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## Consumer behaviour with regard to consumption of edible oil in Hisar

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**Abstract**

In the present study an attempt has been made to understand the factors influencing purchase decision for edible oils, buying and consumption patterns of the product, the preference of demographic clusters, the frequency of changing edible oil type, the effect of promotional activities on purchasing habits and to find the extent of brand loyalty among consumers. Study covers the awareness of the consumer towards brands, the market share of various brands, the consumer attitude towards price and the various marketing channels. To study the market trends and brand preferences of edible oils, primary data is collected from 200 respondents in Hisar district (Haryana) by using a detailed questionnaire on the basis of convenience sampling method. It was found that the respondents (45%) belongs to the age group of 31 to 40 years, 30% belong to age group of 20 to 30 years and their frequency of buying and use of edible oil was 200. It was also found that Soyabean and Sunflower oil is consumed by most of the villagers. Soybean oil is consumed by 45% and Sunflower Oil is consumed by 15%. The study revealed that out of total respondent 30% use local brand, 22% use fortune, 15% use Dhara, 15% use Patanjali oil and 18% consumer use loose oil. The study also revealed that 48% consumers buy from grocery, 12% from super market and 40% from both places and further rating of mustard oil, vegetable oil, soyabean oil and other type of oil on the basis of various factors concluded from consumers. It was concluded that Cluster analysis proves Health factor plays a predominant role in selecting the brands among selected respondents. As most of the respondents change their oil for better health, strong brand loyalty is not displayed for oil consumption.

**Keywords:** Edible oil, consumption pattern, brands, purchase decision

**Introduction**

India is a major oilseeds producing countries among the different countries producing oilseeds, India has the largest area and production of three oilseed crops namely groundnut, rapeseed, mustard, sesame. India occupies the second portion in the production of castor seeds after Brazil. Of all the essential products in the market the edible oils is one of the most important products and frequently used product by all the people. Edible oil is one of the basic and important ingredients traditionally used by all the people for all food items and is essential for everything that is cooked. The market is flooded by various kinds of edible oils. Such as groundnut oil, gingili oil, coconut oil, sunflower oil, mustard oil, etc. Traditionally people have been using unrefined oils such as gingerly oil, ground oils and coconut oil. In recent years, there is a growing awareness among the consumer towards quality and they have also become health conscious which resulted in the arrival of refined oils. Thus in the recent past, the edible oil market is catered by many branded refined oils available in loose and in consumer packs. The refined oil is available for different varieties of edible oils like gingili oil, sunflower oil, groundnut oil, etc. This has resulted in the growth of many brands and among the brands different varieties which ultimately led to competition among the manufacturers.

Edible oils are most often plant-based oils, which are similar, if not the same as those produced by the industrial biotech industry for use as biofuels such as biodiesel, for use in cosmetics, and in other everyday biotech products. Edible oils may be solid or liquid at room temperature.

Edible oils are, of course, differentiated from inedible oils such as petroleum-based products (gasoline, fuel oil, and related products). Various forms of grease and lubricant may also be considered inedible oils. There are, in addition, a number of plant-based oils that are inedible for humans--but are very useful for other purposes (primarily as biofuels).

These include (among others) Jatropha, Karanja, mahua, linseed, rubber seed, cotton seed and neem oils.

**Edible oil and oil seed supply and demand trends**

India is the 7<sup>th</sup> largest country and the 2<sup>nd</sup> most populous nation in the world occupying 5<sup>th</sup> place in GDP growth rate. India has been among the fastest growing economies in spite of global slowdown during 2008-10.

The average GDP growth in the last five years has been 7.1 per cent. For FY14-15, GDP growth rate is forecasted at 5.4 per cent and it is expected to grow between 6 and 7.5 per cent in the next 3 years. In India, growth in the agriculture sector depends heavily on monsoon performance. India occupies 2<sup>nd</sup> place in arable land and 1st place in irrigated land and is the 2nd largest producer of rice in the world.

#### Importance of edible oils in the country's economy

Oilseeds and edible oils are two of the most sensitive essential commodities. India is one of the largest producers of oilseeds in the world and this sector occupies an important position in the agricultural economy and accounting for the estimated production of 28.21 million tonnes of nine cultivated oilseeds during the year 2013-14. India contributes about 6-7 per cent of the world oilseeds production. Export of oil meals, oilseeds and minor oils has increased from 5.06 million tons in the financial year 2014-15 to 7.3 million tons in the financial year

2015-16. In terms of value, realization has gone up from Rs. 5514 crores to Rs.7997 crores. India accounted for about 6.4 per cent of world oil export.

#### Demand for edible oil

Demand for edible oils vegetable oil consumption in the country is continuously rising and has sharply increased in the last couple of years to roughly 11.2 kg per head per year. This is still lower than the world average consumption level of 17.8 kg and that in neighbouring countries like Pakistan (16.1 kg). The developed western world has a per capita consumption of 44 to 48 kg. per year. According to projections from the National Council of Applied Economic Research (NCAER), per capita consumption of edible oils is likely to reach 13.95, 14.83 and 16.17 kg by 2009-2010 in per capita income grows by 4 per cent, 5 per cent and 6 per cent respectively. The details of edible oil demand are shown in table 1:

**Table 1:** Edible oil demand

Estimate/Year	I 1999-2000	I 2004-05	I 2009-10	2014-15
<b>Per capita *</b>				
Low estimate	9.81	11.55	11.95	16.00
Medium estimate	9.89	11.63	14.83	18.16
High estimate	9.97	11.10	16.17	21.60
<b>Total demand'</b>				
Low estimate	10.10	1330	17A0	22.80
Medium estimate	10/0	1190	19.00	25S0
High estimate	1030	14.60	2030	29A0

**Source:** The solvent extractor's association of India, Mumbai\*in kg per annum \*\* in million tones

#### Research methodology

The study was conducted in different areas in Hisar city (Haryana). This study is conducted to know the impact of different factors on the work life of consumers. This study is conducted on 200 respondents.

#### Objectives of the study

- To understand the factors influencing purchase decision for edible oils.
- To understand the buying and consumption patterns of the product.
- To understand the frequency of changing edible oil type.
- To understand the effect of promotional activities on purchasing habits.

#### Data collection

To complete this study primary as well as secondary source of information is used. To study the market trends and brand preferences of edible oils, primary data is collected by using a detailed questionnaire on the basis of convenience sampling method. The study has been carried out in Hisar District. The secondary data is collected from published thesis, books from library well reputed journals, magazines and related Websites. The data so collected is scrutinized, tabulated, analyzed and finally used for the study purpose. For the collection, calculation and analysis of data statistical tools and techniques are used like Google Forum, Microsoft Word. Microsoft Excel.

#### Source of data

For this study Primary and secondary data were used to gather information

#### Primary data

Primary data can be obtained from unstructured analysis and this data under goes further processing to give accurate result.

#### Secondary data

It can be obtained from web sites, books, research papers. These are already processed and can be used as it is.

#### Study approach

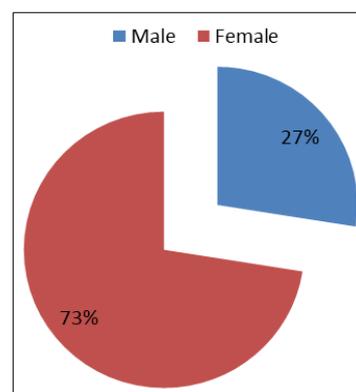
It was based on exploratory study with the help of convenience sampling.

#### Sampling

Sampling unit: Different areas of Hisar City.  
Sample size: 200 respondents  
Sampling area: Hisar city  
Sampling tool: Unstructured questionnaire  
Research tool: Descriptive (Frequency, pie chart, bar graph)

#### Results and Discussion

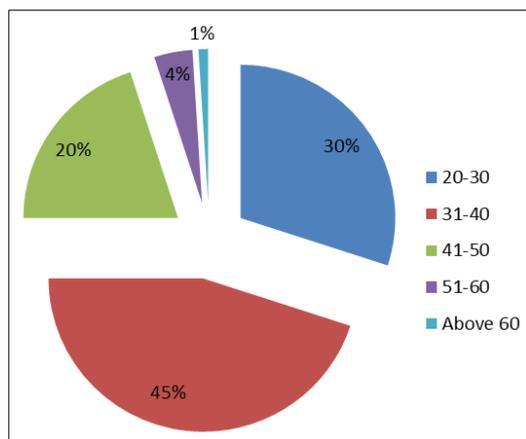
##### Gender



**Fig 1:** Gender distribution

Figure 1 revealed that out of 200 respondent 27% are male and 73% are female.

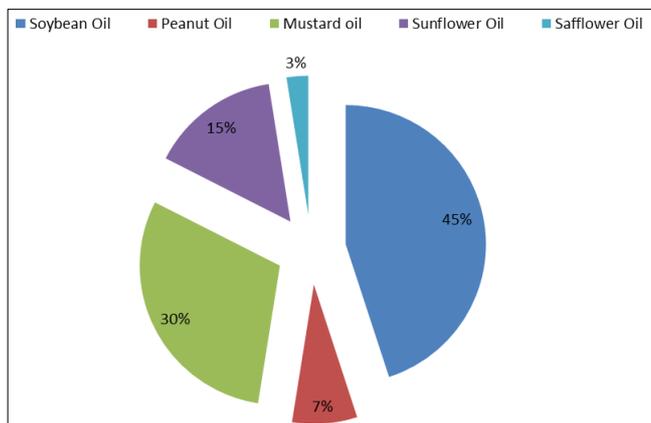
**Age**



**Fig 2:** Age distribution

Figure 2 revealed that majority of the respondents (45%) belongs to the age group of 31 to 40 years, 30% belong to age group of 20 to 30 years.

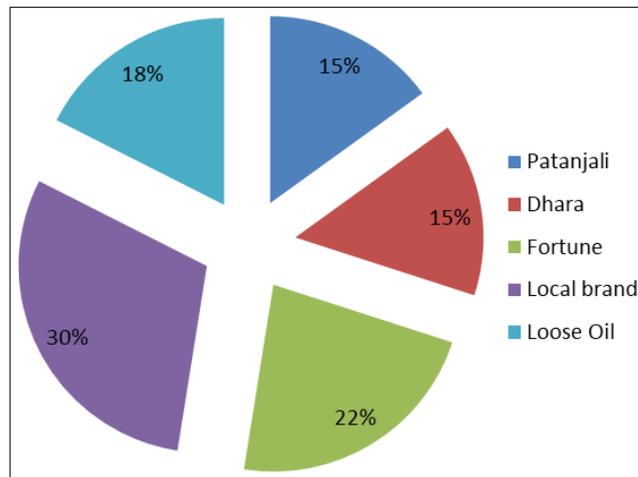
**Which kind of edible oil you usually buy?**



**Fig 3:** Kind of edible oil preferred by consumers

Figure 3 revealed that the different kind of edible oil used in the village. Soybean and Sunflower oil is consumed by most of the villagers. Soybean oil is consumed by 45%, Sunflower Oil is consumed by 15%, mustard oil by 30%, peanut oil by 7% and safflower oil by 3% consumers.

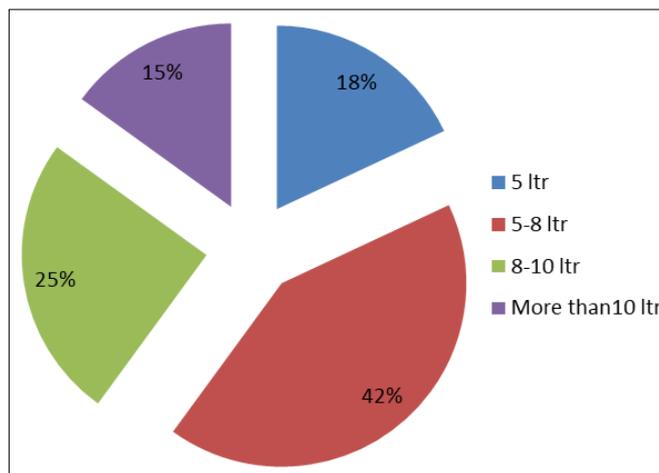
**Which brand of edible oil do you often use at home?**



**Fig 4:** Brand of edible oil often use by consumers at home

Figure 4 revealed about the classification of brands used by customer. Out of total respondent 30% use local brand, 22% use fortune, 18% use Patanjali, 15% use Dhara and 15% consumers use loose oil.

**How much edible oil per month is purchased by you?**

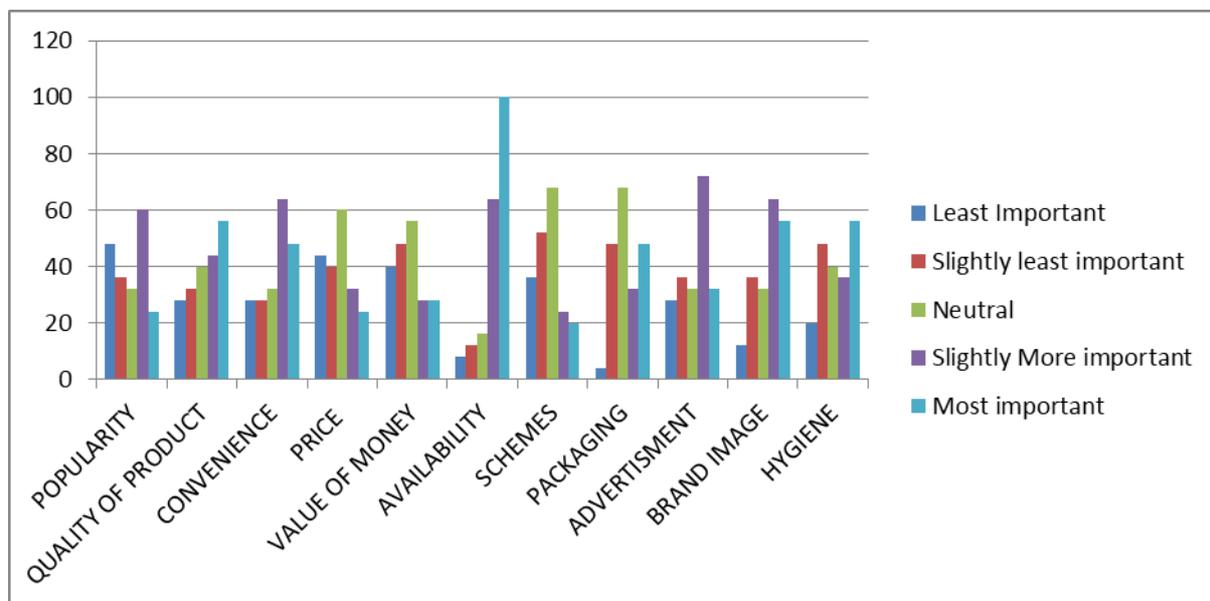


**Fig 5:** Quantity of edible oil purchased by customers

Figure 5 revealed that 42% consumers buy 5-8 ltr oil, 25% buy 8-10 ltr and 15% buy more than 10 ltr and 18% consumers buy up to 5 ltr oil per month.

**Table 2:** Rating of Mustard oil on various factors

	Least Important	Slightly least important	Neutral	Slightly More important	Most important
Popularity	48	36	32	60	24
Quality Of Product	28	32	40	44	56
Convenience	28	28	32	64	48
Price	44	40	60	32	24
Value Of Money	40	48	56	28	28
Availability	8	12	16	64	100
Schemes	36	52	68	24	20
Packaging	4	48	68	32	48
Advertisement	28	36	32	72	32
Brand Image	12	36	32	64	56
Hygiene	20	48	40	36	56



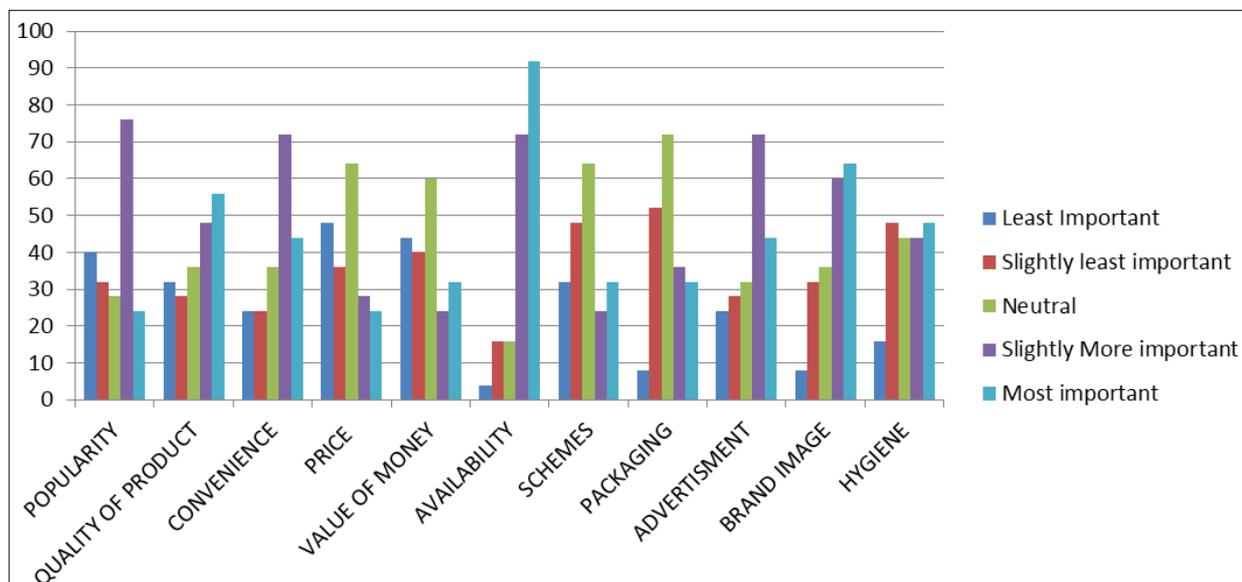
**Fig 6:** Rating of mustard oil on the basis of various factors by consumers

Figure 6 revealed that on the basis of popularity 60 consumer’s rate mustard oil slightly more important, 56 consumers rate most important on the basis of quality of product, 64 consumers rate slightly more important on the basis of convenience, 60 consumers rate neutral on the basis of price, 56 consumers rate neutral on the basis of value of money, 100 consumers rate more important on the basis of

availability, 68 consumers rate neutral on the basis of schemes, 68 consumers rate neutral on the basis of packaging. 72 consumers rate slightly more important on the basis of advertisement, 64 consumer’s rate slightly more important on the basis of brand image and 56 consumer’s rate mustard oil most important on the basis of hygiene.

**Table 3:** Rating of Vegetable Oil on various factors

	Least Important	Slightly least important	Neutral	Slightly More important	Most important
Popularity	40	32	28	76	24
Quality Of Product	32	28	36	48	56
Convenience	24	24	36	72	44
Price	48	36	64	28	24
Value Of Money	44	40	60	24	32
Availability	4	16	16	72	92
Schemes	32	48	64	24	32
Packaging	8	52	72	36	32
Advertisement	24	28	32	72	44
Brand Image	8	32	36	60	64
Hygiene	16	48	44	44	48



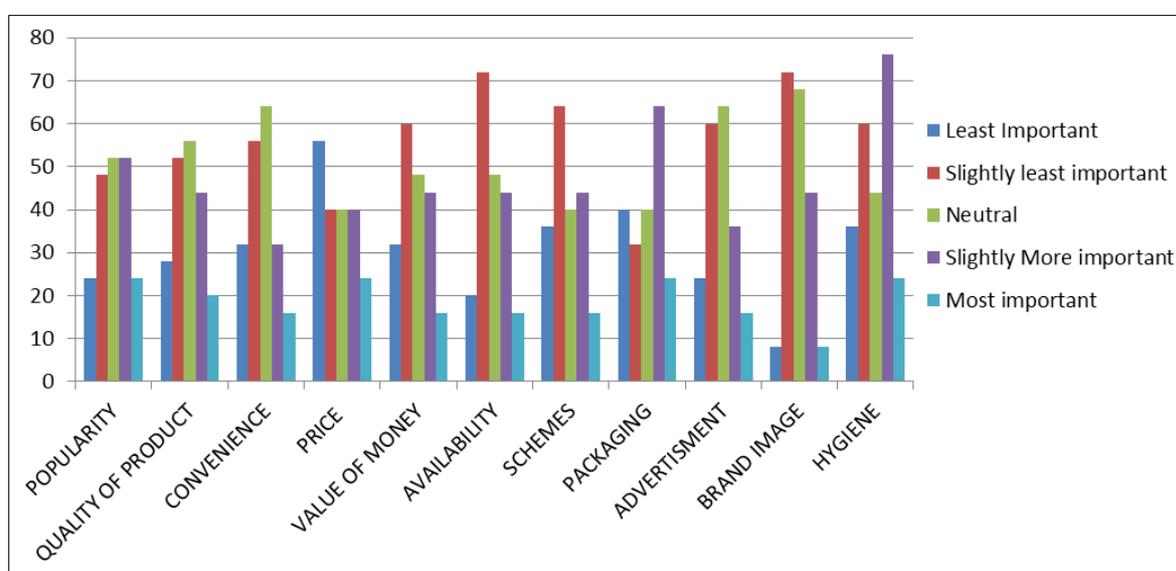
**Fig 7:** Rating of vegetable oil on the basis of various factors by consumers

Figure 7 revealed on the basis of popularity 76 consumers rate vegetable oil slightly more important, 56 consumers rate most important on the basis of quality, 72 consumers rate slightly more important on the basis of convenience, 64 consumers rate neutral on the basis of price, 60 consumers rate neutral on the basis of value of money, 92 consumers rate most

important on the basis of availability, 64 consumers rate neutral on the basis of schemes, 72 consumers rate neutral on the basis of packaging, 72 consumers rate slightly more important on the basis of advertisement, 64 consumers rate most important on the basis of rand image and 48 consumers rate vegetable oil most important in the basis of hygiene.

**Table 4:** Rating of Soyabeen Oil on various factors:-

	Least Important	Slightly least important	Neutral	Slightly More important	Most important
Popularity	24	48	52	52	24
Quality Of Product	28	52	56	44	20
Convenience	32	56	64	32	16
Price	56	40	40	40	24
Value Of Money	32	60	48	44	16
Availability	20	72	48	44	16
Schemes	36	64	40	44	16
Packaging	40	32	40	64	24
Advertisement	24	60	64	36	16
Brand Image	8	72	68	44	8
Hygiene	36	60	44	76	24



**Fig 8:** Rating of safflower oil by consumers on various factors

Figure 8 illustrate that 52 consumer’s rate soyabeen oil slightly important on the basis of popularity, 56 consumers rate neutral on the basis of quality, 64 consumers rate neutral on the basis of convenience, 40 consumers rate slightly more important on the basis of price, 60 consumers rate slightly less important on the basis of value of money, 72 consumers rate slightly less important on the basis availability, 64 consumers rate slightly less important on the basis of schemes, 64 consumers rate slightly more important on the basis of packaging, 64 consumers rate neutral on the basis of advertisement, 72 consumers rate slightly less important on the basis of brand image and 76 consumers rate soyabeen oil slightly more important on the basis of hygiene.

**Conclusion**

Cluster analysis proves that Health factor plays a predominant role in selecting the brands among selected respondents. As most of the respondents change their oil for better health, very strong brand loyalty is not displayed for oil consumption. Most of the respondents were unaware about the brand of Edible Oil.

The primary source of information for consumer regarding oil is TV Ads and Newspaper. Hence, it is recommended that the

cooking oil marketers could take maximum efforts in designing the advertisements in such a way that the advertisements provide reliable and maximum information about the nutrition and health aspects, price of the oil. The companies could increase the frequency of advertisements also in order to make the brands positioned in the minds of the prospects and this will, definitely, help the prospects to consider those brands while the evaluation of alternatives.

Further, it is noted that advertisement does not create a need for cooking oil in the minds of prospects but at the same time, prospects consider advertising as an important source of information. Hence, it is recommended that advertisements could be used only for the purpose of creating brand awareness among the prospects.

Generally, the prospects give higher importance to safety aspects, and the brand image of the cooking oil rather than the other sales promotional schemes offered by the companies while they purchase the cooking oil. Hence, it is recommended that the cooking oil marketers could concentrate on improving the safety aspects, quality and brand image of the cooking oil instead of concentrating heavily on the sales promotional activities.

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