Convenience Food Lifestyle Segments – A Study of Delhi - NCR

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Abstract

Over the past few decades, several socio-cultural, demographic, economic, and lifestyle changes have occurred, which in turn have modified the food-related lifestyles of people. Convenience foods such as ready-to-eat and ready-to-cook products are the outcome of this shift from hunter-gatherers to convenience-seeking customers. The present study aimed at segmenting the convenience food market, particularly ready-to-cook food, based on food-related lifestyles. A segmentation study based on cluster analysis was applied to 16 identified food-related lifestyle factors resulting in four convenience food lifestyle segments – adventurous consumers (38.6%), uninvolved consumers (28.60%), relaxed consumers (25.23%), and convenience seekers (7.67%). In particular, convenience seekers and adventurous consumers can be treated as a target market for convenience food in India. The current study will assist food marketers in identifying the target segments for RTC food by profiling the RTC food consumer lifestyle segments.

Keywords : **ready-to-cook, convenience, food-related lifestyle, segmentation**

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Food is the foremost basic human need. During the early days, man used to satisfy his basic need for food through hunting, gathering, and agriculture; whereas, nowadays, most of the food energy is supplied by the food industry. The way people acquire, prepare, and consume food has dramatically changed. In addition, due to rapid economic, social, and cultural changes, children have taken on a new role in purchasing decisions (Sharma & Sonwaney, 2015). Dual career and single parenting have significantly influenced purchasing decisions (Tripathi & Sengupta, 2011). Consumers eat on the run, eat small amounts, and more often, select the food themselves and, at least during the day, eat independently of other family members (Senauer et al., 1991).

Further, rapid technological advancements in food processing and preservation methods accompanied by the invention of food additives have contributed to the wider acceptance of convenience foods (Banerjee et al., 2013). Marketers of convenience foods are targeting their strategies to rope in adolescents and children and are successful, too (Sivathanu, 2017). The ready-to-eat and ready-to-cook convenience food categories are the fastest-growing segments in the food processing industry. Traub and Odland (1979) defined convenience foods as fully or partially prepared foods in which a significant amount of preparation time, culinary skills, or energy inputs have been transferred from the home kitchen to the food processor and distributor.

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Current Market Scenario

The USA is the largest market for convenience food throughout the globe and will remain in the future too because of decreasing interest in dining out and at-home cooking. Markets of Asia-Pacific, Middle East, and Latin America can be treated as emerging markets. Widened distribution channels and off-shelf buying are the major drivers in the emerging markets, however, poor infrastructure, such as lack of proper storage facilities, threatens some of the convenience food categories. Some major global players engaged in manufacturing and marketing convenience food are Amy's Kitchen, Cargill Incorporated, ConAgra Foods, General Mills, Tyson Foods, Mondelez International, and Kraft Foods. As per a report by Future Market Insights (2018), the Indian food industry is also heading towards tremendous growth as its contribution to the world food trade is increasing yearly. In 2020, the FMCG sector witnessed a double-digit growth recovery of 10.6% due to government initiatives and the global pandemic ringing bells for packaged food across India. MTR Foods Ltd., ITC Ltd., GITS Foods Pvt. Ltd., Nestle, and other dozen RTC players launched different varieties to appeal to the consumers who wanted a dine-out experience at home due to lockdown restrictions.

Food-Related Lifestyle Segmentation

Market segmentation is the first step in the development of marketing strategies. Lazer originated the lifestyle concept in consumer research (Grunert et al., 1997). Food-related lifestyle (FRL) is a tool designed specifically for the food industry that has five lifestyle components that mediate between values and product attributes that motivate behavior intentions and can be used to explain food-related behaviors. The present research aims to study consumers' food-related lifestyles toward convenience foods, specifically ready-to-cook foods, and segment the same based on food-related lifestyles.

Review of Literature

Food-Related Lifestyles

Bredahl et al. (1996) grouped Spanish food consumers on an FRL basis into five segments: adventurous, conservative, uninvolved, rational, and enthusiastic. Kesic´ and Piri-Rajh (2003) segmented Croatian consumers into five groups — relaxed (13%), traditionalists (27%), modern (32%), concerned (11%), and hedonists (17%). Fang and Lee (2009) identified four distinct segments using the FRL instrument in Taiwan: traditional consumers (23.54%), adventurous consumers (27.61%), uninvolved consumers (24.07%), and astute consumers (24.78%). Grunert et al. (2011) identified three consumer segments on an adapted version of FRL: concerned, uninvolved, and traditional.

Convenience Food Lifestyle

Ryan et al. (2004) explored the convenience orientation of these six identified FRL segments, and the results indicated that three FRL segments – hedonists, extremely uninvolved, and adventurous – were more convenience-oriented.

Buckley et al. (2007) identified four distinct convenience food lifestyle segments in Great Britain. Food connoisseurs did not have a positive attitude towards convenience foods. Home meal preparers are not convenience-oriented in food shopping and cooking. Time-pressured and convenience-oriented consumers are the kitchen evaders. Convenience-seeking grazers hold a positive attitude towards convenience food, considering it to give good value for money. Gopal (2014) segmented ready-to-eat food consumers in Salem city, Tamil Nadu, India, and identified four clusters: ready foodie, traditional foodie, quality seekers, and convenience seekers. Ottar Olsen et al. (2009) identified three segments: convenient, ambivalent, and dissatisfied by using ambivalence as a basis for segmenting the convenience food market.

Objective

This paper attempts to study the food-related lifestyle of consumers toward convenience foods with a special reference toward ready-to-cook foods and to segment the ready-to-cook food market on the basis of food-related lifestyles.

Methodology

The research design followed in this study is exploratory cum descriptive. The present research aims to explore the food-related lifestyle of people of the Delhi-NCR region towards ready-to-cook food and group the RTC consumers into different segments during the time period from 2018–19.

Sample Design

The sampling frame in the present study is the list of administrative divisions. A multistage cumulative sampling technique was adopted for selecting the sample.

Sample Size

The sample size derived from the formula (n) = $\frac{\sigma^2 \times Z^2}{D^2}$ resulted in a count of 1,067. Out of these, 860 questionnaires were found fit for analysis.

Data Collection

The present study used both primary and secondary data. Secondary data were collected from various online and offline sources; whereas primary data were gathered by applying survey research techniques with the help of a structured questionnaire.

Data Collection Instrument

The survey instrument used in previous food-related lifestyle studies (Buckley et al., 2007; Grunert et al., 1993; Ryan et al., 2004) provided insights in developing a structured questionnaire for the current study. SPSS 20 was used to analyze the data. Exploratory factor analysis, implying principal component analysis with varimax rotation, was applied to the statements related to RTC food buying, preparation, expectations & desired consequences, and usage situations. The Cronbach's reliability coefficients for all the 16 extracted factors were computed.

Cluster analysis was applied to the 16 extracted factors, which were carried out in two stages:

- **Stage 1 :** Hierarchical clustering

↳ **Stage 2 :** K - means (Quick clustering)

The final cluster centers were interpreted for the clusters identified. The final cluster centers (as seen in Table 1) show the mean values for each variable in each cluster. The variables in each cluster are identified for the 4-cluster solution. Going back to the original variables (in the current study, the 59 statements are reduced into 16 factors), the interpretation is done in terms of 16 factors, explaining 59 variables.

In this study, Cluster 1 consists of people who are informed shoppers of RTC food and consider it to be value for money. Labeling is quite important for them, and members are influenced by word-of-mouth communication. As far as the cooking aspects are concerned, Cluster 1 members believe that RTC food offers cooking efficiency, substantially saving mental and physical effort. This group considers fresh food important and does not consider the kitchen solely a woman's responsibility. As far as the expectations of this group are concerned, they expect that RTC food should be healthy and offer convenience. Regarding the usage situation, members prefer to consume RTC food when alone and also consider it to be catering to the varied preferences of family members.

On the same variables, in contrast to Cluster 1 members, Cluster 2 comprises of people who do not consider RTC food to offer value for money. They are neither influenced by branding, labeling, or word of mouth while buying RTC food.

As far as preparation behavior is concerned, this group strongly disagrees with the belief that RTC offers cooking efficiency and is not inclined towards saving time either. As far as expectations are concerned, this group does not expect that RTC food should be healthy. Concerning usage situations, this cluster does not prefer to consume RTC food when alone. They do not think that RTC food caters to the different choices of members of the family and do not consider it to have any social aspect associated with its consumption.

Table 1. ***Final Cluster Centers***

FRL Factors	**Cluster**			
	1	**2**	**3**	**4**
S1 (Brand Image)	4.23	1.25	3.84	3.94
S2 (Labeling)	4.23	1.50	3.86	3.91
S3 (Word-of-Mouth)	3.70	1.67	3.64	3.12
S4 (Value for Money)	3.81	3.00	3.04	3.16
Prep1 (Cooking Efficiency)	4.12	1.00	3.42	3.91
Prep2 (Effortless)	4.02	1.67	3.44	3.75
Prep3 (Neophilia)	3.86	1.60	3.33	3.51
Prep4 (Freshness)	3.93	1.00	3.93	3.38
Prep5 (Woman's Task)	2.77	1.00	2.90	3.43
Prep6 (Spontaneity)	3.40	2.00	2.97	3.28
Prep7 (Time Saving)	3.78	1.50	2.63	3.19
Exp1 (Healthy)	4.04	1.33	3.35	3.77
Exp2 (Convenience)	4.34	1.75	3.80	4.12
US1 (Eating alone)	3.69	1.00	2.86	3.65
US2 (Individuality)	3.81	1.67	3.44	3.59
US3 (Ornate Meal)	3.45	1.50	2.78	3.09

Cluster 3 includes people who are somewhat interested in the brand and certification aspects of RTC food buying. They are neutral towards the aspect of RTC foods' offering value for money. They are influenced by word-of-mouth communication in the form of experience-sharing and salesperson's guidance. In terms of cooking aspects, members belonging to this group are indifferent to the variables of cooking efficiency, novelty, as well as time-saving aspects with respect to RTC foods.

As far as expectations of this group are concerned, they agreed that RTC food should be convenient. Regarding usage situations, members of this group are neutral regarding whether to use RTC food alone or cook food from scratch. RTC food also caters to the different tastes and preferences of family members.

Compared to other segments, Cluster 4 members are close to Cluster 1 members regarding branding and labeling aspects. However, they are indifferent towards word-of-mouth communication and have a neutral response towards RTC offering value for money.

In the context of preparation behavior, this segment also believes that RTC food saves physical and mental effort. RTC food spares one from knowing the exact quantity of different ingredients required and allows more free time for other activities. The novelty aspects of RTC foods appeal to this group, but they are indifferent towards the freshness attribute of food and time saved. They perceive the kitchen as a woman's field and consider nurturing the family a woman's responsibility. Regarding expectations, this group hopes that RTC food should be healthy, convenient, and less messy.

As far as the usage situation is concerned, members of this group liked to consume RTC food when alone, believing that RTC food caters to the varied tastes and preferences of family members. They are unconcerned about the social aspects of RTC food. In this way, the final cluster center values on each of the 16 variables (S1, S2, S3, S4, Prep1, Prep2, Prep3, Prep4, Prep5, Prep6, PreP7, Exp1, Exp2, US1, US2, US3), which are compared to one cluster at a time, and a complete picture of the cluster emerges.

Table 2. ***Categorization of FRL Segments Based on their Mean Scores and Interpretation***

FRL Factors	Adventurous Consumers	Uninvolved Consumers	Relaxed Consumers	Convenience Seekers
Brand image	*Very important*	*Least important*	*Somewhat Important*	*Important*
Labeling	*Very important*	*Least important*	*Somewhat Important*	*Important*
WOM influence	*Influenced*	*Least influenced*	*Influenced*	*Neutral*
Value for money	*Agree*	*Indifferent*	*Indifferent*	*Indifferent*
Cooking efficiency	*Agree*	*Strongly disagree*	*Neutral*	*Agree*
Effortless	*Agree*	*Disagree*	*Neutral*	*Agree*
Neophilia	*Agree*	*Disagree*	*Neutral*	*Agree*
Freshness	*Important*	*Least Important*	*Important*	*Neutral*
Woman's task	*Disagree*	*Strongly disagree*	*Neutral*	*Agree*
Spontaneity	*Agree*	*Disagree*	*Neutral*	*Neutral*
Time saving	*Agree*	*Disagree*	*Disagree*	*Neutral*
Healthy	*Agree*	*Strongly disagree*	*Neutral*	*Agree*
Convenient	*Strongly agree*	*Disagree*	*Agree*	*Agree*
Eating alone	*Agree*	*Strongly disagree*	*Neutral*	*Agree*
Individuality	*Agree*	*Disagree*	*Neutral*	*Agree*
Ornate meal	*Agree*	*Disagree*	*Neutral*	*Neutral*

As depicted in Table 2, the adventurous consumers agreed with almost all the FRL factors except that they did not consider cooking to be a woman's task exclusively. The uninvolved and relaxed consumers disagreed or were neutral to the majority of FRL factors; whereas convenience consumers' responses ranged from agreeing to neutral, but they are the only segment who agreed that the kitchen is the woman's domain and her responsibility too.

Conclusion and Implications

The food-related lifestyle or the way people acquire, prepare, and consume food has undergone a drastic change. The present study identifies four distinct convenience food lifestyle segments based on food-related lifestyles – adventurous, uninvolved, relaxed, and convenience seekers. Adventurous consumers can be characterized as those consumers who are very much enthusiastic regarding food-related activities. Food plays an important role in their lives, and they interpret food in an entertainment sense. Uninvolved consumers are those who are not interested in food-related activities. They are quite traditional and do not prefer RTC food. Relaxed consumers are almost indifferent in their food-related behavior but interested in convenience attributes, so this segment can be tilted with the help of effective marketing communication strategies. The convenience seekers' segment lies between adventurous and relaxed segments and is interested in convenience related to food shopping and preparation. Thus, it can be inferred that different consumer lifestyle segments differ in their convenience food lifestyle. The recognition of these differences across segments implies that convenience food marketers should consider these differences in consumption values while communicating with the different identified segments on the basis of benefits sought by a particular segment.

Limitations of the Study and Scope for Further Research

Though the cross-cultural valid model proves to be very useful, but any market surveillance instrument designed particularly for Indian food consumers would have provided better results. The study is not product specific and is confined to only one convenience food category: ready-to-cook food. The scope of the present research can be broadened by including other convenience food categories like ready-to-eat and ready-to-heat under the study's purview. As India is amongst the most populous and culturally diverse countries, further research may be conducted on a larger population across different geographic regions.

Authors' Contribution

Dr. Neetu Munjal conceived the idea and developed qualitative and quantitative design to undertake the empirical study. Dr.Neetu Munjal extracted research papers with high repute, filtered these based on keywords, and generated concepts and codes relevant to the study design. Dr. Supriya Dhillon verified the analytical methods and supervised the study. Dr. Neetu Munjal conducted the interviews and survey. The numerical computations were done by Dr. Supriya Dhillon using SPSS 20.0.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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