FACTORS INFLUENCING THE PURCHASE DECISION: A PERSPECTIVE OF COCONUT OIL CONSUMERS

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Introduction
India is blessed with many positive factors that enable it to stand at a unique position in agro based products. After achieving independence, India is positive whereby it has become net employer of agricultural based products. 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 flocked by various kinds of edible oils. Such as groundnut oil, gingili oil, coconut oil, sunflower oil, mustard oil, etc..

Currently, in India, the refined oil segment has a growth rate of around 20 percent per annum; and for the branded packed oil segment, the consumption growth is 6 percent. The current per capita consumption levels of India (at 13.3 Kg/year for 2009-10) are lower than global averages (24 kg/year). The Indian edible oils market continues to be underpenetrated and given the positive macro and demographic fundamentals it has a favorable demand growth outlook over the medium-to-long term. Globally, the demand and supply of oil is disproportionately distributed, for example Middle East contributes 32 percent of the world supply but demand is only 7.8 percent, while Asia-Pacific has 30 percent of world demand but only 9.7 percent supply.

The emergence of cheap and abundant availability of other substitutes like palm oil, soya bean oil etc. has directly affected the tranquility of the domestic coconut market and it is visible by analyzing the production of major vegetable oils in the world in the last few decades. In India, more than 90% of the coconut production is confined to four states and among these Kerala upholds the hegemony of copra and coconut oil markets and hence the growth of this commodity in the state ultimately determines the prosperity of the crop and the welfare of the growers in other producing states. In India, the prices of coconut and its products are integrated with the price of coconut oil in the Kochi market.

The farm gate price of coconut is determined by the wholesale price of coconut oil. The composition of the edible oil basket in Kerala is quite distinct from that elsewhere in the country and is dominated by coconut oil. In Kerala production of coconut oil seems to be the basic intention behind coconut cultivation. Coconut oil is preferred as a cooking medium by the Keralites and they are prepared to pay premium price for it. The demand for coconut oil is essentially from the households with only limited demand from organized industry. The demand for edible use is confined to Kerala and to centers with a sizable population. Since people in Kerala use different combination of oils, in a study conducted by Moideenkutty in 2005, revealed that, on an average 70.83 per cent of respondents are using coconut oil as the main item of edible oil. Hence, there is tremendous opportunity to tap the potential and expand the market of coconut oil in Kerala. In the above context, an attempt has been made to understand the preferential factors that influence the purchase decision of coconut oil in Thrissur district, Kerala.

Review of Related Literature
Indian markets from low-involvement to high involvement product categories have been experiencing sweeping changes in the past decade. Globalization in terms of multinational corporation (MNC) brands entering Indian markets, the emergence of young professionals in urban areas, the opening up of luxury and leisure markets, the impact of mass media and the influence of Westernization are some of the crucial aspects which have forced Indian marketers to adopt branding strategies. These strategies have been formulated against the backdrop of an Indian culture which is strongly entrenched in the consumer psyche, and amidst changes in the social environment. These changes can be seen in overall consumer products.

Rajaveni & Ramasamy (2012) analyzed the trend in edible oil consumption and also attempt has been made by the researcher to assess the consumer behavior on consumption of edible oils from various income groups. In India, most vegetable oil is purchased by household or industrial buyers (food processors, restaurants and hotels) for frying or baking needs and is sold as loose oil or vanaspati (partially hydrogenated vegetable oil). Only a small percentage of edible oils are sold in branded form at the retail level. They studied what kind of edible oil people consume, since there are varieties of edible oil like Palm oil,

soya bean oil, mustard oil, groundnut oil, rice barn, and cotton seed oil in the market. It was considered that branded and quality products were preferred. However some of the motivation functions were quality, health and package.

Other factors in preference for Edible Oil was highlighted by Kokatnur (2009), studies on quality of the product plays a major role in the consumers preference of the product, their satisfaction and repurchase intension. Maintaining consistent quality can enhance the market share of private labels. Another factor influencing consumer perception of private brands is the package. The taste test study revealed that consumers rate private labels higher than manufacturer's brand.

Syed Hasan and Muhammad Khan (2009), study identified that packaging characteristics are significant variables for consumer brand preference in edible oils. The study indicates that packaging characteristics has association with consumer brand preference in edible oils.

Prema (2013), in the study compared sunflower and groundnut oil, to know which is more popular, preferred and purchased by the consumer. The factors influencing the consumers for purchasing branded oil were quality, healthy, tasty, availability and fat content.

Angshu Malik, COO, Adani Wilmar Limited, notes: "The dominant type is Palmolein oil, which has a market share of roughly 40 percent. About 20 percent of the market is occupied by soyabean oil, followed by another 20 percent by mustard oil. Sunflower oil is estimated at around 8 lac tonne, which is around 5 to 6 percent of the market. Another 5 to 6 percent is accounted for by groundnut oil; 5 percent by cottonseed oil; other oils such as rice bran oil, coconut oil, and so on account for 10 percent." Extensive literature on personality in psychology and other behavioral sciences has persuaded marketing researchers to theorize that personality characteristics should predict brand or store preference and other types of buyer activity (Engel, 2006)

Objectives of the Study
1. To explore the factors considered for selecting coconut oil.
2. To test whether there is any significant difference among the demographic factors and with regard to the factors considered for purchasing coconut oil.
3. To test whether there is any significant difference among mean rank with regard to the factors of preference.

Hypothesis Used for the Study
$H0_1$: There is no significant difference among gender with regard to factors considered for purchasing coconut oil
$H0_2$: There is no age wise difference in considering the factors for purchasing coconut oil.
$H0_3$: There is no significant difference in qualification with regard to factors considered for purchasing coconut oil.
$H0_4$: There is no income wise difference in considering the factors for purchasing coconut oil.
$H0_5$: There is no significant difference in family size with regard to factors considered for purchasing coconut oil.
$H0_6$: There is significant difference among mean rank with regard to the factors of preference.

Research Methodology
To complete this study primary as well as secondary source of information is used. For identifying the preference factors that influences the purchase decision of coconut oil, primary data is collected by using a detailed questionnaire which was administered to a sample of 60 families selected on the basis of convenience sampling method. The study has been carried out in Thrissur 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 calculation and analysis of data statistical tools and techniques like Percentage, Independent sample t test, one way ANOVA, and Friedman test were used with the help of SPSS.19. The results of the analysis were presented in appropriate tables and figures and conclusions were drawn from these results.

Data Analysis

Table 1: Descriptive Statistics of Demographic Factors

		Frequency	Percent
Gen*der	Male	18	30.0
	Female	42	70.0
	Total	60	100.0

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Age	21-30	14	23.3
	31-40	19	31.7
	41-50	19	31.7
	50 above	8	13.0
	Total	60	100.0
Qualification	Matriculation	5	8.3
	Graduation	23	38.3
	Post Grad	19	31.7
	Professional	13	21.7
	Total	60	100.0
Monthly Income	Below 10000	3	5.0
	10000-20000	9	15.0
	20000-30000	16	26.7
	30000-40000	21	35.0
	Above 40000	11	18.3
	Total	60	100.0
Family size	1-2	5	8.3
	3-4	32	53.3
	5-6	19	31.7
	Above 6	4	6.7
	Total	60	100.0

Source: Primary data

The above table shows descriptive statistics of all the demographic variables considered for the study. As per the gender of the respondents, 70% belong to female and only 30% belong to male. As per the age wise distribution, 31.7% of the respondents are of 31-40 age and 41- 50 ages. According to the table, majority of the respondents ie 38.3% are graduates and 31.7% are post graduates. It is followed by 21.7% of Professionals and 8.3% of having matriculation. Monthly income wise classification of the 35% belongs to 30000- 40000 income group, 26.7% belongs to 20000-30000 group,18.3% belongs to above 40000 group followed by 15% in 10000-20000 group and 5% in below 10000 group. In case of family size, majority of the respondents (53.3%) having 3 to 4 members in their family and 31.7% were having 5 to 6 members followed by a minority of respondents belongs to 1 to 2 members and above 6 members group.

Table 2: Descriptive Statistics of factors influencing the purchase decision

	N	Mean	Std. Deviation
Price	60	3.05	1.358
Taste & Flavor	60	4.27	.733
Quality(Nutrition & Health)	60	4.75	.571
Availability	60	2.05	1.294
Packing design	60	2.53	1.282
Size of Pack	60	2.20	.840
Advertisement	60	2.02	.701
Valid N (listwise)	60		

Source: Primary data

The above table shows descriptive statistics of all the factors influencing the purchase decision considered for the study. According to the mean of the factors, it can be concluded that quality in terms of nutrition and health is the most considered factor that influences the purchase decision of coconut oil with the highest mean of 4.75. It is followed by taste & flavor (4.27), price (3.05) and packing design (2.53). The least considered factors are advertisement with a least mean of 2.02, size of pack and availability.

Testing Results:-

$H0_1$: There is no significant difference among gender with regard to factors considered for purchasing coconut oil

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Table 3: Test Statistics of Independent samples t test

	Gender	N	Mean	Std. Deviation	t value	p value
Factors Preferred	Male	18	22.44	.856	4.044	<0.001**
	Female	42	20.33	3.121		

** denotes significant at 1% level   Source: Primary data

Since p value is less than 0.01, the null hypothesis is rejected and alternate hypothesis is accepted at 1% level of significance. Hence conclude that there is significant difference between male and female with regard to preferential factors considered for selecting coconut oil. Based on mean score, the male members are better than female while considering the different factors for preferring a particular type of edible oil. This is mainly because they are very careful about taking decision regarding coconut oil as it affects the health of the family.

$H0_2$: There is no age wise difference in considering the factors for purchasing coconut oil.

Table 4: Test Statistics of One Way ANOVA

	Mean	Std. Deviation	F value	p value
21-30	19.29	4.304		
31-40	20.74	2.960		
41-50	22.00	.000	3.250	0.028*
50 above	22.00	.000		
Total	20.97	2.816		

** denotes significant at 1% level   Source: Primary data

Since p value is less than 0.05, the null hypothesis is rejected and alternate hypothesis is accepted at 5% level of significance. Hence conclude that there is significant difference between different age group with regard to preferential factors considered for selecting coconut oil. Based on mean score, the elder people between the age group of 41 to 50 and 50 above are more concerned about the purchase of coconut oil whereas age group of 21-30 are less concerned about the coconut oil purchase.

$H0_3$: There is no significant difference in qualification with regard to factors considered for purchasing coconut oil.

Table 5: Test Statistics of One Way ANOVA

	Mean	Std. Deviation	F value	p value
Matriculation	22.00	.000		
Graduation	21.43	2.483		
Post Graduation	20.26	3.525		
Professional	20.77	2.713	.846	.475
Total	20.97	2.816		

Source: Primary data

Since p value is more than 0.05, the null hypothesis is accepted and alternate hypothesis is rejected at 5% level of significance. Hence conclude that there is no significant difference between qualifications with regard to preferential factors considered for selecting coconut oil.

$H0_4$: There is no income wise difference in considering the factors for purchasing coconut oil.

Table 6: Test Statistics of One Way ANOVA

	Mean	Std. Deviation	F value	p value
Below 10000	22.00	.000		
10000-20000	22.00	.000		
20000-30000	22.25	1.612		
30000-40000	19.29	3.481	3.690	.010*
Above 40000	21.18	2.960		
Total	20.97	2.816		

*Denotes significant at 5% level   Source: Primary data

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Since p value is less than 0.05, the null hypothesis is rejected and alternate hypothesis is accepted at 5% level of significance. Hence conclude that there is significant difference between different incomes groups with regard to preferential factors considered for selecting coconut oil. Based on mean score, the lower income group people are more concerned about the purchase of coconut oil.

$H0_5$: There is no significant difference in family size with regard to factors considered for purchasing coconut oil.

Table 7: Test Statistics of One Way ANOVA

	Mean	Std. Deviation	F value	p value
1-2	21.00	3.464		
3-4	22.63	.942		
5-6	18.21	2.800	18.438	<0.001**
Above 6	20.75	2.500		
Total	20.97	2.816		

** denotes significant at 1% level   Source: Primary data

Since p value is less than 0.01, the null hypothesis is rejected and alternate hypothesis is accepted at 1% level of significance. Hence conclude that there is significant difference among the size of family with regard to preferential factors considered for selecting coconut oil. Based on mean score, the families having small size are more conscious about preferential factors than families having large size.

$H0_6$: There is significant difference among mean rank with regard to the factors of preference.

Table 8: Test Statistics of Friedman test

	Mean	Std. Deviation	Mean Rank	Chi square	p value
Price	3.05	1.358	4.21		
Taste & Flavour	4.27	.733	5.72		
Quality(Nutrition & Health)	4.75	.571	6.23		
Availablity	2.05	1.294	2.81	179.478	<0.001**
Packing design	2.53	1.282	3.38		
Size of Pack	2.20	.840	2.95		
Advertisement	2.02	.701	2.72		

** denotes significant at 1% level   Source: Primary data

Since p value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence we conclude that there is significant difference among the mean rank of preferential factors considered for selecting a particular brand of coconut oil. . Based on mean rank, Quality (Nutrition & Health) is the most important factor with highest mean rank of 6.23 followed by Taste & Flavor with mean rank of 5.72 and Price with mean rank 4.21. As the public has been well-versed with propaganda about the ill effects and health issues of coconut oil such as high cholesterol, heart attacks, cancer, obesity, etc., most of the respondents considered health and nutritional factor as the important feature while purchasing coconut oil.

Findings
1. Quality in terms of nutrition and health is the most considered factor that influences the purchase decision of coconut oil with the highest mean of 4.75. It is followed by taste & flavor (4.27), price (3.05) and packing design (2.53).
2. There is significant difference between male and female with regard to preferential factors considered for selecting coconut oil. The male members are better than female while considering the different factors for preferring a particular type of edible oil.
3. There is significant difference between different age group with regard to preferential factors considered for selecting coconut oil. The elder people between the age group of 41 to 50 and 50 above are more concerned about the purchase of coconut oil.
4. There is no significant difference between qualifications with regard to preferential factors considered for selecting coconut oil

5. There is significant difference between different incomes groups with regard to preferential factors considered for selecting coconut oil. The lower income group people are more concerned about the purchase of coconut oil.
6. There is significant difference among the size of family with regard to preferential factors considered for selecting coconut oil. The families having small size are more conscious about preferential factors than families having large size.
7. There is significant difference among the mean rank of preferential factors considered for selecting a particular brand of coconut oil.

Conclusion

With the changing lifestyle, people have started becoming more health conscious. Therefore, the coconut oil company's should use appropriate marketing techniques to compete with the demand for cheaper substitute oils and refined oils. The study proves that Quality with respect to Health and nutritional factor plays a predominant role in selecting the types of edible oil among selected respondents. As the public has been well known about the propaganda regarding the side effects and health issues of coconut oil such as high cholesterol, heart attacks, cancer, obesity, etc., most of the respondents consider health and nutritional factor as the important feature while purchasing coconut oil. Hence, it is recommended that the cooking oil marketers could concentrate on improving the safety aspects, quality and brand image of the coconut oil instead of concentrating heavily on the sales promotional activities.

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