**CHAPTER 1**

**INTRODUCTION**

INTRODUCTION

The definition of customer satisfaction says that it is predetermined by how the expectations of the customer are met. Customer satisfaction is directly connected to customers’ needs. The degree to which these needs are fulfilled determines the enjoyment in the case of conformity or disappointment from discrepancy .

The Indian bakery market is being driven by the growing demand for biscuits and cookies, rapid advancement in technology, and increasing population within the region. Within the food processing industry, bakery, which is additionally a conventional activity, holds a vital place. Bakery products became preferred consumer choice because of their high nutrient value and affordability and are an item of giant consumption within the region. With the fluctuating eating habits of individuals because of their busy lifestyle, in addition to the rising demand for western taste, bakery products have gained huge popularity. The emergence of a female working population is further contributing significantly to the expansion trajectory of the Indian bakery market. With the increasing consumer demand for brand new and healthy food options, the industry is further experiencing fortification of bakery products to satiate the appetite of the health-conscious people. The launch of healthy products within the bakery segment is increasing and is gaining popularity at a high rate. The growing penetration of bakery chains is further triggering the expansion of the industry within the region. Bakery products like bread and biscuits are quite popular among millennials thanks to their convenient and affordable nature. Further, the growing use of online platforms within the region is enhancing the 'click and collect' trend, with millennials ordering food online. This still is an untapped market within the region and is predicted to form a huge revolution within the future, thus, aiding the Indian bakery market further.

Here we are making an understanding about the customers response to the products offered by Modern enterprises. It includes the characteristics of the product, packing style of the product, issues with the products, and the improvements required according to the customer.

STATEMENT OF THE PROBLEM

The study encompasses on the identification of the customers satisfaction on the products provided By modern enterprises Pvt ltd. For this it is necessary to identify the problems and the areas of improvement needed in the firm. So there is a need to understand the customers needs and wants and what the competitors' strengths and weaknesses are which can be helped in making changes in the current approach to the customers. This study will make us understand the customers' suggestions and requirements which they are expecting from the manufacturer. On that basis we can make changes in the product portfolio. It will help the organization in improving sales, making the customers happy, improving customer retention, and attracting new customers. Therefore, the researcher wants to pursue research in “A STUDY ON CUSTOMER SATISFACTION TOWARDS MODERN FOOD PRODUCTS IN ERNAKULAM DISTRICT”

PURPOSE OF THE STUDY

Modern food enterprise Pvt ltd is one of the trusted bakery brand in the market . The firm is providing different types of packaged food products to the people. The researcher has selected this organization to conduct an in-depth study about the satisfaction level of customers towards the products. This type of study is always an important element for the growth of the firm.

OBJECTIVES

To measure customer satisfaction

To understand consumer buying behaviour pattern towards modern food products

To know the factors influencing buying behaviour.

SIGNIFICANCE OF THE STUDY

The success of any bakery brand is not an easy way in this current competitive world. In an industry like bakery, there are so many organized and unorganised companies available in the market. The study gives a picture about how the customers are satisfied towards modern food products and factors that influence them to purchase the products. It

helps to identify the areas of improvement and facilitate better strategy to increase the brand’s performance and market share.

SCOPE OF THE STUDY

This study will provide insight and information to the company about satisfaction level and buying behaviour pattern of people towards the products. Through this study the company can get an idea about the peoples’ responses for improving the products in the portfolio. Through this study the company can able to understand the impulse of customers towards the food manufacturer that may help the company to take further improvements in the areas where they lacking. The study can be also help future researchers on similar topics. Researchers can use the findings of this study for their further research.

INDUSTRY PROFILE

The bakery market is currently one of the fastest growing segments of the Indian food processing industry. Bakery products are widely consumed due to their high nutritional value and availability. Due to rapid population growth, increasing foreign influence, the emergence of working women and changing people's dietary habits, it has contributed significantly to the development of the bakery industry and has gained popularity among people. Bakery products occupy an important place in the processing industry and are a traditional business. When it comes to bakery products, consumers are demanding fresher options and the industry is experiencing consolidation of bakery products to meet the appetite of health-conscious Indians. In the bakery segment, healthy products have been launched and are becoming very popular. Consumers are looking for new bread products that are more attractive, tasty and convenient.It is witnessing tremendous growth due to demographic changes and rising living standards of the urban and rural population.

The bread industry in India is the largest food processing segment estimated at $7.60 billion in 2020. In recent years, the growth of fast food chains has increased the demand for bread used for sandwiches and burgers, food products, etc. The unorganized sector dominates the Indian bread market with a market share of 70 percent, while the organized sector accounts for the rest. The organized market consists of large, medium and small brand manufacturers of biscuits and packaged bread. The unorganized sector consists of small bakeries and cottage units producing unpackaged bread for local distribution.

The Indian bakery industry is one of the largest segments of the country's processed food industry. Bakery products, including bread and biscuits, are the main baked goods, accounting for 82 percent of the total bakery products produced in the country. It has a comparative advantage in manufacturing, provides many key ingredients needed by the industry, and is the third largest producer of biscuits (after the US and China).

India is the second largest producer of biscuits in the world. However, it is the largest consumer of biscuits in the world with a turnover of $4.65 billion in 2020. Bread and biscuits are the main baked goods, accounting for more than four fifths of the bakery products produced in the country. India has a comparative advantage in manufacturing and is provided with cheap raw materials and labor that support industrial growth.

The cake market is expected to reach $882.24 million by 2024, growing at a CAGR of 12.5% ​​from 2019 to 2024. Cake consumption is becoming a market concern due to changes in consumer perception as well as convenience and health. properties, there is a sudden increase in demand for baked or baked cake products at the convenience of customers.

The bakery industry in India can be divided into three broad segments namely bread, biscuits and cakes. Only 40% of India's 1.3m tonnes of bread production is in the organized sector, with the balance being unorganized, small-scale local producers (Samant 2002). With changing consumer tastes and the introduction of multinational companies after liberalisation, the average Indian's palate has expanded from just bread, cakes and biscuits to more sophisticated pizzas and burgers. Consumers are looking for new options when it comes to bakery products. In recent times, there has been an influx of MNCs and other organized players in the industry, leading to increased competition.

Market Segmentation

Baking refers to the method of cooking food by dry heat in an oven, hot ashes or on hot 12 stones. food or bakery products include items such as, bread, cookies, biscuits, rolls, cakes, cupcakes, pies, tarts, sweet rolls, coffeecakes, doughnuts, and refrigerated bakery products. food , like bread, provide many nutrients that are vital for the health. Bread and biscuits are a number of the popular products among other baked goods. On the idea of products, the Indian bakery market is split into:

*Biscuit*

* Cookies
* Cream Biscuits
* Glucose Biscuits
* Marie Biscuits
* Non-Salt Cracker Biscuits
* Salt Cracker Biscuits
* Milk Biscuits
* Others

*Bread*

* Sandwich Breads
* Hamburgers
* Croissants
* Others

*Cakes and Pastries*

* Packed Cupcakes
* Pastries
* Muffins
* Layer Cakes
* Donuts
* Swiss roll
* Others

*Rusk etc,*

India is the second largest producer of food and agriculture in the world after China and has the potential to become the largest producer of food and agriculture.

There are many automatic and semi-automatic bread and biscuit units in India, many people prefer fresh bread and other bakery products. Since the emergence of multinational corporations (MNCs) selling pizzas and burgers in India, people are also changing their tastes. Baked goods are expected to grow at a constant annual growth rate of 2 % over the forecast period. Indian urban areas witnessed rapid growth and expansion of modern retail outlets in 2013.

Organized and unorganized bread players contribute 45 percent and 55 percent of bread production respectively. The organized sector consists of about 1,800 small-scale bakeries, 25 medium-sized industries and two large-scale industries in India. The bread and pastry market is more fragmented with more regional and local players. The bread industry in India has been growing at over 15 percent annually in recent years. Global and domestic markets have huge growth potential. The unorganized bakery sector comprises about 75,000 bakers located in urban and urban residential areas.

In India, the bakery sector offers tremendous opportunities for growth, innovation and employment. It is a major player internationally and is one of the most exciting areas for the bakery industry with the entrepreneurial spirit of Indian companies and individuals. Changing consumer tastes, preferences and lifestyle habits are shaping the bakery industry in India. As part of a global trend, there is a greater demand for healthy products and alternatives, especially in the case of baked goods that are now used daily rather than therapeutically. With high consumption rates, consumers want guilt-free, low-calorie, low-sugar, and baked goods, and are looking for gluten-free products made with versatile and alternative ingredients like wheat. Along with a healthy lifestyle, millennials are always looking for new tastes and experiences, discovering taste innovations. Indian consumers with hectic lifestyles prefer convenience, and since bread and biscuits are fast moving consumer goods (FMCG), bakeries are rising to this challenge. While Indian consumers increasing demand for baked goods, the bakery industry in India is facing several challenges. Operational efficiency is a major problem in the industry, as well as a lack of technology and skilled workers. Organized bakeries in India use social media marketing and social media engagement to provide targeted and cost-effective marketing. Less big budget international chain, local bakeries eschewing traditional marketing rely on word-of-mouth offers instead of social media marketing and social media engagement.. Although there are obstacles like most other industries related to the proper utilization of equipment and other resources that cause losses, business in the bakery industry in India has flourished. Home baking has always been popular, but with new technological innovations, people have been able to monetize their business. Thirty-five percent of the total output comes from small-scale industries, which employ about 1,500-1,800 units. Since the bakery industry is a low-margin business, cost control is essential to maintain profitability in the long run.

*INNOVATION*

With a growing desire to increase socialization, Indian consumers are driving demand for more convenient options. The innovation of the segment has led to the development of new café formats, such as the bakery café, which reverses the café concept by expanding the existing bakery and chocolate vendors to offer complementary drinks.

Typical bakery menu includes a variety of bread, including exotic varieties such as wheat, rye, five grain, multigrain, cracked wheat, puff pastry, baguette and ciabatta, as well as baked goods such as brioche, onions, carrots, muffins and cakes, scones, strudels, brownies, pies and puffs. It can be eggs, freshly made sandwiches, rolls, wraps and baked beans in various incarnations. The concept of bakeries and bakery cafes, though gaining traction in recent years, is not new in India.The bakery industry is expected to enjoy more innovative ideas and concepts and grow with awareness and a prosperous economic environment.

There are many regional players in the bakery industry and only two (Parle and Britannia) are all Indian players. This situation has not changed for many years. Modern Food Industry, Government of India, has entered into Modern Bakery and has set up several manufacturing units with distribution net works in India. But post liberalization was achieved by Hindustan Lever and the bakery unit was closed down.

Because bread has a short shelf life, it is always a regional brand. "Golden Harvest" works well in the north. All India has to create manufacturing facilities in other regions. Here again the limit is lower. So creating a success story will not be easy.. The bakery industry is also developing mainly because small-scale operators require technical support and this material manufacturer offers them a total solution to improve quality. Therefore, we have several large and small businesses in the bread industry.

Wheat production

Wheat is the main ingredient for the production of bread. India is the second largest producer of wheat in the world. India produced about 72 million tons of wheat in 2003-04, about 12 percent of world production, according to figures from the Ministry of Agriculture, Government of India. Most wheat produced domestically is suitable for the production of medium-protein soft and medium-soft bread and bakery products.

*Promoter:* Promoter is a department specialized in manufacturing and selling bakery products. Using good social contacts and good management skills, he managed the entire department successfully.

*Location of facilities*: The location should be suitable for the proposed business and all infrastructure facilities should be accessible.

*Market Potential*: Currently, bakery products are mass consumption items. Due to low cost and rapid growth and changes in people's dietary habits, the bread industry as a whole has become popular among the people. The growth rate of bread products has been remarkable in both urban and rural areas. Increasing the number of working women, changing Indian food patterns, increasing income, urbanization etc. increased cravings for baked goods.

*Quality Control and Standards*: Strict quality control norms and hygienic conditions must be maintained at every stage of the manufacturing process in accordance with health regulations. All ingredients used and expiration dates must be clearly stated on each food package.

*Manufacturing process:* Mixing other ingredients in the required quantity in the form of a paste. Make the dough by mixing with flour. Put the dough in the mold and machine cutting

*Raw Materials*: The main raw materials required are flour, maida etc. Other ingredients are yeast, sugar, ghee, milk powder, salt, edible color and flavoring. All ingredients are available locally.

WHAT ARE THE CHALLENGES FACING THE INDIAN BAKERY INDUSTRY?

Due to rapid population growth, increasing foreign influence, increasing number of working women and changing dietary habits of the people, bread production in India has become very popular. Bakery products are popular and widely consumed items today because of their nutritional value and price. When it comes to bakery products, consumers are demanding more innovative options and the industry is experiencing consolidation of bakery products to meet the health demands of Indian men, women and children. The bakery industry in India plays an important role in food production and is a traditional business. A number of healthy wheat-based products have been launched in the Indian bakery industry and have become very popular. The growth in the number of bakery chains has led to the growth of the industry.

India ranks second in the world after China and has the potential to become the largest in food and agriculture. Hence, the trends and challenges of the bakery industry in India are also huge. Bread manufacturing in India is one of the largest segments of the country's processed food industry. Bakery products, including bread and biscuits, are the main baked goods, accounting for more than 82 percent of all bakery products produced in the country. Indian bakeries are the third largest producer of biscuits (after the US and China) and have a competitive advantage in the industry in providing key ingredients required by the industry.

Widespread trends in the bakery industry include electronic sales of baked goods, aggressive expansion plans by incumbents, and advances in technology and ingredients. Despite a slight slowdown in the Indian economy, bakeries continue to post strong sales of baked goods in 2013. Bakery products increased by 10 percent in 2013. The growth of bakery products is largely driven by the rapid growth of modern retail outlet in the country.

CHALLENGES FACING THE INDUSTRY

Industrial growth also brings its own challenges and the most important is expanding production capacity to meet the demands of the new era. For example, to meet the demand for healthy food, a bakery or grocery store must invest in cleaning its facilities and hiring new people who know such products.

Seeing the increase in competition in the market, updating new products is a major challenge for the industry. It should also raise awareness of the benefits of digital technology and social media platforms that can help businesses in the informal sector reach a wider market. Currently, the organized bakery segment is about 62%, while the remaining 38% belongs to organized bakeries in the country.

With the emergence of multinational pizza and burger companies, consumer tastes are also changing. Many local and international manufacturers have captured the market and the competition is getting stronger every year. States like Delhi, Maharashtra, West Bengal, Karnataka, Tamil Nadu, Kerala, Andhra Pradesh and Telangana have witnessed tremendous growth with the rise of local and global players.

The bread industry also experienced some administrative difficulties. Bakers have to deal with changes in government regulations, supply chains, and rising costs of raw materials such as refined flour, a key ingredient in all bakery products.

IS BAKERY BUSINESS PROFITABLE IN INDIA?

Yes, bread production in India is supported by some facts and figures. The bakery industry in India reached $7.22 billion in 2018 and is expected to reach a market value of $12 billion by 2024. If done correctly without compromising on quality or quantity, it is easy to expand your bakery business from your first location or home to several stores. A strong business plan and market analysis is required before entering the bakery business in India.

IS BAKERY INDUSTRY GROWING?

According to an expert market research website, the global bread market will reach an estimated $507.38 billion in 2020. The production of bakery products is expected to grow at a CAGR of 2.5% between 2021 and 2026. About $574.05 billion by 2026. After the United States, China holds 7% of the share global bread market. The United States is a key region in the industry, accounting for 20% of the global bread market share. China and Brazil are the fastest growing markets for bakery products, with a growth rate of around 10% over the last four years. Europe is now the largest bakery market. In Europe, Germany dominates the bread and roll segment.

WHAT IS THE FUTURE OF THE BAKERY?

Despite some headwinds, the forecast of the bread industry is expected to cross $12 billion by 2024 at a CARG of 9.3% from 2019 to 2024. Along with this prediction, India continues to grow in global importance as a unique flavor innovator. Access to Indian traditions and interesting and unique flavor combinations will continue to lead and innovate in this market.

DEVELOPMENT TRENDS AND FUTURE OPPORTUNITIES

The bakery industry experienced a growth of more than 9%. It is a big industry that employs many people. In fact, with over a million unorganized small-scale bakeries and over 2,000 organized or semi-organized bakeries, it is the largest segment of the food processing industry in India. The Indian bread market was valued at $7.22 billion in 2018. The market value is expected to reach $13.3 billion by 2025, with a compound annual growth rate of 9.1 percent at that time. Organic bakery products have now become a huge consumer item due to their nutritional value and affordability, which has shown an increase in demand for bakery products in India.

The trend of "natural eating", "healthy living" and "organic products" has greatly increased consumer demand for grain, light, natural and additive-free products. As consumer preferences and health awareness change, the bakery industry has changed ground. Now it can be all-purpose bread, chocolate bread, sweet bread, or gluten-free bread of your choice. Not only bread is healthy. The same can be said about biscuits, cakes and pastries.

INDIAN BREAD MARKET TRENDS:

Increasing population has led to increased demand for bakery products in India. This represents one of the main factors that positively affects the market. In addition, consumption of bread, biscuits and fast moving consumer goods (FMCG) contributed to the growth of the market. In addition, the growing influence of western food trends is catalyzing the demand for bakery products in the country. This has led to market growth and increased cake consumption on birthdays and other special occasions. Along with this, the growth of the food and beverage (F&B) industry, and the expansion of fast food restaurants (QSR) and fast food chains, increase the use of bread to make sandwiches, soups, burgers and snacks. Additionally, fast-paced lifestyles and changing dietary patterns have led to the consumption of ready-to-eat (RTE) food and bakery products, which in turn has created a positive outlook for the market in India. In addition, increasing health awareness among individuals has led manufacturers to offer healthy, low-fat, multi-grain and wheat bread products. In addition, the expansion of hypermarkets, supermarkets, convenience stores, and shops offers considerable growth opportunities for manufacturers operating in the country. Additionally, the booming e-commerce industry that offers door-to-door delivery, attractive offers and online payment options is driving the growth of the market. Accordingly, increasing emphasis on promotional activities to increase market reach and profitability of leading players in the market is driving the growth of the market. It also invests more in research and development (R&D) activities to produce organoleptically enhanced products.

IMPACT OF COVID-19 ON BREAD PRODUCTION

Unlike many industries, the bakery industry seems to have benefited from the Covid-19 pandemic. The pandemic has led to an increase in demand for healthy and functional baked goods made from versatile ingredients, nuts and other healthy ingredients. Consumers are buying a variety of baked goods that are high in health, as people with lifestyle diseases such as diabetes, high blood pressure, and obesity have been shown to be more susceptible to deadly infections.

According to a Mintel survey, almost three out of four Indians prefer a healthy diet. Accordingly, the way of eating bread has changed dramatically from white bread to more versatile, wholemeal and special, ethnic and ethnic bread. All this is due to the consumer's desire for nutritious and healthy products

COMPANY PROFILE

Modern is an iconic brand that pioneered the concept of bread, and literally created the bread category in India, headquartered in Gurugram, Haryana. Launched in 1965 as Modern Bakeries (India) Limited, the company was rechristened Modern Foods India Ltd. (MFIL) in 1982. For generations of Indians Modern Bread’s iconic Blue & Orange Waxed Paper Bread pack was virtually synonymous with bread . Modern Foods was the first company to be privatised by the Government of India in 2000. The company was referred to the Sale Commission in 1996. In February 1997, the committee recommended his 100% sale of the company and dealt with non-core divisions.  In September 1997, the government approved the sale of 50% to strategic partners through global tenders. In October 1998, ANZ Investment Bank was appointed Global Divestment Support Advisor. In January 1999, the government decided to increase the sale rate to 74%. HUL acquired his 74% stake in Modern Foods in January 2000 and came out as the sole bidder. Two years later, the FMCG giant acquired the remaining stake.

On September 9, 2015, HUL announced the sale of Modern Foods to Everstone Capital for an undisclosed amount.

In April 2016, Modern changed hands again. This time to Everstone Capital. Today, the company is called Modern Foods Enterprises Pvt. Ltd. Modern is now in an all new avatar . The relaunch of Modern Foods has been crafted with intensive efforts over the last 12 months, with significant investments in manufacturing, and R&D at Modern’s new innovation hub in Chennai, as well as thorough efforts on consumer insights, strategy and design. Modern has a completely new portfolio with superior products.

Everstone

Headquartered in Singapore and with seven offices around the world (Singapore, Mumbai, New Delhi, Bangalore, New York, Dubai and Mauritius), the company focuses on the mid-market with a focus on management and growth. increase.

Invests in companies with ties to India and Southeast Asia, regardless of where their headquarters are located.

With a focus on India and Southeast Asia, Everstone has over $5 billion in assets across private equity, real estate, green infrastructure and venture capital. The company has invested in more than 30 of his portfolio companies in the region, and its Indian portfolio includes fast food chain Burger King (which received approval to go public), Indostar Capital Finance, Nutritional Supplements. Includes food provider Omniactive Health Technologies.

Under Everstone, Modern build strong leadership positions in the market,it serves through a distribution network that includes more than 80,000 retailers nationwide, growing the bakery brand into a baked goods company with several new products, operates seven manufacturing facilities in the country.

In September 2019, Modern Foods acquired a controlling interest in Supreme Baker Pvt Ltd. Based in Sonepat, Haryana producing bread and biscuits.  
In its new avatar, Modern wants its customers to ‘Thrive, and savour life to the fullest’ by helping them make smarter choices from its expanded range of healthy, nutritious and tasty bread and bakery products. Modern bread is available nationally in close to 100,000 stores and manufactured in 40 factories across India.

In 2021 it is acquired by Mexico’s Grupo Bimbo, the world’s largest baking company, operates in 33 countries, including India, and has a portfolio of over 13,000 products and more than 100 brands.

Grupo Bimbo is the world's largest bakery company, operating in 33 countries including India, with a diverse portfolio of over 13,000 products and over 100 well-known brands. Financial details of the transaction were not disclosed.

It is the second acquisition by Groupo Bimbo in the bread and bakery sector in India. In May 2017, the company acquired a majority stake in Delhi-based Ready Roti. The company produces prepackaged breads, pizza crusts, and sweet and savory rolls under leading brands such as Harvest Gold and Harvest Selects.

Competition

Modern Foods competes with other bakery brands such as Britannia, Harvest Gold, Nature's Own and English Oven. Over the years, the brand has diversified from its core bread business into other categories such as biscuits, cakes, rusks, sweet fillings, pizza crusts, dough and mixes. was between Rs 3.9 crore to Rs 400 crore, sources said.

At its peak, Modern Foods had more than 40% share of the Indian bread market. Modern Foods products are sold in approximately 100,000 stores nationwide and manufactured in 40 factories. It is present in over 15 states and has a strong presence in Southern India.

Vision

To be India’s preferred choice for bread, baked and packaged foods. Delivered through a portfolio of high quality, high value products that are as delightfully tasty as they are nutritious. Offering something for every meal and snacking occasion in the day.

Mission

*Product mission*

To make, distribute and sell affordable, high quality bread, baked and packaged goods for every meal and snacking occasion. Our mission is to make our products as tasty as they are nutritious, with an unstinting commitment to incorporating wholesome, natural, healthy and nutritious ingredients. To contribute meaningfully to the health, well-being and quality of life for everyone who buys and consumes our products.

*Social Mission*

To operate the company in a way that actively recognizes the central role that business plays in our society, by initiating innovative ways to improve the health, well-being and quality of life for people in our local communities and nationally.

*Economic Mission*

To improve, innovate, expand and invest in the business in a disciplined way that delights and excites our customers and grows the business consistently, competitively, profitably and sustainably. To increase the value for all our stakeholders, and nurturing our people as we grow our business.

The Journey

1965 - Established as PSU at Kozhikundaram Taramani, Chennai

1968 - Launched first ever Vitaminized Bread

1971 - Launched Sweet Bread

1981 - Introduced iconic Fruity Bread

1989 - Automated packing machines installed

1991 - Launched Wheatmin Brown Bread of India

1994 - Served the Community with Mother Teresa

2000 - Acquired by Hindustan Lever Limited

2016 - Modern Foods Division now becomes an independent company with an all new identity- Modern food enterprises Pvt Ltd.

Innovation Center inaugurated in Chennai

Modern Food Enterprises Private Limited gets listed as

2017 - 2 Million reached millions of households

2018 - Acquired CookieMan

2019 – Delhi unit relaunched

2020 - Best Business Brand awarded by ET Now

2021 – Acquired by Mexico’s Grupo Bimbo

List of products

Cakes

Breads

Rusks

Creme Bite

Sweet Fills

Buns & Pav

Indian Breads Pizza Base

Festive Cakes

Tea Cakes

**CHAPTER 2**

**REVIEW OF LITERATURE**

*INTRODUCTION*

A literature review is designed to identify related research, to set the current research project within a conceptual and theoretical context. Determine what the most credible research journals are in the topical area and start with those. It may come across other similar studies that might not have been included. The study would not be judged credible if it ignored a major construct. The literature review will help to find and select appropriate measurement instruments. It will be readily seen what measurement Instruments researchers had used themselves in contexts similar to this project.

Review of literature shows the previous studies carried out by the researchers in this field. Previous studies are reviewed in order to gain insight into extent of research. The literature review surveys scholarly articles, books, and other sources relevant to a particular area of research. The reviews should enumerate, describe, summarize, objectively evaluate and should also clarify this previous research. The literature review acknowledges the work of previous researchers, and in so doing, assures the reader that your work has been well conceived. It is assumed that by mentioning a previous work in the field of study, that the author has read, evaluated, and assimilated that work into the work at hand. The research problem can be more understood and made specific referring to theories, reports, records and other information made in similar studies. This will provide the researcher with the knowledge on what lines the study should proceed and serves to narrow the problem. The main objective of the study is to understand the customer satisfaction towards modern food products in Ernakulam district.

THEORETICAL BACKGROUND

*Customer Satisfaction*

Customer satisfaction is extremely important because it's the way of getting feedback from the customers in a way that they can use it to manage and improve their business. Customer satisfaction is that the best indicator of how the business looks like in the future. Customer satisfaction helps in doing SWOT analysis that would help them to develop their business in an advance and in a systematic way. Besides this, it'll also help in making the right decision to use the appropriate resources while manufacturing the products. When products are bought customers expect perfection rather than quantities. There are sorts of products that are similar in the market and sometimes it is difficult to distinguish which one is qualitative and durable. this is often the great opportunity for the business organization doing marketing of their products and services to understand what exactly customers are seeking for. Customer satisfaction may be a key indicator of the marketplace that evaluates the success of the organization. People have sorts of tastes and choices and therefore, satisfaction also differs from one person to a different . It also may vary the expectation of the buyer depending on the option they may have, like the national and international market (Kotler & Keller 2006). A technique for understanding the customer satisfaction need to go through the international market procedure to meet the requirements internationally. within the process, granting the satisfaction to the customer in both physical and technological aspects has changed drastically. However, there's still no method of measuring customer satisfaction. But the feedback from the customer are often taken as a crucial tool for measuring customer satisfaction. (European Institute of Publication Administration 2017). On the opposite hand, it’s cheaper to retain customers than acquire new ones. to form a customer’s cost lot of money. Marketing team spends plenty of money and time in convincing their excellence. Customer satisfaction may be a primary aim of every company. Customer satisfaction ensures the customer wants to return to get the service. Satisfied customers are more likely to recommend their friends and families which can help to grow the business. a completely dissatisfied customer decrease revenue, whereas satisfied customer features a positive effect on profitability.

Churcill (1982) customer satisfaction has overall reaction of expectation of consumption with a product or service on the base of perception, evaluation and psychological reaction.

Oliver (1981) defines customer satisfaction as a customer's emotional response to the use of a product or service.

Kotler and Keller (2012) said that "satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations".

Kotler and Keller (2013) mention customer satisfaction is a person's feeling that is the result of a comparison of the performance of a product purchased with what is expected by consumers.

Customers, sometimes, are more satisfied in case the product performance goes beyond their expectation (Kotler 2012).

Customer satisfaction is important to improve customer-focused products and services. Voice of customers can be a valuable input for management in mapping which areas should be prioritized. There is a significant relationship between product quality and customer satisfaction (Cruz, 2015).

According to Kottler (2000) Satisfaction is the sum of attributes of product or service.

Giese and Cote (2000) studied various literature and indicated that customer satisfaction is a response, (emotional or cognitive) the respond pertains to a particular focus (expectations, product, consumption, experience etc) and the response occurs media particular time (after consumption, after choice, based on accumulated experience etc).

Kurniawan (2010) customer satisfaction can change over the period of time; it is a dynamic process. The individual perception about the products or services performance Leeds to customer satisfaction. In the present day’s retail business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in retail outlets based on customer survey.

Kumar and Oliver (1997) indicated that satisfaction was associated with customers expectations being met, feeling they got “fair” value and feeling contented.

According to Zairi (2000) the feeling of pleasure and expectation fulfilment is known as Satisfaction. If the product cannot satisfy customer feelings they will be dissatisfied, and if product satisfies them after the use customer will be satisfied and become loyal to that product or brand. In other words, customer satisfaction is about those goods or services which fulfil the customer expectation in terms of quality and service for which he has paid. If Customer satisfaction develops, they will become loyal to that product or brand and their loyalty will be good for the company in sense as a Profit. Customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market.

Oliver (1981) describes in his study that customer satisfaction is the part of marketing and play important role in the market. In any organization satisfaction of customer is more important, because if your customer is satisfied with your services or products, your position will be good in the market. In old times customer satisfaction was not too much important and people were not focused on quality. But now a day’s competition is taught and customer is aware of all the products and companies due to education and learning environment and this is the reason that every business is concern to fulfil properly customers need and wants. Concerning all types of business organization customer satisfaction is the most important issue, and considered as most reliable feedback, for the excellence of any business organization (T. W., 2001).

Reetika Gupta and Jain.V.K (2014) revealed that most of the consumers have positive behaviour towards branded food products. Consumers prefer those brands of food products, which are of reasonable price, good quality and satisfy their needs and wants. The behaviour of consumer is influenced by television advertisements, one of the competitive substitutes available in the market.

*Factors influencing consumer buying behaviour*

Consumer behavior refers to the choice , purchase, and consumption of products and services for the fulfillment of their basic and the fundamental needs. There are different phases which is involved in the consumer behavior. Initially, the buyer finds the needs and then goes for the selection and budgets the commodities and take the decision to consume. Product quality, price, service, consumer emotion, personal factors, situational factors, a perception of equity or fairness, product features are a number of the factors that influence the customer satisfaction.

➔ Cultural factors : Culture is crucial when it involves understanding the needs and behavior of an individual. The values, perceptions, behaviors and preferences are the factors basically learned at the very early stage of childhood from the people and therefore the common behaviors of the culture. Norms and values are carried forward by generation from one entity to the opposite . Cultural factors represent the learned values and perceptions that outline consumer wants and behaviors. Consumers are first influenced by the groups they belong to but also by the groups (aspirational groups) they want to belong to.

➔ Social factors : Human beings live in an environment which is surrounded by several people with different buying behavior. A person’s behavior is got influenced by many peoples like family, friends, social networks, and surrounding with those who have different buying behaviors. These groups form an environment during which an individual evolves and shape the personality. Hence, the social factor influences the buying behavior of a private to a great extent.

➔ Personal factors : This consumer behavior includes personal factors like age, occupation, economic situation, and lifestyle. Consumer changes the acquisition of goods and services 8 with the passage of time. Occupation and therefore the economic situation also have a significant impact on buying behavior. On the opposite hand, an individual with low income chooses to purchase inexpensive services. the life-style of customers is another crucial factor affecting the consumer buying behavior. Lifestyle refers to the way an individual lives in a society and is expressed by the things in the surroundings.

➔ Psychological factor : Many psychological factors like motivation, perception, learning, and attitudes and beliefs play an important role in purchasing a particular product and services. to extend sales and encourage the consumer to purchase the service organization should try to create a conscious need in the consumer's mind which develops an interest in buying the service. Similarly, counting on the experiences of the costumer's experiences, beliefs, and private characteristics, a private has a different perception of another. Attitudes allow the individual to develop a coherent behavior against the category of their personality. Through the experiences that the consumers acquire, the customer develops beliefs which can influence the buying behavior. The factors that influence customer will change according to the people to people and by the culture of the people. Hence, for a successful consumer oriented market service provider should work as a psychologist to acquire consumers. By keeping in mind that affecting factors are often made favorable and goal of consumer satisfaction can be achieved. The study of consumer buying behavior is gateway to success within the market.

Mitul. M Deliya and Bhaveshkumar Parmar (2012) contended that the impact of package and its elements on consumer’s purchase decision can be revealed by analyzing an importance of its separate elements for consumer’s choice. For this purpose, the main package’s elements could be identified by the graphic, design, color, size, form, and material of the packaging are considered, wrapper design, printed information, Innovation while product information, producer, country of origin and brand are considered important too.

Park (1982) observed that, “Price plays a distinctive role at different stages of choosing a product. The study stressed that the role of element, price‟ in choice behaviour is generally presented, as it is seen in situations in which complete information about other product traits is available with the consumer. The study recommended that consumers held different perceptions about price and used it in separate ways.”

Deliya (2012) Carried out a study to assess and understand the consumer’s behavioural science especially towards procurement of FMCG (Fast moving consumer goods) products. The author concluded that modern day consumer’s wants well designed up-to-date packaging of food products containing all information and have more positive impact on buyer’s mind in comparison to advertisement.

Svederberg (2001) directed in his study that “Explore the factors responsible for consumer’s choice of food products. The study is further based on environmental issues as well as on issues concerning their health. The study supported the argument that thinking on nutrition and health is based on whether the food product was produced locally or not and on the list of ingredients. The study also found that consumer’s understanding of packaged food label information is low.”

Blackett and Robbins (2001) conducted various “Researches and consistently stated that the key triggers of demand for packaged food products are awareness and familiarity about the food products, perceived quality, sales quality along with ease in availability and its price. These key determinants further influence the strength of perception of costumer in term of decision making.”

Hanaysha (2016) revealed that price fairness has a significant positive effect on customer satisfaction because consumers tend to do comparisons between diverse brands either before or after purchasing in order to form better judgements about the perceived value and conclude their satisfaction level. Customer will be satisfied when the food and beverage is affordable, suitable and at favorable price (Arlanda & Suroso, 2018). Price is an indicator of product quality, leading to expectations of a better product and determine higher satisfaction. Price was reasonable with the product, customer will buy and directly satisfied and leads to the customer retention in Malaysian fast food industry (Dastane & Fazlin, 2017).

According to Kotler and Keller (2006), price is defined as the amount of money as a medium of exchange for a product or service or the sum of the values the customer pays for the benefits of having and using a product or service. Moreover, positive feelings toward the seller will be formed when the fair prices were provided by the seller and this give an impact to customer satisfaction and loyalty (Yieh, Chiao & Chiu, 2007).

Zamazalová (Zamazalová, 2008) also mentions the key factors that affect customer satisfaction and which can be used to measure customer satisfaction. These factors are product (in terms of its quality, availability etc.); price (convenient payment conditions and others); services; distribution; and image of a product. Conversely, if expectations are not met then what happens is dissatisfaction. The experience of repeated satisfaction will increase the overall level of satisfaction and make it easier for customers to set clear expectations in the future. Broadly speaking, customer satisfaction provides two main benefits for the Company, namely in the form of customer loyalty and positive word get (word of mouth).

Customer satisfaction is determined by the quality and price of the products desired by the customer, as stated by Bei and Chiao (2001) that "Consider product quality and price as the foundation to build up consumer satisfaction", while Khan and Ahmed (2012) said that ―product quality is a critical determinant of consumer satisfaction ". Moreover, Ehsani and Ehsani (2015) concluded that "price can be used as a resource to increase both profit and customer satisfaction". In this decade, there have been a lot of studies that explain the causality between product quality and price with customer value, between product quality and price with customer satisfaction, and between customer values with customer satisfaction.

Kotler and Amstrong (2010) define product quality as the ability to carry out their duties which include durability, reliability, progress, strength, ease of packaging and product repairs and other characteristics.

Parveen Roja. M (2015) 24 demonstrated that accuracy of billing, product quality, product availability, product variety, speed of billing, location, parking facility, price, product return or exchange policy and courteousness of customer service persons are the top ten attributes influencing customers in their choice of supermarket. This study has shown that, to be successful, the modern supermarket chain operators should provide three things; first they should locate their stores closer to the customers (closer to major residential areas), second, they should offer products that are of better quality, wider variety, and better availability. Next to that they should offer accurate and faster billing service and better parking facility.

Reetika Gupta (2017) 30 discussed and understood the demographic features of the consumers including age, education, occupation, income level, family constitution etc, which are associated with the demographic features between the rural and urban population and the relationship of consumer awareness for their brand preferences. The objectives also included the study of relationship between rural and urban population on factors affecting buying decisions and to extract the factors influencing consumer brand preference also.

Rupa (2013) 32 elucidated that the consumers are becoming more aware and demanding. Hence more packaging options have to be explored. The different packaging strategies have impact on the purchase decision of the consumers. More effective the packaging strategies followed by the marketers; more is the market share of the product. Any package innovation that provides product security, integrity and ensures the product is uncontaminated is a winner. It is imperative that it fulfils a consumers need for product trust.

Gomathi.M and Gomathi.R (2013) implied that quality is the main motivating factor for the consumer to buy the product of FMCG. Introduction of new products in the market, satisfying the consumer is also an importance reason for FMCGs to hold the top in the consumer market. FMCG goods are generally used for a short period of days, weeks, or months and within one year. FMCG has a short life, either as a result of high consumer demand and the product deteriorates rapidly. The purchasing of FMCG products involves many buying behavioural patterns. Better understanding of consumer perception towards FMCG products will make high profits to the supermarkets. The researcher had made an attempt to find out the consumer’s feedback about the availability of product and services and also varied alternative solution have been given to improve the consumer’s requirements.

Nagarajan. P (2003) justified that in most of the purchase situations, more than one third of the consumers prefer brand stability even if their regular brand is available in the store. If their regular brand is not available in the store, more than one third of the total consumers prefer brand suitability in all the given purchase situations. There is no significant association of variables, sex, age and employment status and income level with consumers brand switching behaviour in specific purchase situations

Geetika (2007) recognized that the buying functions and consumption pattern depended upon the number of socio-economic analytic variables such as income, education, age, occupation, quality of the product, price and source of information, influence on buying decision, place of purchasing, attitude and awareness of the people. The study also highlighted on various aspects, that the consumer considers while making decision.

Mishra et al, (2011) branding is the identification of a product that maintains an image through the use of symbols, design or brand name. The biggest challenge for a successful brand is to protect reputation. Building successful brands is a very challenging process. It has also been pointed out that manufacturer’s produce what their consumers want. They adopt their brand packaging and labeling which may attract their consumers. All marketing the books also highlights that activities revolve round the satisfaction of the needs and wants of consumers.

Jain and Sharma, (2012) in a research article on. FMCG’s touch every aspect of human life, it is an integral part of a consumer dominated market and also a corner stone of the Indian economy. FMCG’s give ample opportunity to the marketer to give choices and comparative advantage to the consumers as well as their own venture.

A paper by Kumar, et al., (2012) says that FMCG’s are consumer packaged goods include consumable items by consumers at regular intervals; these items are frequently used by the consumers and are yielding high returns to marketers. This paper also says that preferences is a choice between alternatives based on satisfaction and utility they provide, the study of consumer preferences not only focuses on how and why the consumers make buying decisions but also how and why the consumer make the choice of goods they buy and their evaluation of these goods and FMCG’s are based on 4 A’s awareness, availability, adoptability and affordability.

Gupta, Mittal, (2002), Fast Moving Consumer Goods (FMCG) sector is very important for Indian economy. This sector touches every aspect of The Indian Fast Moving Consumer Goods (FMCG) industry began to shape during the last fifty odd years. FMCG sector is a cornerstone of the Indian economy. This sector touches every aspect of human life. Indian FMCG market has been divided for a long time between the organized sector and the unorganized sector. Unlike the US market for FMCG which is dominated by a handful of global players, India’s Rs. 460 billion FMCG market remains highly fragmented with roughly half the market going to unbranded , unpackaged home made products. This presents a tremendous opportunity for makers of branded products who can convert consumers to buy branded products. Globally, the FMCG sector has been successful in selling products to the lower and middle income groups, and the same is true in India. Behura&Panda (2011).

Muneeswaran. K (2014)52 insisted that FMCG companies can change the consumer's mindset and also offer new generation products. Therefore the producers of FMCG have to progressively strengthen their distribution reach in the Indian rural market. At the same time there are key challenges for FMCG producers who are penetrating the rural markets such as poor distribution system, fragmented rural market and heterogeneity of the Indian population. Hence the FMCG producers should understand these challenges and tune their strategies accordingly will surely be the winners in the years to come taking advantage of this economic boom for FMCGs in the rural sector of India.

Fast Moving Consumer Goods (FMCG) can be defined as packed goods that are consumed or sold at regular and small intervals. The prices of the FMCG are relatively less and profits earned through such sales are more volume based. The organized FMCG retailing in India is a new concept and is fast catching up in urban and semi-urban Nagarajan & Khaja (2013).

Misbah Ehsan and Samreenlodhi (2015)20 confirmed in his research the influence of brand packaging elements on consumer is buying behaviour. The data used in this research paper is quantitative in nature. The independent variables include packaging colour, size, shape, and labeling. The research work has been completed successfully and it has allowed learning about the mindset of the consumers relating to the packaging of products. The FMCG market remains highly fragmented with almost half of the market representing brand up package homemade product. This presents a tremendous opportunity for the markets of branded product.

Sangeetha. M (2015) 61 thought that there is a strong consumer behavior and purchase decision regarding the food products and beverages. So companies aiming at rural or urban markets should invest more money and time to build their consumer preference, keeping in mind, low penetration pricing, appropriate promotional strategy, value for money products and build an extensive distribution network. The research concludes that the perception of a consumer is as equal as to realize the need of the product, extensive awareness of the product and suitable information sources of the product.

Selvarani. G (2013)65 pointed out that the purchasing pattern differs from one respondent to another due to the differences in their socio economic environment. As far as the present study is concerned, the respondents are satisfied with the selection of non-durable products. But at the same time they are far away from attaining the fullest satisfaction. It is the duty of business firms to enhance the satisfaction of their customers since they are the kings of the market.

Lepiston (1985) explored the different stages of an adult’s life cycle. It has been concluded that age factor plays key role in consumer’s behaviour. The study emphasizes that as the life of consumer varies with life cycle same happens to his / her priorities as well as use of products. The author firmly believes that having clear understanding of consumers ageing process and variation in demand of products at different stages will definitely help the companies to excel in market.

Shine et al. (1997) brought out that these days consumer is more focused on its health thereby they look for nutritional ingredients in food products. The author was of the view that nutritional labelling over the Food product plays key role in purchasing decision of educated modern consumers and companies must take it on.

Gupta and Verma, (2000) observed that, “Influence of husband, wife and children and the interaction between them in the purchase decision process. The study also focusses on the influence of socio-economic factors like education, income, age and employment in the decision process and found that income of the family and women employment is the main factor influencing family decision making. In the purchase decisions, husbands tend to concern themselves with relatively important in functional product attributes like price while wives concentrate on relatively minor aesthetic product attributes like colour. He also pointed out that financial resources that husband or wife brings to the household also influence household decisions.”

Ali et. al. (2010) also emphasized while conducting study on, “Buying behaviour of consumers for food products in an emerging economy” that the likings of the consumers clearly highlight their first choice for hygiene and freshness of food items. Several other factors such as price, quality, variety, packaging, and non-seasonal availability also offer significant impact on the buying pattern of the consumer regarding eatable items. The consumer’s preference of marketplace mainly depends on the ease in buying at the bazaar along with the obtainability of extra facilities, magnetism for children, basic facilities and affordability. It was also seen that maximum of the food items and grocery products were purchased in loose from the neighbouring venders. Items like vegetables and Fruits are generally bought daily or twice a week due to their consumable as well as unpreserved nature, however grocery stuffs were less regularly bought.

Mahalingam,&Kumar,(2012) have mentioned that Consumer behaviour can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. This definition clearly brings out that it is not just the buying of goods/services that receives attention in consumer behaviour but, the process starts much before the goods have been acquired or bought.

Lillien, et al, (2011) evaluation stage the consumer forms a rank set of preferences for the alternative product in his evoked set and an intend to purchase the product he likes best. A consumer’s purchase decision is also influenced by situational factors as family income, total cost of the product.

Gautam, & Jain,(2011) refer that consumer behavior involves understanding that acquisition, consumption and disposition can occur over the time in a dynamic sequence. The manner in which consumers buy is also extremely important to marketers.

Gupta&Roy, (2012) have said Marketers should try to create awareness regarding the benefits of the ingredient brand and build up the confidence by delivering superior benefits of the ingredient. Ingredient Brand should possess relevant, unique and believable benefits so that customers will be assured that the final product will be able to fulfill their needs. Marketers can identify an unsatisfied need or want of the customer. Then with the help of ingredient brand can design a customized unique solution catering to this unmet need. This will in turn boost the product sale, increase the profit margin and strengthen the product value proposition. There is a lot of scope for Ingredient Branding in FMCG companies. For effective implementation of this marketing technique further empirical researches should be conducted taking in consideration the FMCG customers and marketers perspective.

Binninger, (2007) has mentioned that from the early 1990s on, customers’ loyalty has come to be a key concept again associated with many others including satisfaction, commitment, trust, identification and the relationship with or attitude toward the brand. Often viewed as a paradigm change, this new approach rests on the overt intent to retain existing customers. Based on the principle that it is more cost-effective to retain one’s customers than to capture new ones, and that consumer and that consumer profitability over time is conditional on loyalty, this process must lead to an overall improvement of the quality of relationships with customers. It is also a way of retaining the market share in an environment often glutted by a host of competitive offerings.

Mark, (2008) is a basic principle of brand management and of marketing more generally. This principle is as important today as it has ever been. But consumers aren't a fixed target. Consumers change: existing consumers of a brand develop new needs, change their preferences, alter their habits and acquire new skills for engaging in purchasing and consumption; fresh consumers come into new and established markets, with their own needs, preferences and skills.

Pride &Ferrell, (2009) Brand loyalty is a consumer favorable attitude towards a specific brand, brand preference is a stronger degree of brand loyalty and a consumer definitely prefers one brand over competitive offerings and will purchase this brand if available

Joseph & Parker, (2005) Consumers may perceive value for their feelings when in contact with your brand, such as feeling more secure, more comfortable and more competent.

Batra &Kazmi, (2004/2010) revealed that branding is a major decision issue in managing the products. Well-known brands have the power to command price premium, branding has always been an important aspect in marketing, brands live in minds of consumers and are much more than just tag for recognition and identification, they are the basis of consumer relationship and bring consumers and marketers closer by developing a faith and trust between them. Brands are believed to be the real generators of wealth of 21st century and determine the market value of the business entities.

Blakeman, (2007) states that brand is a products identity and its legacy. By building strong brand image for a product or service you give the product a personality, an image, and the single voice or message for a brand. This ultimately determines how the consumer thinks about the product or service and how it stands out from the competition. The more unique persona you create the more memorable the brand will be. The brands distinctive look should be one of the factors that make the product or service stand out from its competition.

Gaur, (2011) has pointed out that the importance of strong brands means that brand building is an essential marketing activity. Successful brands can reap benefits in terms of premium prices, achieving distribution more readily and sustaining high and stable sales through brand; loyalty. Consumers tend to trust strong brands. Strong brands also benefit consumers in that they provide quality certification which can aid decision making. A strong brand provides the foundation for leveraging positive perceptions and goodwill from the core brand to brand extensions. Strong brands, typically product category leaders are important to both companies and consumer Companies benefit because strong brands add value to companies, act as a barrier to competition, positively affect consumer perceptions of brands, improve profit and provide a base for brand extensions. Consumers gain because strong brands act as a form of quality and create trust.

Rizwan Raheem Ahamed (2014) elicited that most of the consumers liked the product quality after they purchased their desired packaged product. Based on those facts, it cannot be said that there is a 100% equal relationship between good package and good product quality. But there is a positive thinking and trend about well-designed package showing high product quality

Sarathy. T (2007) stated that personal contacts with the rural customers will essentially facilitate understanding of the rural mindset and executing effective sales promotion. Selection of promotional media mix appears to be a more critical task that demands superior creativity. Thus the marketer has to adopt a totally different approach in locating and identifying the rural market and relevant market segments for FMCG products.

Ali et. al. (2010) conducted a study, “To assess the consumer‟s preferences for food and grocery products. A total of 101 households having sufficient purchasing power were surveyed. The preferences of the consumers clearly indicated their priority for cleanliness/freshness of food products followed by price, quality, variety, packaging and non-seasonal availability.

Silayoi and Speece (2007) conducted a study to explore the “Significance of packaging design and the role of packaging as a mean of consumer communication and branding. The study further investigated about the knowledge of consumer psychology which was significant for the producing firms to understand consumer response to their packages. The results of the study appropriately suggested some insights of consumer priority for food packages in Bangkok and Thailand, which are fair representatives of many markets in Asia, Where the modern urban middle class is rapidly expanding.”

According to Suchánek et al. (2014), quality is defined as perceived quality of the customer, so the main factor in measuring product quality is customer satisfaction itself. To achieve high customer satisfaction, it is important for the company to create products that meet the requirements of its customers.

Krishnakumar.K and Saranya. S (2016) told that consumers are switching one brand to other brand based on brand name, advertisement, packaging, product attribute, flavor, color, price, quantity, brand image, product design and sales promotions etc.

Venkateswarlu. T (2016) presumed that consumer awareness about FMCG products has increased and they are able to take decisions about which brand to buy and what type of promotions are also available in various categories of products. They make planned purchases of quality products which is branded from the nearest store. They are able to collect maximum information of the product through television advertisements and shift to other brands of FMCG products if not satisfied. In recent times consumers based in North Coastal, Andhra Pradesh are accustomed to buy more of FMCG products and trying out various brands, so an understanding of the consumer behaviour enables the marketers to take marketing decisions which are in tune with consumer needs.

**CHAPTER 3**

**RESEARCH METHODOLOGY**

RESEARCH METHODOLOGY

*Introduction*

Research in common parlance to search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic.

According to Redman and Moray (1923), research is defined as a "systemized effort to gain new knowledge. Some people consider research as a voyage of discovery that involves movement from the known to the unknown.

According to Kothari 2004, research design is a plan a roadmap and blueprint strategy of investigation conceived so as to obtain answers to research questions, it is the heart of any study. Research methodology is this systematic theoretical analysis of the procedure was applied to a field of study Kothari (2004). Methodology involves procedures of describing, explaining and predicting phenomena so as to solve a problem. Research methodology comprehends perception such as research design, Target population, sample size and sampling procedures data collection instruments and data analysis procedure.

Research in technical sense is an academic activity. Clifford Woody (Kothari 1988) defined research as “an activity that defining and redefining problems, formulating a hypothesis, collecting and evaluating data, making deductions and reaching conclusions, and carefully testing the conclusion to determine if they support the formulated hypothesis”. According to D. Slesinger and M. Stephenson (1930), in the encyclopedia of social science, defined it as “the manipulation of things, concepts or symbols for the purpose of generalising, extending, correcting or verifying the knowledge, whether that knowledge aids in the construction of theory or in the practice of an art”. Research is thus an original contribution to the existing stock of knowledge making for its advancements.

Research is also a way of preparing the mind to look at things in a fresh or different way. Out of such an orientation would come new and innovative observation about everyday events and happenings. The formidable problem that follow the task of the define the research problems is the preparation of the design of the research project, popularly known as the "research design". Decision regarding what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design.

RESEARCH DESIGN

A research design provides a framework for the collection and analysis of data. A research design is also known by different names such as outline. It implies the plan, structure and strategy of investigation proposed to be undertaken. According to Pauline V. Young, "A research is the logical and systematic planning and a piece of research".

Research design is the conceptual structure with in which research is conducted. It constitutes the blue print for collection, measurement and analysis of data. The research design specifies the method of study. Research design is prepared after formulating the research problem. The research design adopted here is descriptive research.

Descriptive research is fact-finding type of research. It is generally used in physical, natural sciences and social science researches. The major purpose of descriptive research is description of the state of affairs as it exists at present.

POPULATION OF THE STUDY

Population refers to the total number of people that are the subjects/respondents of the study. The population here is the general public.

SAMPLING

Sampling is the process of selecting a sample from the entire population. Convenience sampling was used to select the sample. In this project the researcher selected convenience sampling because the population is large. Sample Design is a method of collecting data in which information are collected from a small portion of the total population.

*Convenience sampling*

Convenience sampling is a sampling method that uses participants who are most conveniently available. This sort of sample is usually biased. It most likely does not fit the correct definition of random sample, where everyone in the population has an equal chance of being selected. Since it does not truly represent the population, it is limited when it comes to generalization. Valid inferences about the large groups cannot be made based on the results drawn from the convenience samples. Convenience sampling is a non-probability method, which may be appropriate when a researcher wants to get a gross approximation of the truth, while avoiding the time and cost of a random sample.

The scaling used for the study is ‘Five Point Likert scale’. Scaling is the branch of measurement that involves the construction of an instrument that associates qualitative constructs with quantitative metric units. A Likert scale is a scale used to represent people's attitudes to a topic. It is the most widely used approach to scaling responses in survey research. The Likert Scale is used to allow the individual to express how much they satisfied or dissatisfied with a particular statement.

*Sampling frame*

The sampling frame is the source list from which samples is drawn. It is means of representing the elements of the population.

*Sampling Unit*

The sampling unit is the place from where the sample is drawn the sampling unit in this study is general public.

*Sample Size*

Sample size is small group of 120 people is taken under consideration from total customer population. This small group represent the total population. In this project sample is taken from Ernakulam district. As it is impossible to approach all respondents, a Sample was selected which represent whole district.

METHODS OF DATA COLLECTION

The task of data collection begins after a research problem has been defined and research design is chalked out. While deciding about the method of data collection to be used for study, the researcher should keep two types of data they are

A) Primary data B) Secondary data

*Primary data*

Primary data are those data which are collected for the first time. Primary data can be obtained either through observation or through direct communication. In this sample, sample survey was used for collecting the primary data. The primary data is collected using a questionnaire which are sent through online resources.

*Secondary Data*

Secondary means the data that are already that has been collected by someone and which have already been passed through the statistical processes. In this project work the researcher has taken journals, magazines, websites as the sources of Secondary data.

*DATA COLLECTION TOOL*

The tool used for data collection is through questionnaire using Likert scale, which is termed as summated instrument scale. It consists of number of statements which express whether a positive or negative attitude towards the object of interest. The respondent is asked to agree or disagree with each statement. Each response is given a numerical score to reflect its degree of attitude, and the score are totalled to measure the respondent’s attitude. Here in this project researcher used 5-point scale for questionnaire for data collection.

STATISTICAL TOOL

Statistical tool means the tool or technique that using for entering data and analyzing that data. Here, the statistical tool used for analysis is MS EXCEL. Through this tool researcher can do easily study on data collected by him and make the interpretation.

The statistical tool used for the interpretation are:

*Percentage analysis*

Percentage analysis is the method to represent raw streams of data as a percentage (a part in 100 – percentage) for better understanding of collected data. Percentage analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.

*Weighted Average Method*

A weighted average, each data point value is multiplied by the assigned weight which is then summed and divided by the number of data points. In a weighted average, the final average number reflects the relative importance of each observation and is thus more descriptive than a simple average.

Software used for Analysis

This project research used the MS Excel software in order to analyze the data and find out conclusions.

*MS Excel*

Microsoft Excel is a spreadsheet developed by Microsoft for Microsoft Windows, Mac OS X, and iOS. It features calculation, graphing tools, pivot tables, and a macro programming language called Visual Basic for Applications. It has been a very widely applied spreadsheet for these platforms, especially since version 5 in 1993, and it has replaced Lotus 1-2-3 as the industry standard for spreadsheets. Excel forms part of Microsoft Office

**CHAPTER 4**

**DATA ANALYSIS**

**&**

**INTERPRETATION**

INTRODUCTION

Analysis refers to breaking a whole into its separate components for individual examination. Data analysis is a process of inspecting, cleansing, transforming and modeling data with the goal of discovering useful information, informing conclusions and supporting decision-making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains. In today's business world, data analysis plays a role in making decisions more scientific and helping businesses operate more effectively. In simple words, Data analysis is a [process](https://en.wikipedia.org/wiki/Process_theory) for obtaining raw data and converting it into information useful for decision-making by users.

Before processing the responses, the completed questionnaire where edited for completeness and consistency. The data then coded to enable the descriptive analysis including percentage analysis and correlation analysis. The analysis software Microsoft EXCEL helped the researcher to describe the data and determine the extend use.

The data required for the study where collected from a sample survey of 100 respondents randomly selected from Thrissur district, Kerala. The collected data were analyzed using appropriate statistical tools. Percentage Analysis and Weighted Average Method is used to interpret the collected data from the respondents to make conclusions on the topic being studies i.e. “CUSTOMER SATISFACTION TOWARDS MODERN FOOD PRODUCTS IN ERNAKULAM DISTRICT”

In the present study, data were analyzed by percentage analysis and weighted mean score method with graphical representation. Data collected were tabulated and converted in to percentages and weights for appropriate questions and statements. Then the percentages and the numbers are shown graphically with the help of MS EXCEL. Finally, inferences are be drawn on the basis of tabulated data and charts.

**DATA ANALYSIS**

1. Location?

|  |  |  |
| --- | --- | --- |
| Location | Total | Percentage |
| Panchayath | 27 | 22.5 |
| Municipality | 82 | 68.3 |
| Corporation | 11 | 9.2 |
| Grand total | 120 | 100 % |

Inference

From the fig it can be seen that most of respondents are living in municipalities and rest are in grama panchayaths and corporation

1. Gender?

|  |  |  |
| --- | --- | --- |
| Gender | Total | Percentage |
| Male | 73 | 60.8 % |
| Female | 47 | 39.2 % |
| Others | 0 | 0 |
| Grand total | 120 | 100 % |

Inference

From the fig it can be seen that 60.8 % are males and 39.2 % are females.

1. Age group?

|  |  |  |
| --- | --- | --- |
| Age group | Total | Percentage |
| Less than 20 | 5 | 4.2 % |
| 21-30 | 71 | 59.2 % |
| 31-40 | 16 | 13.3 % |
| 41-50 | 17 | 14.2 % |
| Above 50 | 11 | 9.2 % |
| Grand Total | 120 | 100 % |

Inference

From the fig it can be seen that majority of respondents fall under the age group 21-30

1. Monthly income?

|  |  |  |
| --- | --- | --- |
| Monthly income | Total | Percentage |
| Less than 20000 | 57 | 47.5 |
| 20,000 - 40,000 | 31 | 25.8 |
| 40,000 – 60,000 | 19 | 15.8 |
| Above 60,000 | 13 | 10.8 |
| Grand total | 120 | 100 |

Inference

From the fig it can be seen that majority of respondent’s income fall under less than 20,000

1. Do you buy modern food products?

|  |  |  |
| --- | --- | --- |
| Buyers | total | percentage |
| Yes | 117 | 97.5 |
| No | 3 | 2.5 |
| Grand total | 120 | 100 |

Inference

From the fig, it can be seen that majority of respondents (97.5 %) buy modern food

products.

1. Are you a regular buyer ?

|  |  |  |
| --- | --- | --- |
| Regular buyers | Total | Percentage |
| Yes | 54 | 45 |
| No | 66 | 55 |
| Grand Total | 120 | 100 |

Inference

From the fig it can be seen that 45 % of respondents are regular buyers and 55 % are not regular buyers

1. How often do you purchase?

|  |  |  |
| --- | --- | --- |
| Purchase | Total | Percentage |
| Daily | 20 | 16.7 |
| Once in a week | 21 | 17.5 |
| Twice in a week | 32 | 26.7 |
| Once in a month | 21 | 17.5 |
| Occasionally | 26 | 21.7 |
| Grand total | 120 | 100 |

Inference

From the fig it can be seen that majority of respondents (26.7 %) purchase twice in a week.

1. How long have you been using the brand ?

|  |  |  |
| --- | --- | --- |
| How long you have been using this brand | Total | Percentage |
| Below 1 year | 26 | 21.7 |
| 2 to 3 years | 41 | 34.2 |
| 4 to 5 years | 28 | 23.3 |
| Above 6 years | 25 | 20.8 |
| Grand total | 120 | 100 |

Inference

From the fig it can be seen that majority of respondents (34.2 %) are using the brand for more than 2 to 3 years.

1. How did you come to know about the brand?

|  |  |  |
| --- | --- | --- |
| How did you come to know about the brand? | Total | Percentage |
| Friends | 45 | 37.5 |
| Relatives | 44 | 36.7 |
| Advertisements | 58 | 48.3 |
| Others | 26 | 21.7 |
| Grand total | 120 | 100 |

Inference

From the fig, it can be seen that most of the respondents (48.3 %) come to know about the brand from advertisements

1. What are the factors influencing you to buy the product ?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Factors influencing | Price | Quality | Packaging | Taste | Availability |
| Rank 1 | 32 | 67 | 39 | 63 | 55 |
| Rank 2 | 37 | 27 | 44 | 26 | 30 |
| Rank 3 | 37 | 16 | 26 | 18 | 15 |
| Rank 4 | 11 | 9 | 6 | 11 | 13 |
| Rank 5 | 3 | 1 | 5 | 2 | 7 |
| Total | 120 | 120 | 120 | 120 | 120 |
| Weighted score | 444 | 510 | 466 | 497 | 473 |
| Weighted mean score | 3.7 | 4.25 | 3.88 | 4.14 | 3.94 |

Inference

From the fig it can be seen that quality is the major factor influencing the customers to buy the product.

1. What is the reason for purchasing ?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reason for purchasing | Easy availability | Reasonable price | Attractive packaging | Safety for consumption | Other reasons |
| Rank 1 | 67 | 29 | 31 | 61 | 43 |
| Rank 2 | 32 | 58 | 52 | 30 | 34 |
| Rank 3 | 12 | 26 | 25 | 19 | 25 |
| Rank 4 | 6 | 6 | 8 | 9 | 11 |
| Rank 5 | 3 | 1 | 4 | 1 | 7 |
| Total | 120 | 120 | 120 | 120 | 120 |
| Weighted score | 514 | 468 | 458 | 501 | 455 |
| Weighted mean score | 4.28 | 3.9 | 3.81 | 4.17 | 3.79 |

Inference

From the fig it can be seen that majority of respondents ranked “easy availability” as the major reason to purchase.

1. Where do you prefer to buy the product?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Preferred store to buy the product | Hypermarket | Supermarket | Convenience store | Grocery store |
| Rank 1 | 40 | 39 | 51 | 45 |
| Rank 2 | 41 | 49 | 38 | 36 |
| Rank 3 | 21 | 24 | 16 | 22 |
| Rank 4 | 18 | 8 | 15 | 17 |
| Total | 120 | 120 | 120 | 120 |
| Weighted score | 343 | 359 | 365 | 349 |
| Weighted mean score | 2.85 | 2.9 | 3.04 | 2.9 |

Inference

From the fig, it can be seen that majority of respondents prefer to buy the product from convenience store.

1. Who influence you to buy the product ?

|  |  |  |
| --- | --- | --- |
| Who influence you to buy the product | Total | Percentage |
| Self-decision | 67 | 55.8 |
| Children | 18 | 15 |
| Friends and relatives | 26 | 21.7 |
| Retailers | 9 | 7.5 |
| Grand total | 120 | 100 |

Inference

From the fig, it can be seen that majority of the respondents (55.2) made their own decision to purchase the product.

1. Please state as to what extent you agree with the following statements?

Quality of product

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Opinion of respondents | | | | | Total | Total weighted score | Weighted mean score |
| Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
| 60 | 49 | 10 | 1 | 0 | 120 | 528 | 4.4 |

Inference

From the fig, it can be seen that the majority of respondents (50 %) strongly agree with the statement "Product quality is up to expectations."

Price of product

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Opinion of respondents | | | | | Total | Total weighted score | Weighted mean score |
| Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
| 25 | 61 | 30 | 4 | 0 | 120 | 467 | 3.9 |

Inference

From the fig, it can be seen that the majority of respondents (50.8%) agree with the statement "Product prices are always reasonable."

Smell and taste

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Opinion of respondents | | | | | Total | Total weighted score | Weighted mean score |
| Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
| 55 | 41 | 22 | 2 | 0 | 120 | 509 | 4.24 |

Inference

From the fig, it can be seen that the majority of respondents (45.8) strongly agree with the statement "Product smell and taste are good."

Packaging

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Opinion of respondents | | | | | Total | Total weighted score | Weighted mean score |
| Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
| 33 | 57 | 27 | 2 | 1 | 120 | 479 | 3.9 |

Inference

From the fig, it can be seen that the majority of respondents (47.5) agree with the statement "Product packaging is good."

1. Which of these modern products have you purchased?

|  |  |  |
| --- | --- | --- |
| Bread | 110 | 91.7 |
| Cakes | 72 | 60 |
| Rusks | 65 | 54.2 |
| Muffins | 24 | 20 |
| Buns & Pav | 31 | 25.8 |
| Pizza Base | 19 | 15.8 |
| Crème Pie | 11 | 9.2 |
| Sweet Fills | 17 | 14.2 |
| Batter & Mix | 22 | 18.3 |

Inference

From the fig, it can be seen that the majority of the respondents (91.7 %) purchased bread products of the brand.

1. Why did you chose modern food products over competitors ?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Rank | Reasonable price | Good quality | Attractive packaging | Taste | Availability |
| Rank 1 | 39 | 66 | 28 | 59 | 61 |
| Rank 2 | 55 | 28 | 55 | 32 | 32 |
| Rank 3 | 21 | 15 | 26 | 19 | 16 |
| Rank 4 | 5 | 9 | 7 | 5 | 6 |
| Rank 5 | 0 | 2 | 4 | 5 | 5 |
| Total | 120 | 120 | 120 | 120 | 120 |
| Weighted score | 488 | 507 | 456 | 495 | 498 |
| Weighted mean score | 4.06 | 4.2 | 3.8 | 4.12 | 4.15 |

Inference

From the fig, it can be seen that the majority of the respondents ranked “good quality” as the reason to purchase modern food products over competitors .

1. Do you consider to switch the brand ?

|  |  |  |
| --- | --- | --- |
| Switch brand | Total | Percentage |
| Yes | 27 | 22.5 |
| No | 93 | 77.5 |

Inference

From the fig, it can be seen that the majority of respondents (77%) are not considering to switch the brand, while the remaining (22.5%) are considering to switch the brand.

1. If yes what are the reasons

|  |  |  |
| --- | --- | --- |
| Reasons | Total | Percentage |
| Quality deterioration | 11 | 40.7 |
| Poor packaging | 3 | 11.1 |
| High price | 4 | 14.8 |
| Availability problem | 8 | 29.6 |
| Others | 8 | 29.6 |
| Grand total | 120 | 100 |

Inference

From the fig, it can be seen that “Quality deterioration” (40.7%) is the reason to switch the brand.

1. To which brand will you switch ?

|  |  |  |
| --- | --- | --- |
| Switching brand | No. of respondents | Percentage |
| Elite | 4 | 50 |
| Mody bakers | 1 | 12.5 |
| Best bakers | 2 | 25 |
| Navya bakers | 1 | 12.5 |
| Total | 8 | 100 |

Inference

From the fig, it can be seen that the majority of the respondents who are considering to swich the brand (50 %) is changing to elite brand.

1. How you rate the overall satisfaction of the modern food products ?

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Opinion of respondents | | | | | Total | Total weighted score | Weighted mean score |
| Highly satisfied | Satisfied | Neutral | Dissatisfied | Strongly dissatisfied |
| 17 | 36 | 31 | 29 | 5 | 120 | 385 | 3.2 |

Inference

From the fig, it can be seen that the majority of respondents (30 %) are pleased with the product's overall satisfaction.

**CHAPTER 5**

**FINDINGS, SUGGESTION**

**&**

**CONCLUSION**

FINDINGS

The following details can be inferred after analysis with a sample size of 120 which included customers, by questionnaire method to understand the customer satisfaction towards Modern food products.

* Majority of respondents are Male (60.8 %) and others are female (39.2%)
* Majority of respondents (59.2 %) are aged between 21 -30 years.
* Majority of the respondent’s income (47.5 %) is less than 20000.
* 45 % of the respondents are regular buyers.
* Majority of the respondents (32 %) buy products twice in week.
* The majority of respondents (34.2%) have been using the brand for two to three years.
* Majority of the respondents (58 %) come to know about the brand through advertisements.
* The majority of respondents ranked quality (Weighted mean score - 4.25) as the most important factor influencing their decision to purchase the products.
* Majority of the respondents ranked easy availability (Weighted mean score – 4.28) as the reason for purchasing.
* Majority of the respondents prefer to buy the product from convenience store (Weighted mean score – 3.04)
* Majority of the respondents (55.2) made their own decision to purchase the product.
* The majority of respondents (50 %) strongly agree with the statement "Product quality is up to expectations."
* The majority of respondents (50.8%) agree with the statement "Product prices are always reasonable."
* The majority of respondents (45.8) strongly agree with the statement "Product smell and taste are good."
* The majority of respondents (47.5) agree with the statement "Product packaging is good."
* Majority of the respondents (91.7) purchased bread products of the brand.
* Majority of the respondents ranked good quality (Weighted mean score – 4.2) as the reason to purchase modern food products over competitors.
* The majority of respondents (77%) are not considering switching brands, while the remaining (22.5%) are considering switching brands.
* Quality deterioration (40.7%) is the reason for the switchers to change the brand.
* Majority of the respondents who are considering to swich the brand (50 %) is changing to elite brand.
* The majority of respondents (30 %) are pleased with the product's overall satisfaction.

SUGGESTIONS

Conclusion

Accomplishing this project on brand’s customer satisfaction was an excellent and knowledge-gaining experience for me. Despite the small sample size for the questionnaire, this project helped me to learn the view of customers and common people towards the brand Modern Foods.

Brands now play an important role and are accepted as generating business and sustaining growth. Companies with high customer satisfaction grow as strong brand and tend to have a more advantageous place in the market. Customer satisfaction plays a big role in the market share of a product. For a growing industry like bakery in the country, customer satisfaction would be the prime driver to grow the company’s business.

Finally, I would say that the people in the district are extremely satisfied with the products. Consumption of bakery products has increased rapidly over the last few decades. Modern as a brand is successful in delivering customers with healthy and nutritious food products. From the study, we can also say that the company maintains the quality of products because most of the respondents were satisfied with the quality, which is also the major reason for purchasing the product.