A TASTE OF THE FUTURE: AN ECONOMIC ANALYSIS
OF CHOCOLATES BUYING PERFORMANCE

Dr.D.Amutha
Associate Professor of Economics, St.Mary's College (Autonomous), Tuticorin

Health and well-being have become two important parameters of human consumption in the modern, busy world of today. Data for the study were collected by using the simple random sampling method among 240 respondents in southern and northern districts of Tamilnadu of India, by means of structured questionnaire in August 2016. Percentage analysis, averages, chi square test, Garrett ranking and probability analysis were used. It has been observed that out of 120 consumers in Northern Districts of Tamilnadu a maximum of slightly higher than half of the consumers (58.01%) use Cadbury Dairy Milk brand, followed by 5 Star 18.23%, Milkybar and Munch 13.09%. Gems and Perk 7.43%. Only a very limited consumers use Kit Kat and Chocozoo 3.24%.Whereas, in the case of Southern Districts, a maximum of consumers (72.36%) use Cadbury Dairy Milk brand, followed by 5 Star 12.02%, Milkybar and Munch 5.67%. Gems and Perk 6.44%. Only a very limited consumers use Kit Kat and Chocozoo 3.51%.It is clearly that in the case of Northern Districts the first rank for obtaining chocolates was assigned to price followed by quality. Third and fourth ranks were given to taste and advertisement respectively. Nutrition value and brand image were ranked fifth and sixth followed by cold storage facility, availability, product variety and packing, whereas, in the case of Southern Districts, the first rank for purchasing chocolates was assigned to quality followed by nutrition value. Third and fourth ranks were given to price and Taste respectively. Brand image and availability were ranked fifth and sixth followed by advertisement, packing, cold storage facility and product variety. It can be inferred that in Northern Districts 78% of respondents highly satisfied in consuming chocolates. 6% of them reasonably satisfied 9% are neutral whereas 4% of the respondents dissatisfied and 3% are highly dissatisfied, whereas, in the case of Southern Districts, a maximum of 81% of respondents highly satisfied in consuming chocolates. 4% of them reasonably satisfied 6% are neutral whereas 2% of the respondents dissatisfied and 7% are highly dissatisfied. The research concludes that the demographic background of the consumer plays a vital role in determining the behavioural aspect as well as the royalty of brand in Tamilnadu. Consumers are able to realise the need of the product, awareness of the product, and suitable information sources of the product.
Key words: well-being, food perception, decision-making, consumer behaviour, purchasing decision

INTRODUCTION

Health and well-being have become two important parameters of human consumption in the modern, busy world of today. Brand of a particular product plays a fundamental function in consumer's perception of a product. It helps in developing a market position, prestige and image of the product and for these reasons the brand constitutes a mechanism of risk reduction (Aaker, 1996).Consumers seek benefits or solutions, not products (Rowley, 1997).Consumer information search has been the focus of many articles studying consumer behaviour during the last 30 years (Bettman, 1979). Quality and safety are two very important elements in consumer's food perception and decision-making associated with food choice (Grunert, 2005).

Consumer behaviour is also affected by the socioeconomic conditions of the markets namely, income, mobility, media access (Tseet al., 1989). As more resources become available, consumers may desire more emotional image attributes in products or brand (Kim et al., 2002). Personal values have been found to be the underlying determinants of various aspects of consumer attitude and behaviour (Homer and Kahle, 1988). Thus, values are one of the most important influential factors that affect the type of needs consumer tries to satisfy through purchase and consumption behaviours (Tseet al., 1989).

The source of information is accepted by the consumer if it enhances his/her knowledge of the environment or ability to cope up with some aspects of this environment e.g., purchasing of product (Park and Lessig, 1977). Direct observation occurs by watching the actual purchase behaviour of other consumers (Price et al., 1989; and McGrath and Otnes, 1995) and indirect observation involves the analysis of trace evidence of shopping behaviour.

The mass communication tools trade off the advantage of personal selling, the opportunity to tailor a message to each prospect, for the advantage of reaching many people at a lower cost per person (Etzel et al., 1997). The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behaviour: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants (Arens, 1996). The main objective of this study is to find out the buying behaviour of consumers towards chocolates in Tamilnadu.

Chocolate Market in India

- Chocolate market is estimated to be around 1500 crores growing at 18-20% per annum. Cadbury is the market leader with 72% market share.
- The per capita consumption of chocolate in India is 300 gram compared with 1.9 kilograms in developed markets such as the United Kingdom.
- Over 70 per cent of the consumption takes place in the urban markets.
- Margins in the chocolate industry range between 10 and 20 per cent, depending on the price point at which the product is placed.
- Chocolate sales have risen by 15% in 2007 to reach 36000 tonnes according to one estimate. Another estimate puts the figure at 25000 tones.
- The chocolate wafer market (Ulta Perk etc) is around 35 % of the total chocolate market and has been growing at around 13% annually.
- As per Euro monitor study, Indian candy market is currently valued at around USD 664 million, with about70%, or $ 461 million, in sugar confectionery and the remaining 30%, or USD 203 million, in chocolate confectionery.
- The global chocolate market is worth $75 billion annually.

OBJECTIVES

The study was conducted with the following specific objectives

1. To analyse the socio-economic condition of the consumers in southern and northern districts of Tamilnadu
2. To determine the motivational factors to buy chocolates
3. To find out the satisfaction level of respondents towards consuming chocolates

METHODOLOGY

A descriptive research was carried out by applying a survey method. Data for the study were collected by using the simple random sampling method among 240 respondents in southern and northern districts of Tamilnadu of India, by means of structured questionnaire in August 2016. Three districts from Northern Tamilnadu consist of Chennai, Kancheepuram and Villupuram and three districts from Southern Tamilnadu consist of Madurai, Tirunelveli and Thoothukudi are selected for the study. It has been noted that from southern and northern districts of Tamilnadu 120 respondents as samples. Each district 40 respondents are chosen. The total sample size for the study is 240 respondents and secondary data were collected from various publications and website. Out of 240 consumers, 58% of the respondents were male and 42% were female and the age range between 15 to 60 years consumers who consume chocolates at least 15 days in a month. Percentage analysis, averages, chi square test, Garrett ranking and probability analysis were used.

Limitations of the study

- The study is restricted to 6 districts of Tamilnadu only.
- The sample is limited; it may not represent scenario of all the consumers.
- The period of study conducted for the period of one month i.e. August 2016.

Profile of the study area

Tamil Nadu constitutes the south-eastern extremity of the Indian peninsula.

Chennai

The City of Chennai, also known as Madras earlier times, is the Capital of the state of Tamil Nadu. It is situated at the Coromandel Coast off the Bay of Bengal. Spread over an area of about 200 sqkm and still growing, it is the biggest industrial, commercial centre, and a major cultural, economic and educational centre in South India. Chennai ranks second for Indian metropolitan city centre with an estimated population of 4.68 million (2011), literacy with a 90.33 percent literacy rate (In.finance.yahoo.com).

Kanchipuram

Kanchipuram district is a district in the northeast of the state of Tamil Nadu in India. The district has a total geographical area of 4,432 km2 (1,711 sq mi) and coastline of 57 km (35 mi). In 2011, Kancheepuram district had a population of

3,998,252, with a sex-ratio of 986 females for every 1,000 males.The district produces over 15,000 engineering graduates every year.

Vilupuram

Vilupuram district comprises 1490 Revenue Villages, 4 Revenue Divisions, 11 Administrative Taluks, 22 Blocks, 15 Town Panchayat Unions, 1099 Village Panchayats and 3 Municipalities. According to 2011 census, Viluppuram district had a population of 3,458,873 with a sex-ratio of 987 females for every 1,000 males, much above the national average of 929.Scheduled Castes and Scheduled Tribes accounted for 29.37% and 2.16% of the population respectively. The average literacy of the district was 63.48%, compared to the national average of 72.99% (Census Info 2011). The district had a total of 800,368 households. There were a total of 1,703,249 workers, comprising 322,900 cultivators, 537,581 main agricultural labourers, 23,961 in house hold industries, 376,360 other workers, 442,447 marginal workers, 46,746 marginal cultivators, 294,632 marginal agricultural labourers, 14,276 marginal workers in household industries and 86,793 other marginal workers (Census Info 2011).

Madurai

Madurai district is second largest in population of the 32 districts of the state of Tamil Nadu, in southeastern India. According to 2011 census, Madurai district had a population of 3,038,252(Census Info 2011) up from 2,578,201 in the 2001 census (Census of India 2001), for a growth rate of 17.95%. It had a sex-ratio of 990 females for every 1,000 males, up from 978 in 2001 (Census of India 2001), and much above the national average of 929 (Census Info 2011). Scheduled Castes and Scheduled Tribes accounted for 13.46% and .37% of the population respectively. The average literacy of the district was 74.83%, compared to the national average of 72.99% (Census Info 2011). The district had a total of 794,887 households. There were a total of 1,354,632 workers, comprising 81,352 cultivators, 287,731 main agricultural labourers, 39,753 in house hold industries, 765,066 other workers, 180,730 marginal workers, 11,367 marginal cultivators, 85,097 marginal agricultural labourers, 7,540 marginal workers in household industries and 76,726 other marginal workers (Census Info 2011).

Tirunelveli

Tirunelveli District is a district of Tamil Nadu state in southern India. According to 2011 census, Tirunelvei district had a population of 3,077,233 with a sex-ratio of 1,023 females for every 1,000 males, much above the national average of 929 (Census Info 2011). Scheduled Castes and Scheduled Tribes accounted for 18.51% and .33% of the population respectively. The average literacy of the district was 73.88%, compared to the national average of 72.99% (Census Info 2011). The district had a total of 815,528 households. There were a total of 1,436,454 workers, comprising 107,943 cultivators, 321,083 main agricultural labourers, 215,667 in house hold industries, 626,714 other workers, 165,047 marginal workers, 7,772 marginal cultivators, 58,680 marginal agricultural labourers, 23,997 marginal workers in household industries and 74,598 other marginal workers.

Thoothukudi

Thoothukudi District, also known as Tuticorin District is a district in Tamil Nadu state in southern India. According to 2011 census, Thoothukudi district had a population of 1,750,176 with a sex-ratio of 1,023 females for every 1,000 males, much above the national average of 929 (Census Info 2011). Scheduled Castes and Scheduled Tribes accounted for 19.88% and .28% of the population respectively. The average literacy of the district was 77.12%, compared to the national average of 72.99%.[8] The district had a total of 462,010 households. There were a total of 748,095 workers, comprising 44,633 cultivators, 161,418 main agricultural labourers, 17,872 in house hold industries, 433,524 other workers, 90,648 marginal workers, 3,882 marginal cultivators, 39,226 marginal agricultural labourers, 4,991 marginal workers in household industries and 42,549 other marginal workers (Census Info 2011).

SUMMARY OF FINDINGS

The major findings of the study are summarized and presented as follows.

Age-wise Classification

It has been found that in Northern Districts of Tamilnadu, the majority of the consumers (47.5 per cent) belong to the age group of below 25 years followed by 25 to 35 years (24.17 per cent). 18.33 per cent of the consumers belong to the age group of 35 to 45 years and above 45 years (10.00 per cent).

Similar trend was found in Southern Districts of Tamilnadu also. About 51.25 per cent of the consumers belong to the age group of below 25 years followed by 25 to 35 years (25.00 per cent). 15.83 per cent of the consumers belong to the age group of 35 to 45 years and above 45 years (7.92 per cent). Thus it may be concluded from the analysis that the majority of consumers, belong to the age groups of below 25 years in both Northern and Southern Districts of Tamilnadu. The mean age of consumers worked out to be 18.45 years in Northern Districts of Tamilnadu. The mean age of consumers worked out to be 21.02 years in Southern Districts of Tamilnadu.

Caste-wise Classification

It has been observed that out of 120 respondents in Northern Districts of Tamilnadu majority of 68 (56.66 per cent) of the respondents belong to Scheduled Caste followed by 44 (36.67 per cent) and 8 (6.67 per cent) belong to Backward Community and Most Backward Community respectively.

Whereas, in the case of Southern Districts of Tamilnadu out of 120 respondents, majority of 54 (45.00 per cent) belong to Backward Community followed by 49 (40.83 per cent) and 17 (14.17 per cent) belong to Scheduled caste and Most Backward Community respectively.

Religion-wise Distribution

It has been revealed that out of 120 consumers in Northern Districts of Tamilnadu majority of 59.16 per cent of the consumers are Hindus, while, 3.34 per cent are Muslims and 37.50 per cent are Christians.

Whereas, in the case of Southern Districts of Tamilnadu majority of 74.17 per cent of the consumers are Hindus, while, 20.00 per cent are Muslims and 5.83 per cent are Christians. Muslims and Christians are the minorities in the present study area.

Educational Status of the Respondents

It has been exposed that out of 120 respondents in Northern Districts of Tamilnadu a maximum of 65.00 per cent of the consumers are having school level education, followed by 27.50 per cent with Technical level education. 7.50 per cent of the consumers have college level education.

In the case of Southern Districts of Tamilnadu, out of 120 respondents majority of 69.17 per cent of the consumers are having school level education, followed by 19.17 per cent with college level education. 11.66 per cent of the consumers have Technical level education. Thus it may concluded that majority of the respondents studied 6th – 10thStd in Northern and Southern Districts of Tamilnadu.

Type of Family

It has been inferred that out of 120 consumers in Northern Districts of Tamilnadu 109 (90.83 per cent) belonged to the nuclear family system and the remaining 11 (9.17 per cent) belonged to the joint family system. Whereas, in the case of Southern Districts of Tamilnadu 101 (84.17 per cent) belonged to the nuclear family system and the remaining 19 (15.83 per cent) belonged to the joint family system. It indicates a constant decline of joint family system even in the study area.

Marital Status

It reveals that the out of 120 consumers in the case of Northern Districts of Tamilnadu a maximum of 81 (67.50 per cent) consumers are married, while 13 (10.83 per cent) are unmarried and 26 (21.67 per cent) are widows.

Whereas, in the case of Southern Districts of Tamilnadu a maximum of 95 (79.17 per cent) consumers are married, while 7 (5.83 per cent) are unmarried and 18 (15.00 per cent) are widows respectively.

Family Size

A maximum of 73 (60.83 per cent) of consumers in Northern Districts of Tamilnadu have a family size of 3 – 5 members, followed by 31 (25.84 per cent) having a family size of below 3. Sixteen (13.33 per cent) have a family size of 5 and above.

While, in the case of Southern Districts of Tamilnadu a maximum of 86 (71.67 per cent) have a family size of 3 – 5 members, followed by 23 (19.16 per cent) having a family size of 5 and above. Eleven (9.17 per cent) have a family size of below 3. It is observed that majority of them have a family size of 3 to 5 members. The average size of family in Northern Districts of Tamilnadu worked out to be 3.02 and Southern Districts of Tamilnadu worked out to be 4.1.

Ownership of the House

It shows that 54.17 per cent of the respondents in Northern Districts of Tamilnadu have own houses, whereas 13.33 per cent and 32.50 per cent respondents have leased and rented houses respectively,

But, in the case of Southern Districts of Tamilnadu 35.83 per cent of the respondents have own houses, whereas 17.50 per cent and 46.67 per cent respondents have leased and rented houses respectively.

Occupational Background

Regarding the occupational background in Northern Districts of Tamilnadu out of the total, 57 (47.50 per cent) of the consumers have an important occupational background as agricultural labourers, followed by 31 (25.83 per cent) of the consumers having entrepreneurs as background. Twenty six (21.67 per cent) of the consumers have a background of private employment. Only 6 (5.00 per cent) of the consumers have government employees as background.

Whereas, in the case of Southern Districts of Tamilnadu 73 (60.83 per cent) of the consumers have an important occupational background as agricultural labourers, followed by 26 (21.67 per cent) of the consumers having entrepreneurs as background. Seventeen (14.17 per cent) of the consumers have a background of private employment. Only 4 (3.33 per cent) of the consumers have government employees as background.

Correlation between the income of the respondents and their level of satisfaction

It has been observed that out of 120 consumers in Northern Districts of Tamilnadu a maximum of 63 (52.5 per cent) with an income of Rs.20,000 and above, followed by 21 (17.5 per cent) have a monthly income of Rs. 10,001 – Rs.15,000, 19 (15.83 per cent) of them have an income of Rs.15,001 – Rs.20,000. Fourteen (11.67 per cent) of them have an income of Rs.5,001 – Rs.10,000 and 3 (2.50 per cent) have a monthly income of less than Rs.5000. The mean monthly income of the households works out to be Rs.17,723.

In order to find out whether there is any correlation between the income of the respondents and their level of satisfaction, chi-square test has been applied. The results of the Chi-square test are furnished below.

Calculated value of Chi-square = 23.05
Table value at 5 per cent level = 7.815
Degrees of freedom = 3

As the calculated value of Chi-square is greater than the table value at 5 per cent level of significance, there is a relationship between income of the respondents and their level of satisfaction in in Northern Districts of Tamilnadu.

Whereas, in the case of Southern Districts, a maximum of 57 (47.5 per cent) with an income of Rs.20,000 and above, followed by 28 (23.33 per cent) have a monthly income of Rs. 10,001 – Rs.15,000, 16 (13.33 per cent) of them have an income of Rs.15,001 – Rs.20,000. Thirteen (10.83 per cent) of them have a income of Rs.5,001 – Rs.10,000 and 6 (5.00 per cent) have a monthly income of less than Rs.5000. The mean monthly income of the households works out to be Rs.16,900.

In order to find out whether there is any correlation between the income of the respondents and their level of satisfaction, chi-square test has been applied. The results of the Chi-square test are furnished below.

Calculated value of Chi-square   = 36.41
Table value at 5 per cent level   = 7.815
Degrees of freedom   = 3

As the calculated value of Chi-square is greater than the table value at 5 per cent level of significance, there is a relationship between income of the respondents and their level of satisfaction in the Southern Districts.

Brand wise usage

It has been observed that out of 120 consumers in Northern Districts of Tamilnadu a maximum of slightly higher than half of the consumers (58.01%) use Cadbury Dairy Milk brand, followed by 5 Star 18.23%, Milkybar and Munch 13.09%. Gems and Perk 7.43%. Only a very limited consumers use Kit Kat and Chocozoo 3.24%.

Whereas, in the case of Southern Districts, a maximum of consumers (72.36%) use Cadbury Dairy Milk brand, followed by 5 Star 12.02%, Milkybar and Munch 5.67%. Gems and Perk 6.44%. Only a very limited consumers use Kit Kat and Chocozoo 3.51%.

Table 1: Motivational factors to buy chocolates

Motivational factors	*Northern Districts*		*Southern Districts*	
	Average Score	*Rank*	*Average Score*	*Rank*
Quality	61.43	II	69.53	I
Price	63.14	I	59.22	III
Taste	56.21	III	52.12	IV
Cold storage facility	40.01	VII	34.02	IX
Nutrition value	48.11	V	60.26	II
Packing	27.14	X	36.13	VIII
Availability	34.16	VIII	41.21	VI
Advertisement	50.31	IV	39.24	VII
Brand Image	45.41	VI	47.52	V
Product Variety	32.04	IX	31.23	X

Source: Computed from Primary Data

It is clearly evident from the table that the prioritized motivational factors for purchasing chocolates by the sample respondents in both Northern and Southern Districts. It is inferred that by using Garrett's score.

In the case of Northern Districts the first rank for obtaining chocolates was assigned to price followed by quality. Third and fourth ranks were given to taste and advertisement respectively. Nutrition value and brand image were ranked fifth and sixth followed by cold storage facility, availability, product variety and packing, whereas, in the case of Southern Districts, the first rank for purchasing chocolates was assigned to quality followed by nutrition value. Third and fourth ranks were given to price and taste respectively. Brand image and availability were ranked fifth and sixth followed by advertisement, packing, cold storage facility and product variety.

Satisfaction level of respondents towards consuming chocolates

It can be inferred that in Northern Districts 78% of respondents highly satisfied in consuming chocolates. 6% of them reasonably satisfied 9% are neutral whereas 4% of the respondents dissatisfied and 3% are highly dissatisfied, whereas, in the case of Southern Districts, a maximum of 81% of respondents highly satisfied in consuming chocolates. 4% of them reasonably satisfied 6% are neutral whereas 2% of the respondents dissatisfied and 7% are highly dissatisfied.

CONCLUSION

The research concludes that the demographic background of the consumer plays a vital role in determining the behavioural aspect as well as the royalty of brand in Tamilnadu. Consumers are able to realise the need of the product, awareness of the product, and suitable information sources of the product. They are able to collect maximum information of the product through television advertisements. The consumer behaviour of the population logically prefers the product, making the purchasing decision, and expressing the satisfaction level in Tamilnadu.

REFERENCES

"Census Info 2011 Final population totals - Krishnagiri district". Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, Government of India. 2013. Retrieved 26 January 2014.

"Census Info 2011 Final population totals - Thoothukudi district". Office of The Registrar General and Census Commissioner, Ministry of Home Affairs, Government of India. 2013. Retrieved 26 January 2014.

"Census Info 2011 Final population totals - Viluppuram district". Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, Government of India. 2013. Retrieved 26 January 2014.

"Census Info 2011 Final population totals". Office of The Registrar General and Census Commissioner, Ministry of Home Affairs, Government of India. 2013. Retrieved 26 January 2014.

"Census of India 2001: Basic data Sheet: Madurai District, Tamil Nadu" (PDF). The Registrar General and Census Commissioner.

Aaker D A (1996), "Measuring Brand Equity Across Products and Markets", California Management Review, Vol. 38, No. 3, pp. 102-120.

Arens, Williams F. (1996). Contemporary Advertising. USA: Richard D. Irwin, A. Times Mirror Higher Education Group Inc. Company.

Bettman J R (1979), An Information Processing Theory of Consumer Choice, Addison-Wesley, Reading, Massachusetts.

Etzel, M.J., B. J. Walker and W. J. Stanton. (1997). Marketing. USA: Irwin/McGraw Hill

Grunert K G (2005), "Food Quality and Safety: Consumer Perception and Demand", European Review of Agricultural Economics, Vol. 32, No. 3, pp. 369-391.

Homer P and Kahle L R (1988), "A Structural Equation Test of the Value-Attitude-Behavior Hierarchy", Journal of Personality and Social Psychology, Vol. 54, No. 4, pp. 638-646.

McGrath M A and Otnes C (1995), "Unacquainted Influencer: When Strangers Interact in the Retail Setting", Journal of Business Research, Vol. 32, No. 3, pp. 261-622.

Park C W and Lessig V P (1977), "Students and Housewives: Differences in Susceptibility to Reference Group Influence", Journal of Consumer Research, Vol. 4, No. 4, pp. 102-110.

Price L L, Feick L F and Higie R A (1989), "Preference Heterogeneity and Co-orientation as Determinants of Perceived Informational Influence", Journal of Business Research, Vol. 19, No. 3, pp. 227-242

Rowley J (1997), "Focusing on Customers", Library Review,Vol. 46, No. 2, pp. 81-89, MCB University, UK.

Tse D K, Belk R W and Zhou N (1989), "Becoming a Consumer Society: A Longitudinal and Cross-Cultural Content Analysis of Print Advertisements from Hong Kong, the People's Republic of China, and Taiwan", Journal of Consumer Research, Vol. 15, No. 4, pp. 457-472.

About the authors:

Dr.D.Amutha, Associate Professor of Economics, St.Mary's College (Autonomous), Tuticorin, e-mail: amuthajoe@gmail.com