

## A STUDY ON CONSUMERS' ATTITUDE TOWARDS MARKETING PROBLEM OF BAKERY PRODUCTS

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### **ABSTRACT**

*Bakery industry is the rapidly growing industry in our country. This industry in India is the largest of the food industries with an annual turnover of about RS 3,000 crore. India is the second largest producer of biscuits in the world. Current study is an attempt to measure the attitude of the consumers towards the marketing problems bakery products. The study is based on primary data collected from the 500 consumers of bakery products. It was found from the study that marketing mix and marketing problems of bakery products are related to each other and thus there is a relationship between marketing mix and marketing problems related to bakery products. The regression results indicate that components of marketing mix which is Product (X1), Promotion (X2), Place (X3), and Price (X4) are positively and significantly related to marketing problems of bakery products. It was found from the study that overall the consumers are more concerned with the problems faced related to the product policy factor of the marketing mix of the bakery products such as, health benefits of the bakery products, nutritional values of the bakery product, texture, varieties, sizes, volume of the bakery products, shelf life, storage quality of the bakery products and energy from the bakery products etc. The consumer are less bothered due to the problems faced by them related to promotion and pricing factor of marketing mix of the bakery products. The consumers are also affected by the place factor of marketing mix as consumers of bakery products are also facing problems related to distribution policy of bakery products.*

**Keywords: Bakery products, Price, Marketing Mix, Product, Promotion, India, Food, and FMCG.**

### **I. INTRODUCTION**

Bakery industry is the rapidly growing industry in our country. This industry in India is the largest of the food industries with an annual turnover of about RS 3,000 crore. India is the second largest producer of biscuits in the world. The bakery industry is divided into two main types: Individual bakers in tiny sector catering to the requirements of their local markets and the Industrial bakers of the Fast Moving Consumer Goods (FMCG) in the category of major industrial units having market operations in many parts of the country.

The bakery industry today offers immense opportunities for bakers, decorators, trainers, process, managers, distributors and many has increased the jobs for the people. It provides vast employment opportunities for the youth also. Trained professionals are getting high salaried jobs in India as well as abroad. India's exports of the bakery products have also raised which is helping in the growth of the economy of the country.

Bakery products have also given some relief to the women. In the early days females had to prepare food all the time with no time to yet relief. But now-a-days as women are also getting professionals, they have less

time to give at home and family. The growth of the bakery products has reduced the responsibilities of kitchen. They can now easily prepare food with the readymade food items which need less labour and time. Increased awareness of the bakery products has reduced the burden of the females in the society. People going out of home can easily satisfy their food needs. Thus the bakery products have solved many problems of the people.

Bakery products also solve the problem of preservation. These products can be stored for few days and do not easily get spoiled. As other food items lose their taste when stored for some time but the bakery products do not lose their taste. People living away from home can easily store these food items. The bakery products have reduced the dependence on females for satisfying their food requirements.

Increased demand for the bakery products has helped the primary sector of the country i.e. agriculture. Almost all the bakery products are made from the wheat and dairy products. There is a great demand of these agricultural items all over the world. Farming has become now more commercial. Farmers grow the crop and sell at competitive prices in the national as well as international market. These bakery products have brought prosperity to the farmers all over the country. Likewise, the demand for the dairy products has also experienced a hike all over the world. The cattle owners get attractive prices for their products. Milk and milk products are in great demand from the last few decades.

Increased earning has improved the standard of living of the people of rural areas which helped in the overall development of the country as more than half of the population of our country is living in rural areas.

The agricultural and dairy products have raised the quantity of exports of the country and thus contributed in balancing the trade of the country. Bakery products have globalized the market facilitating the producers to sell their products profitably.

Bakery products in India are in common use and are very important for our society. In modern days bakery products are becoming one of the most essential food items in human diet due to readymade availability and high nutritive value. These are the most consumable wheat based products. Wheat and other shortening agents are required as raw materials to manufacture these products easily available in India. The plant and machinery and the technology required to manufacturing these products are completely available in India. Since the consumption of bakery products is increasing rapidly day by day, the demand also is increasing enormously. So, though there are a lot of organized as well as private sectors existing, but the demand will not meet totally by them in near future. So far, new entrepreneurs, it may become very good sector for investment. Thus the bakery products have great importance for our society from all of these views.

## II. REVIEW OF LITERATURE

Thanigachalam and Vijayarani (2014) conducted a study to measure the consumer behaviour towards the FMCG products. Researcher has defined consumer behaviour as a process for selecting the goods, buying and dispose of goods in order to satisfy their wants, needs or desires. It is basically a decision process which is affected by various factors such as; attributes of goods, and attributes of company as well. Researcher has found total ten variables for measuring the consumer behaviour namely; product, price, place, promotion, brand knowledge, brand loyalty, brand awareness and customer services (after sales, during sales and pre sales). It was found from the study that brand awareness and promotional offers are two main important factors which affect

the consumer behaviour and decision making process of buying a particular good by the consumers. Katiyar and Katiyar (2014) have measured the behaviour of consumers towards the bathing soaps. It was found from the study that attributes of the product plays an important role in buying decision of consumers such as; fragrance, quantity, shape, colour, usage, and ingredients etc. Celebrity endorsement and advertisements are another factor which affects the consumer behaviour towards the FMCG products especially bathing soap. Chitra (2014) conducted a study to measure the buying behaviour of consumers towards the Apparels with specific brands. The study was based on the primary data. Researcher has divided the variables into two categories namely; brand specific and consumer specific, which affect the purchase intention of consumers. General or consumer specific variables are those which are related to consumers such as; confidence, income level, life style and normative influence while brand specific variables are emotional value, brand equity, brand awareness, perceived quality etc.

Khudsen (2014) conducted a study to measure the attitude of customers towards the wholegrain bread. It was found from the study that consumers specially concern towards the taste and ingredients of the bread. Bread with healthy and nutritious ingredients attracts the consumers. The acceptability of food items by the consumers; affected by the tastefulness, healthy and natural ingredients. Food products with some logo which reflects the health are generally popular among the consumers. Nagyova et al. (2014) conducted a study to measure the behaviour of consumers towards the food items like pastry and bread. Researchers have stated that bakery products are an important part of our day to day life. They have always remained a part of our culture. Behaviour of consumers towards the bakery products are changing due to increase in consumer awareness and change in life style of the consumers. Earlier these products were consumed for need now people look for taste, varieties and perspective of health also. It was found from the study that three factors which affect the consumer behaviour towards the purchase of pastry and breads items are freshness, price and quality.

According to the report of Bakery India, in the current era, consumer looks not only for new bakery products but also for the bakery products with better taste, appeal and convenience. India has more than one billion population and is the country with largest number of middle-class income group consumers. These consumers have huge demand for variety of cloths, food, transport and various items to improve their living standards. Thus, there are huge opportunities available for the Bakery cafes and Restaurants. The sector which caters to the need of fast food for the growing consumers are another fastest growing section in India. The bakery industry in India moving ahead in the direction of making associations with the consumers, establishing research and training institutions for improving the quality of the bakery products, making long term relationships with the suppliers of machinery, and accessories, adding value to the bakery products by using nutritious ingredients, using eco-friendly packing materials, following ethical practices and food laws & regulations and much more. There are so many consultancy firms have been set up for assisting the bakery plants, solutions for the bakery problems, promoting of bakery products, software development for fulfilling the specific needs, sale of old machineries and sick units, mailing list and many more as per the demand of the bakers. Thus, keeping in view the importance of bakery industry in the economic growth of the country, current study is an attempt to measure the consumer attitude towards marketing problems of bakery products.

### III. OBJECTIVE

Following are the main objectives of the study:

1. To measure the consumers' attitude towards the marketing problems of bakery products.
2. To identify the dimensions/factors which lead to marketing problems related to bakery products.
3. To measure the contribution of each of the marketing mix components in the marketing problems related to bakery products.

### IV. RESEARCH METHODOLOGY

Both the secondary as well as the primary data have been used in the present study. Secondary data has been used to collect the information on the current scenario of bakery industry at global level, Indian bakery industry and bakery industry in Pune, Maharashtra state. Secondary data have also been used to get the conceptual knowledge of the research area in detail, to study the various management policies and manuals of the selected organised bakery industry in detail. In order to measure the dimensions/factors which lead to marketing problems related to bakery products, consumers' attitude towards the marketing problems related to bakery products, shopping behaviour of consumers towards bakery products, and bakers' opinions towards the future prospects of bakery products; primary data has been collected from the consumers of bakery products in Pune region of the Maharashtra State and from the bakers of the top ten bakeries of the Pune region of the Maharashtra State. The sample size of the customers is 500 which are top ten bakeries of Pune.

### V. DATA ANALYSIS AND INTERPRETATION

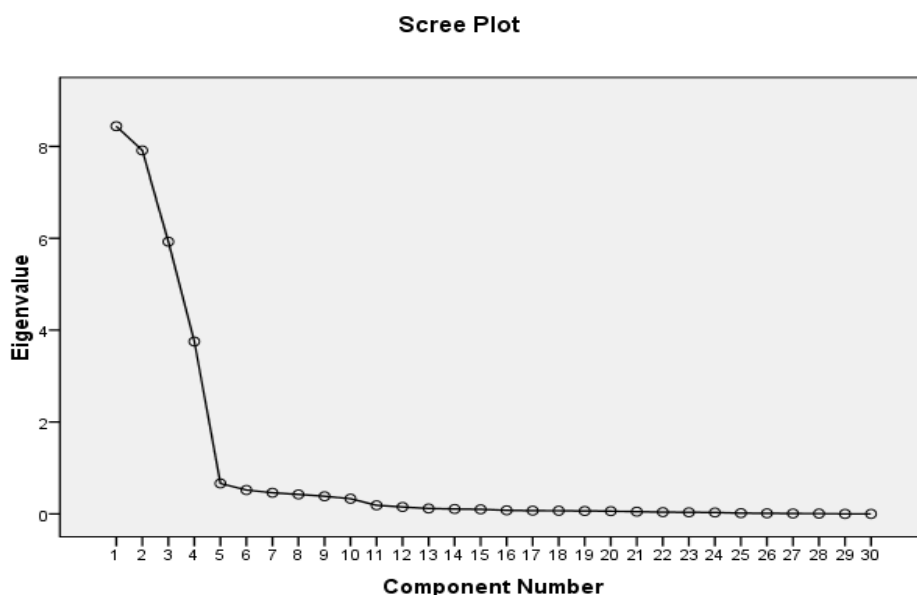
Researcher has used the factor analysis to identify the factors/dimensions and the importance of each factor, which lead to Marketing Problems of bakery products.

The value of Cronbach alpha was 0.836 which is above 0.70 thus; the questionnaire is found to be reliable and used for further analysis. In order to use the factor analysis it is compulsory to check the validity of the data by applying KMO and Bartlett test. The value of Kaiser-Meyer-Olkin test found to be 0.822 which is a good value and Bartlett's test of sphericity also shows that the data is adequate and valid for performing the factor analysis.

**Table 5.1: Reliability and Validity test**

Reliability Statistics		
Cronbach's Alpha	Total Statements	Total Respondents
0.836	30	500
Kaiser-Meyer-Olkin (KMO)		0.822
Bartlett's Test of Sphericity	Value of Chi-Square	1273.640
	Degree of freedom	76.000
	Significance level	0.000

Figure 5.1, scree plot depicts the total number of factors to extract through factor analysis. The elbow of scree plot specifies that point where the further inclusion of factors will not have a significant contribution in the explained variance. Thus, the factors which are above the scree plot elbow are retained.



**Figure 5.1: Scree Plot**

**Table 5.2: Results of Factor analysis using Varimax Rotation**

Statements	Factor Loadings
<b>Factor 1 (Product)</b>	
Bakery products are good for your health	0.829
Bakery products have nutritional values	0.727
Bakery products have long shelf life	0.726
Bakery products can be stored for long time at home	0.621
Bakery products have good storage quality	0.608
Bakery products provide energy to you	0.598
Bakery products can be used to provide vitamins	0.579
Bakery products come in good shape and volume	0.540
Bakery products look good in texture and appealing to you	0.531
Bakers launches new varieties of bakery products	0.529
Bakery products are available in different sizes	0.520
<b>Factor 2 (Promotion)</b>	
Bakers provides promotional offers to their consumers	0.820
Bakery products come in good packaging	0.812

Bakery products are available on discounts	0.795
Packaging of bakery products provides proper information to the consumers	0.643
Packaging of bakery products provides convenience in handling of these products	0.612
Consumers choose bakery products on the basis of their brand value	0.576
Bakers adopt advertisements for the sales promotion of bakery products	0.534
Bakers make increase in quantity or increase in size of bakery products for sales promotion.	0.529
Bakery products come with money back guarantee in case the products are of expired date	0.495
<b>Factor 3 (Place)</b>	
Bakers have sound distribution system for availing bakery products to the consumers	0.774
Bakers use warehouses for storing the products and provide the products at the times when consumer needs it.	0.770
Bakery products are easily available at shops or retail stores	0.695
Large number of franchisee or distributors is available in the area	0.666
Home delivery of bakery products is available to consumers	0.604
Bakery products are also available at super markets	0.592
<b>Factor 4 (Price)</b>	
Price of bakery products is easily affordable by the consumers	0.703
Price of bakery products rightly justifies their value to the consumers	0.536
Price of bakery products is value for money	0.467
Price of bakery products is comparable with other similar bakery products	0.431

The first factor consist statements related to the first 'P' of marketing mix which is product thus this factor is called 'Product'. All the eleven statements are related to the three essential aspects of a product which are core, tangible and augmented. The second factor comprises items related to the promotion of bakery products which is an important component of marketing mix, and this factor is called 'Promotion'. Third factor comprise items related to the distribution of bakery products, and thus it is called 'Place'. Fourth factor comprises items related to the various pricing policies of the bakery products thus it is called 'Price'. Thus total four factors have been acknowledged which leads to marketing problems related to bakery products in Pune region which are; product, promotion, place and price.

### **RELATIONSHIP BETWEEN MARKETING MIX AND MARKETING PROBLEMS OF BAKERY PRODUCTS**

The current study aims to measure the contribution of each of the components of the marketing mix towards the marketing problems of bakery products. Hence the purpose of the study is to find out that component of marketing mix which is creating huge problems in the marketing of the bakery products. In this section we have measured the relationship between marketing mix which is, product, price, place and promotion and marketing problems of bakery products with the help of multiple regression analysis and ANOVA. ANOVA method has been used to test the Null Hypothesis 1 ( $H_{01}$ ) in the study which states as follows:

Null Hypothesis 1 ( $H_{01}$ ): There is no relationship between marketing mix and marketing problems of bakery products.

**REGRESSION MODEL**

$$Y = 4.109 + 0.329X_1 + 0.285X_2 + 0.278X_3 + 0.232X_4$$

Where Y = Marketing Problems

X1 represents the latent variable Product

X2 represents the latent variable Price

X3 represents the latent variable Promotion

X4 represents the latent variable Place

**Table 5.3:** Regression Results

R (0.822)	R Square (0.751)	Adjusted R Square (0.751)	Std. Error of the Estimate (0.30418)
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**Table 5.4:** Regression Coefficients

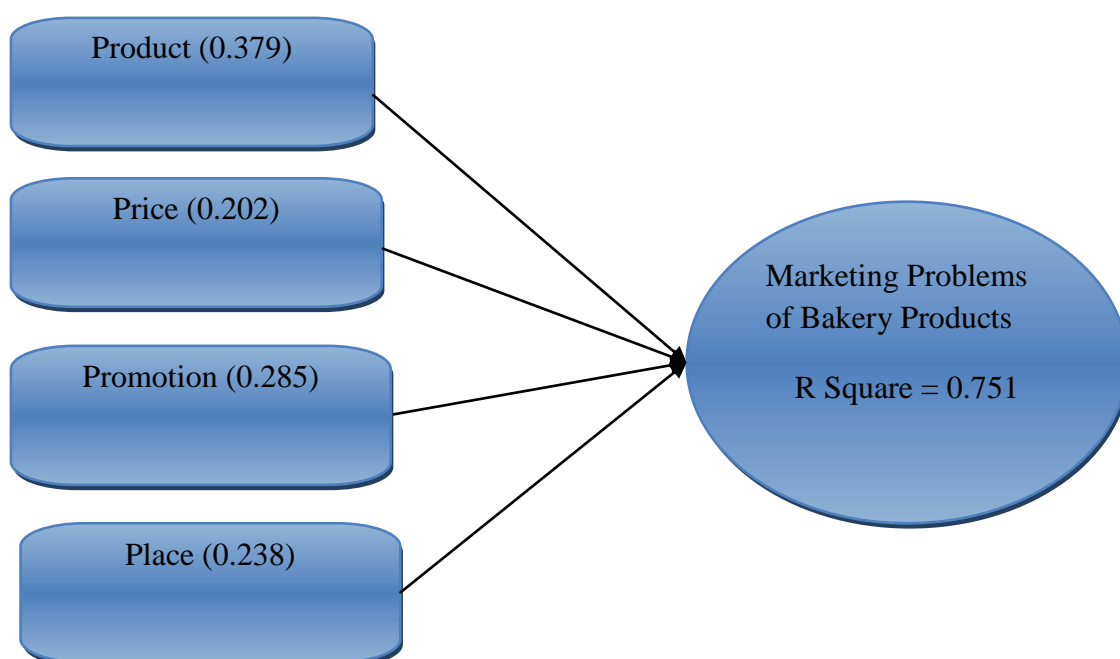
Model	Beta	Std. Error	T
1	(Constant)	4.109	79.827
	X1	0.379*	41.919
	X2	0.202**	39.412
	X3	0.285**	26.359
	X4	0.238**	25.607

\*1 % and \*\*5 % significance level.

The ANOVA results depict that a significant model emerged as the value of  $F(5, 496) = 697.030$ , at p value is 0.000. Thus the ANOVA test is significant at 1 per cent level of significance which leads to rejection of Null Hypothesis 1 ( $H_{01}$ ) formulated in the study to test the relationship between marketing mix and marketing problems related to bakery products. Thus it can be interpreted from the analysis that marketing mix and marketing problems of bakery products are related to each other and thus there is a relationship between marketing mix and marketing problems related to bakery products. The regression results indicate that components of marketing mix which is Product (X1), Promotion (X2), Place (X3), and Price (X4) are positively and significantly related to marketing problems of bakery products. Regression coefficients are statistically significant at 1 and 5 % significance level. The four independent variables of regression model can explain 75 per cent of variation in the value of dependant variable shown by Adjusted R Square which is 0.751.

Figure 5.2 portray the model which has developed from the study for the marketing mix and marketing problems related to the bakery products. We can interpret that the component of marketing mix which is 'price' have a slighter influence on the marketing problems of bakery products. The highest causal factor is 'Product' factor with beta value of 0.379 towards the marketing problems of bakery products followed by Promotion factor with beta value 0.285. While a moderate contribution is made towards marketing problems of bakery

products by the place policies which are an important component of marketing mix, having beta values of 0.238. It shows that 75 per cent of the marketing problems of bakery products are explained by these four components of marketing mix while rest of the 25 per cent variation can be attributed to chance factors.



**Figure 5.2: Model for Relationship between Marketing Mix and Marketing Problems in Bakery Industry**

Interpretation: Overall it can be interpreted that consumers are more apprehensive with the problems faced associated to the product policy factor of the marketing mix of the bakery products such as, health benefits of the bakery products, nutritional values of the bakery product, texture, varieties, sizes, volume of the bakery products, shelf life, storage quality of the bakery products and energy from the bakery products etc. Consumers are less bothered due to the problems faced by them related to promotion and pricing factor of marketing mix of the bakery products. Consumers are also affected by the place factor of marketing mix as consumers of bakery products are also facing problems related to distribution policy of bakery products.

#### **COMPARATIVE ANALYSIS OF CONSUMERS' ATTITUDE TOWARDS MARKETING PROBLEMS OF BAKERY PRODUCTS ON THE BASIS OF MARKETING MIX COMPONENTS**

In the current study data has been collected from the top ten bakeries situated in different locations of Pune City of Maharashtra state. Thus an attempt has been made to make a comparative study of consumers' attitude



towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study.

## **ANALYSIS OF VARIANCE (ANOVA)**

Is there any significant difference in the consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study?

It is presumed that every bakery shop offers same type of bakery products with equal level of quality and variety in each location of the city. The data has been collected from the top ten bakeries situated in different locations of Pune City surveyed in the study; to find out if there is any difference in the consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study?

Null Hypothesis 2 ( $H_{02}$ ): There is no significant difference in consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study.

This section deals with the testing of the Null Hypothesis 2 ( $H_{02}$ ) using ANOVA method.

**Table 5.5:** ANOVA Using Mean Value of Consumer's Attitude towards the Marketing Mix of Bakery Products

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Product	500	1250	2.5	0.051932
Price	500	1750	3.5	0.070187
Place	500	1550	3.1	0.068554
Promotion	500	2060	4.12	0.052836

F = 3.489419, P = 0.005388, F crit = 2.70359408

Interpretation: It can be interpreted from the table 5.5 that in bakery industry, consumers' attitude towards marketing problem of bakery products related to product aspect is lowest which shows that consumers are very concerned about the marketing problems related to bakery products. Highest mean value of consumers' attitude towards the marketing problems related to promotion policy has been recorded followed by price policy, which shows that consumers are facing less problems related to promotion and pricing policy of bakery products. Results of ANOVA shows that there is a significant difference in consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study.

## **VI. CONCLUSION**

In this study an attempt has been made to identify the factors/dimensions which lead to Marketing Problems of bakery products. Thus total four factors have been identified which leads to marketing problems related to bakery products in Pune region which are; product, promotion, place and price. The current study aims to measure the contribution of each of the components of the marketing mix towards the marketing problems of bakery products. Hence the purpose of the study is to find out that component of marketing mix which is creating huge problems in the marketing of the bakery products. It was found from the study that marketing mix and marketing problems of bakery products are related to each other and thus there is a relationship between

marketing mix and marketing problems related to bakery products. The regression results indicate that components of marketing mix which is Product (X1), Promotion (X2), Place (X3), and Price (X4) are positively and significantly related to marketing problems of bakery products. It was found from the study that overall the consumers are more concerned with the problems faced related to the product policy factor of the marketing mix of the bakery products such as, health benefits of the bakery products, nutritional values of the bakery product, texture, varieties, sizes, volume of the bakery products, shelf life, storage quality of the bakery products and energy from the bakery products etc. The consumer are less bothered due to the problems faced by them related to promotion and pricing factor of marketing mix of the bakery products. The consumers are also affected by the place factor of marketing mix as consumers of bakery products are also facing problems related to distribution policy of bakery products. In this study an attempt has been made to make a comparative study of consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study. It was found from the study that there is a significant difference in consumers' attitude towards the marketing problems related to the bakery products of top ten bakeries situated in different locations of Pune City surveyed in the study.

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