 per cent of the sample households, the husbands and wives made the decisions. Role of elders of the family in purchasing was rather very much limited as evident from Table 9. Based on the results it could be recommended that womenfolk should be made aware of AGMARK products through exhibitions and consumer associations.

### Place of Purchase of AGMARK Products

Details on place of purchase of AGMARK products are shown in Table 7. It could be observed that only 41 consumers, i.e., 34.16 per cent of the sample consumers had purchased AGMARK produce either ghee or vegetable oil or spices powder. Nearly two third of the

sample consumers did not purchase AGMARK products even though 85 per cent of the sample consumers were aware of AGMARK. Maximum consumers (63.41 per cent) purchased AGMARK products from departmental stores. It was also observed that some packers had their local sales, which accounted for 7.32 per cent.

**Table 8: Place of Purchase of AGMARK Products**

Place of purchase	Numbers	Per cent
Department store	26	63.41
Grocery shop	12	29.27
Packers retail shop	3	7.32
Total	41	100.00

#### **Income Group and Period of Usage of AGMARK Products**

The analysis on period of usage and income group (Table 10) revealed that 60.98 per cent of AGMARK products users belonged to high income group and only 9.76 per cent of the users belonged to low income group. It was interesting to note that 63.41 per cent of users had used AGMARK products for the period of 2-5 years. Maximum percentage of users in each category were also using AGMARK products for 2-5 years.

**Table 9: Income Group and Period of Usage of AGMARK Products**

Period of usage	Income Group			Total
	Group I	Group II	Group II	
<1 year	2(16.67)	3(25.00)	7(58.33)	25(100.00)
2-5 years	2(7.69)	8(30.77)	16(61.54)	26(100.00)
>5 years	-	1(33.33)	2(66.67)	3(100.00)
Total	4(9.76) (100.00)	12(29.27) (100.00)	25(60.78) (100.00)	41(100.00) (100.00)

(Figures in parenthesis indicate percentage to total)

#### **Satisfaction Level of AGMARK Products**

The overall satisfaction level of the AGMARK products were rated by Likert scale and the responses were presented in Table 11.

**Table 10: Satisfaction Level of AGMARK Products in Comparison to Non-AGMARK Products**

S.No	Products	Mean score (max = 5)
1	Ghee	4.7
2	Vegetable oil	4.1
3	Spices	3.6

(5= highly satisfied, 4= satisfied, 3= neutral, 2= dissatisfied, 1= highly dissatisfied.)

It was observed that overall satisfaction was higher for ghee followed by vegetable oil. In spices category also, the AGMARK customers had satisfaction by quality. Hence it is concluded that AGMARK satisfied the customers in terms of quality.

#### **Factors Influencing the Preference and Non – Preference of AGMARK Products**

Factors influencing the preference (Table 11) showed that purity stands first among the consumers. Price was ranked as second important factor which is followed by availability of the concerned product.

**Table 11: Factors Influencing the Preference of AGMARK Products**

(n=41)

S.No	Factors	Rank
1	Quality – purity	1
2	Price	2
3	Availability	3
4	Friends / relatives.	4
5	Fast moving brand	5

Reasons for not preferring (Table 12) revealed that non - availability of AGMARK products in most of the grocery shops as the important factor. Higher price of AGMARK products was found to be the second major factor for not purchasing AGMARK products.

**Table 12: Reasons for not Preferring AGMARK Products** (n=41)

S.No	Factors	Rank
1	Not available	1
2	High price	2
3	Competitive brand availability	3
4	Poor quality	4

### Opinion on Pricing of AGMARK Products

Opinion on pricing i.e. the price of the product, response to increase in price, willingness to pay higher prices by consumers were analyzed and the results are presented in following tables.

Maximum (56.10) percentage of consumers felt that the price of AGMARK products were higher (Tables 13). It was also observed that if the prices are increased, there would be the risk of shifting consumers to non -AGMARK products (Table14)

Further it was inferred that 87.80 per cent of AGMARK consumers could be retained in the event of increasing prices up to 2 per cent, beyond which there would be a risk of shifting consumers to non - AGMARK products (Table 15).

Considering the consumers' price behavior, it is advisable not to increase the price to retain the present market share of AGMARK products.

**Table 13: Opinion on Price of AGMARK vs. Non- AGMARK Products (n=41)**

S.No	Price	Consumers (Nos)	Per cent
1	Higher	23	56.10
2	Almost same	11	26.83
3	Low	4	9.76
4	Don't know	3	7.31

**Table 14 Response of the Consumers in the Event of Increase in Price (n=41)**

S.No	Response	Consumers (Nos)	Per cent
1	Will shift to other than AGMARK	19	46.34
2	Will not shift from AGMARK use same quantity.	18	43.90
	Use with reduced quantity	4	9.76
	Total	-	100.00



**Table 15: Opinion of Willingness to Pay High Price on AGMARK Products**

(n=41)

S.No	Price Increase	No. of consumers	Per cent
1	<2 per cent	36	87.80
2	2-5 per cent	4	9.76
3	>5 per cent	1	2.44
	Total	41	100.00

## CONCLUSIONS

- 85 per cent of the sample consumers knew about AGMARK by name and 71 per cent were aware about the AGMARK products. 55 per cent of the consumers who had awareness on AGMARK products belonged to high-income group.
- 34 per cent of the sample consumers had purchased AGMARK produce either ghee or vegetable oil or spices powder and 63 per cent purchased AGMARK products from departmental stores.
- 61 per cent of AGMARK products users belonged to high-income group and 63 per cent of users were purchasing AGMARK products for the past 2-5 years. Maximum percentage of users in each category was also using AGMARK products for 2-5 years.
- Overall satisfaction of consumers was higher for ghee followed by vegetable oil. The consumers reported that AGMARK satisfied the customers in terms of quality.
- Among the factors influencing the preference for AGMARK products, purity stands first followed by price and availability. Non - availability in most of the groceries and high price of AGMARK products were perceived as major reasons for not purchasing AGMARK products by the non- users of the same.
- 56 percent of consumers felt that the prices of AGMARK products were higher. Sensitivity analysis showed that if the price would be increased, there would be the risk of shifting consumers to non-AGMARK products.
- 88 per cent of AGMARK consumers could be retained in the event of increasing price up to only 2 per cent.

## SUGGESTIONS

The following suggestions are made to improve and accelerate the process of AGMARK grading.

- Compulsory use of AGMARK products in nursing homes, students' hostels, noon meal scheme centres and restaurants (having a larger turn over) might be insisted upon.
- Compulsory grading in a phased manner can be considered for the selected commodities by government considering the health of the consumer. Consumer packs of AGMARK products can be considered for sales tax and service tax holidays for a minimum period.
- Consumer packs with AGMARK labels should be made available in all the departmental stores for which specific space should be allotted. This would increase the consumer awareness.
- Promotional activities like advertisements in TV, Radio, FM channels, Newspapers etc., might be done on AGMARK products.

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