

**A Study On Consumer Preference And Perception Regarding Snack Products With Specific Reference To Haldiram's**

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**ABSTRACT**

Ready to eat snacks segment of FMCG companies been rapidly growing in India, particularly in the last decade. Imprints of their existence can be commonly found at bakeries, grocery stores, restaurants, airport, schools and universities, trains. It has become a regular part of Indian diet and almost everyone has consumed them. The industry is growing at rate of 16 percent per year. The segment has not only transformed our diet but also the economy and culture as well. The present study attempts to capture consumer preference regarding ready to eat snack items and their perceptions regarding Haldiram's range ready to eat snack items. An empirical study was conducted across select locations in Bangalore city. The major findings include majority of consumers consume Haldiram's products for over 3 years, many of them find the products have significantly been improved over a period of time. However, much needs to be done by the veteran Indian player with respect to product variety, taste, packaging and quality to remain relevant to the market in the wake intensifying competition from fellow Indian and multinational giants.

Key words: Ready to eat snack, FMCG Company, Consumer preference and Consumer perception.

## **Introduction**

The Indian ready to eat snack market provides around 1,000 different snack items. The share of branded snacks is estimated to be 40 percent of the total market. Haldiram's is a name that is as Indian as India itself. For over fifty years, Haldiram's has served the Indian consumer's palate. It is quite a big task for any company to reach to satisfy the palate of diverse set of consumers. One of the oldest Indian brands in this space, Haldiram has been constantly endeavoring to achieve this feat by offering wide varieties of ready to eat snacks across nook and corner of the country, and in parts of subcontinent. Haldiram's has many 'firsts' to its credit. It was the initial company in India to brand 'namkeens', a household name for ready to eat snacks category. The group also founded new ways of packaging namkeens. Its packaging techniques increased the shelf life from less than a week to more than six months. Haldiram's is the second fastest rising FMCG Company in India, capturing 40 percent of the total market share in the category.

The Indian food processing industry is regulated by several laws which govern the aspects of sanitation, licensing and other necessary permits that are required to start up and run a food business. The legislation that deals with food safety in India is Food Safety and Standards Act, 2006 and all the obligations coming under this law are to be followed by Haldiram's.

## **Review of Literature**

**Duffey KJ (2013)** evaluated "Snacker demographics" in Australia, Brazil, Canada, China, England, Finland, France, Greece, Mexico, Sweden, Switzerland, the United Arab Emirates, and the United States, and snacking occasions were respondent-defined. Although a large proportion of adults and children in several of these countries consume snacks, recommendations for snack choices could be further directed toward sectors of the population, such as women and young adults, who snack frequently in certain regions.

**MaY (2011)** found that in both Canada and the United States, snacks comprise almost one-quarter of the daily energy intake for adults, with 23% of energy intake for Canadians and 24% for Americans by consuming snacks. Garriguet D(2007) purported that Snacking can also be influenced by social culture, food culture, and socioeconomic status

**Catherine Chapline and Andrew P Smith (2011)**, attempted to investigate definitions of snacking, perceptions of snack foods and snacking behavior with sample size of 136 participants and found that majority of participants consumed at least one snack per day (80%) and had on average 4.5 eating episodes per day. Participants were able to group snack foods depending on their differing qualities with subgroups of the sample consuming snacks from these groups. The findings identify that not all snack foods provide extra calories and therefore snacking is not necessarily a predisposition to obesity.

## **Research Design**

The present study has been taken up to bridge the gap to some extent by conducting an empirical investigation with respect to consumers perception towards ready to eat snacks, which did not get adequate attention of the research fraternity in Indian market that commensurate with its current market size and future growth potential. The research specifically seeks to study the consumers' expectations with respect to snacks in general and their perception regarding Haldiram's range of ready to eat snack items in particular. The impact of respondent gender on their perceptions and expectations were being measured by using appropriate statistical tests such as Anova, Chi-square and correlation.

For this research study, primary as well as secondary data were collected. Primary data were collected from the target respondents in select locations of Bangalore city through structured questionnaire/ schedule. Secondary data has been collected from published articles, industry reports, company literature and websites. The target population of this survey was people from all segments living in select locations of Bangalore such as

Electronic City, Koramangala, Madiwala and Whitefield. Convenience sampling technique has been used and obtained completed responses from 90 respondents against 155 questionnaires being distributed. Since the study has been conducted in limited geographical area with small sample size, conducting a similar survey across the country with larger sample size is recommended to be taken up in near future to find more accurate answers for the research questions. May be, the current study serves as a pilot study in this area.

## **Data Analysis and Interpretation**

### **Descriptive Statistics**

- In the present study, there were 55 percent male respondents and rest were females; 57 percent of respondents were under 30 years of age; 29 percent fall in the age group of 30-50 years and 14 percent are aged above 50 years.
- Almost all the respondents like branded ready to eat snacks, and about 80 percent also like unbranded or local ready to eat snacks. Only 20 percent do not like unbranded or local snacks. Among those who like branded snacks, over 79 percent indicated that they like Haldiram's snacks.
- Among those who consume Haldiram's Snacks, about 7 percent are consuming since last one year, 11 percent consume it for last 1-3 years and the huge majority of 82 percent have been consuming since more ta last 3 years.
- About 50 percent shared the view that there is good improvement in the overall attributes like taste, variety, quality etc of Haldiram's snacks over a period of time 45 percent felt that there is very good improvement in the overall quality of the products.
- The consumers like Haldiram's products for various attributes like taste, quality, brand name, packaging, price and the like. However, taste is found to be the

single most significant factor influencing the consumers to Haldiram's products, as opined by 21 percent of respondents.

What is the level of importance attached by consumers to various factors like variety, taste, quality, packaging, price, health, nutrition etc while buying ready to eat snacks? Whether consumers found Haldiram's products to be good on these vital parameters? Here goes the analysis.

- Nearly 69 percent of respondents shared the view that variety is very important, but 26 percent saying it is only "somewhat important".
- Over 83 percent of respondents unambiguously stated that taste and quality are very important factors and only 15 percent stated it is "somewhat important". Understandably, a huge majority of over 85 percent respondents felt a strong need for healthy snacks. Nutrition is fast becoming an important factor influencing consumers while choosing a snack brand. The study found that over 60 percent feel that nutrition in ready to snacks is very important.
- The role of packaging in influencing consumer choice and preference cannot be undermined. It is very much evident from the primary data where 60 percent of respondents considered being very much important. However, a sizeable 30 percent feel that it is somewhat important.
- Price is the economic value exchanged for product or service benefit. The rational consumers by and large expect to get the best product or service in exchange of least possible price in order to derive maximum utility in purchase transaction. No surprise to see that 60 percent of respondents indicating pricing to be very important factor in their purchase decisions. About 20 percent indicate that it is somewhat important.

How the select consumers perceive Haldiram's ready to eat snacks in the vital, parameters?? Here goes the analysis:

- Over 74 percent of consumers rated the pricing Haldiram's products to be reasonable. Nearly one fourths of respondents feel that it is high and only a

miniscule 1 percent feel that it is very high. Consumers seem to be largely satisfied with respect to pricing of Haldiram's products.

- We observed earlier that taste and quality of products is very important for the consumers, but over 56 percent of them rated Haldiram's ready to eat snacks as OK or reasonable, while around 34 percent felt it good, and only 10 percent rated the taste and quality as very good. It warrants company to review its product taste and quality parameters.
- On nutrition front, Haldiram's ready to eat snack products seem to be doing well as over 67 percent of respondents rate the products as good and about 16 percent say it is very good. Only little less than 17 percent opined that it is OK or reasonable.
- The data shows only 60 percent have purchased Haldiram's Gift packs, and the rest 40 percent have not tried it.

### **Inferential Statistics**

#### **The researchers hypothesized that:**

- There exists significant difference between gender of respondents and their preference and perception regarding Haldiram's brand ready to eat snacks.
- There exists significant association between the time period since the respondents are using Haldiram's products and their preferred ready to eat snack brand
- There exists significant correlation between the time period since the respondents are using Haldiram's products and their perception regarding improvement in the quality of the products over a period of time.

To find the level of difference between gender and preference or perception regarding Haldiram's products, ANOVA test was done. The results of the test are shown in Table 1

**Table 1 Influence of gender on respondent’ perception regarding Haldiram’s Products ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
<b>Variety</b>	Between Groups	4.845	2	2.423	3.037	<b>.049</b>
	Within Groups	68.593	86	.798		
	Total	73.438	88			
taste and quality	Between Groups	1.756	2	.878	1.649	.198
	Within Groups	45.795	86	.532		
	Total	47.551	88			
Health	Between Groups	.471	2	.235	.512	.601
	Within Groups	39.507	86	.459		
	Total	39.978	88			
Nutrition	Between Groups	1.976	2	.988	1.106	.336
	Within Groups	76.833	86	.893		
	Total	78.809	88			
<b>Packaging</b>	Between Groups	7.929	2	3.965	4.867	<b>.010</b>
	Within Groups	70.048	86	.815		
	Total	77.978	88			
<b>Price</b>	Between Groups	5.139	2	2.569	2.984	<b>.046</b>
	Within Groups	74.052	86	.861		
	Total	79.191	88			
Perception of HR Pricing	Between Groups	.206	2	.103	.399	.672
	Within Groups	22.199	86	.258		
	Total	22.404	88			
<b>Taste and quality of</b>	Between Groups	3.319	2	1.659	3.879	<b>.024</b>
	Within Groups	36.793	86	.428		

<b>Haldiram's Products</b>	Total	40.112	88			
<b>Nutrition</b>	Between Groups	2.046	2	1.023	3.265	<b>.043</b>
	Within Groups	26.943	86	.313		
	Total	28.989	88			

**Source: Primary data compiled by researchers**

Table 1 shows there exists significant difference between male and female groups with respect to level of importance attached to variety (P= .049, significant at 95 percent confidence level), packaging (P= .01, significant at 95 percent confidence level), price (P= .046, significant at 95 percent confidence level). Also, significant difference has been found between gender of the respondents and their perception regarding taste and quality of Haldiram's products, and nutritional value of Haldiram's products. Hence alternative hypotheses were accepted with respect to respondents' level of preference towards variety, packaging and price. Also the alternative hypotheses were accepted as to respondents' gender and their perception regarding the taste and quality, and nutritional value of Haldiram's products.

The present data does not show significant concrete evidence as to the presence of significant difference between gender and respondents' preference and perception regarding ready to eat snack items. Hence, alternative hypotheses were rejected.

To study the level of association between the time period since the respondents are using Haldiram's products and their preferred ready to eat snack brand, chi-square test was conducted, which is shown in table 2.

**Table 2: Chi-Square Test**

	Value	df	Asymptotic Significance (2-sided)
<b>Pearson Chi-Square</b>	21.028 <sup>a</sup>	4	.000

Likelihood Ratio	16.833	4	.002
Linear-by-Linear Association	9.374	1	.002
N of Valid Cases	88		

**Source: Primary data compiled by researchers**

The result of chi-square test shows presence of significant association between respondents’ perception regarding level of improvement in Haldiram’s products over a period of time, and the time since they are associated with Haldiram’s brand ready to eat snacks (P= .000, significant at 99 percent confidence level). Hence, alternative hypothesis is accepted.

To study the level of correlation between the time period since the respondents are using Haldiram’s products and their perception regarding improvement in the quality of the products over a period of time, Pearson’s correlation test was done. The result of the test is shown in Table 3 below:

**Table 3: Correlations**

		how long	improvement in Haldiram’s
Since how long the consumers were consuming Haldiram’s products	Pearson Correlation	1	.358**
	Sig. (2-tailed)		.001
	N	88	88
Perception regarding improvement in Haldiram’s products	Pearson Correlation	.358**	1
	Sig. (2-tailed)	.001	
	N	88	89

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Primary data compiled by researchers**

The result in table shows presence of significant correlation of 0358 between the variables studied, which is statistically significant at 99 percent confidence level.

## **Conclusion and recommendations**

Haldiram's being a well-known domestic player in the space of ready to eat snacks segment has been able to survive in the wake of more intensified competition from Indian conglomerates like ITC and multinational food giants like PepsiCo. Haldiram's provides such a vast variety of products that the people of every age group are attached to Haldiram's i.e. young consumers, adults, and old age consumers, who consume one or many products of Haldiram's. Therefore consumer dynamics of Haldiram's is multidimensional.

However, changing consumer needs and expectations warrant more proactive initiatives on the part of the company. According to the research, the consumption of sweets and snacks on a regular basis leads to excess energy intake leading to an increased risk of overweight and obesity ([NCBI](#)). Accordingly, frequent sweets and snacks consumption is also a health concern because most sweets and snacks are rich in saturated fats, trans fats, simple carbohydrates and sodium-all of which are nutrients associated with hypertension, cardiovascular disease, and type 2 diabetes.

There are genuine health concerns associated with consumptions of snacks which could be allayed by adopting suitable technology in preparation of snacks so that they contain less oils, fats and the like. Wide spread of product information, not just providing product information on the labels would help in educating the consumers, and gaining and sustaining their loyalty. Many of the respondents have never bought Haldiram's gift packs. The company must promote the same more effectively, which has been successfully done by Cadbury in Indian market. Demographic differences need to be understood and responded appropriately for more effective market segmentation strategy. As longer period of association with brand is found to be having strong correlation with better perception of the product, the company is required to take measures to retain the customers for longer time spans. It not only improves consumer perception, but augments customer lifetime value.

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