

Consumer choice of branded and unbranded edible oils: A case in Badulla region

A.P.H Sandamini*, M.G.P.P Mahindarathna, W.A.J.P Wijesinghe, A.M.C Amarakoon

Department of Export Agriculture, Uva Wellassa University, Passara Road, Badulla, Sri Lanka

**hansika.sand@gmail.com*

1. Introduction

Currently, Sri Lankan domestic market has high substitutability of a wide variety of edible oils. There are branded and unbranded oils as imported and local types in the current cooking oil industry. Coconut oil and other vegetable oils such as palm oil, soybean oil, sunflower oil, and corn oil are the most popular edible oils among the Sri Lankan community. Due to this increased variety, the customers are led to difficulties in deciding which type or a particular brand of edible oil to purchase. Although, some consumers are certain of the form and brand of edible oils they choose, others are torn between the two. In addition, besides the fact that consumers are loyal to specific edible oils or not, it is debatable whether they are fully aware of why and how these oils could satisfy their consumption goals. According to Taylan (2013), the key issue currently faced by the consumers is a lack of awareness/perception and information about edible oils. In addition, there could be certain other determinants that affect the purchasing behaviour of edible oils by the consumers. In the light of this context, the authors attempted to identify consumer behaviour in terms of edible oil purchases by consumers in Badulla, the capital region in Uva province. Consequently, the study was conducted to investigate the factors affecting consumer choice of branded and unbranded edible oils in the Badulla region.

2. Materials and Methods

The study employed primary data gathered from consumers in the Badulla region. Prior to the formal survey, a pilot study was carried out with 10 respondents who consume the edible oils in the Badulla region. Subsequently, the field survey was conducted to collect the required information on consumer socio-economic factors, food context, awareness of edible oils and concern on marketing mix in relation to edible oil purchase (Figure 01), by administering a structured questionnaire. Consumers, who purchase edible oils in the Badulla region, were selected as the population of the study. Among them, 200 respondents were selected as the study sample, using cluster sampling at the first stage, followed by systematic random sampling in the second stage. Out of 15 Grama Niladhari divisions in the Badulla region, 10 were selected using cluster sampling technique. Collected data were analysed using the Statistical Package for Social Science (SPSS) 23 version by conducting both descriptive and econometric analyses. In addition, Cronbach's Alpha Reliability test was performed to check the internal consistency of selected composite variables. In this study, the dependent variable, consumer choice for edible oils was measured based on the category of oil purchased (i.e.; branded edible oils, unbranded edible oils, and both branded and unbranded edible oils). Since the dependent variable is a nominal variable, multinomial logistic regression analysis was performed to identify the significant factors that affects the consumer choice of branded and unbranded edible oils in the Badulla region.

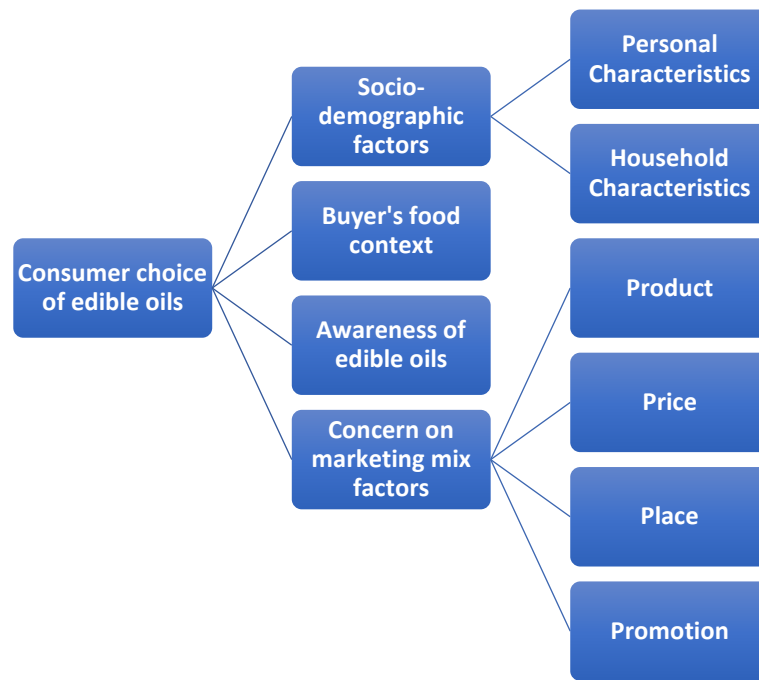


Figure 1. Conceptual framework of the study

3. Results and Discussion

The age of the consumers varies from 24-78 years with an average age of 49 years. Of the sample, majority of the respondents (56.5%) were female. The respondents were engaged in different employments such as private sector employees, self-employees, government sector employees as well as unemployed and retired respondents, while their average monthly income is 40,800.00 LKR. Most respondents have been educated up to G.C.E. Ordinary level (29%) and G.C.E. Advanced level (24.5%) while a considerable number of consumers have obtained tertiary education (16%). The families contain two to eight members, where approximately one member has some special concern on health.

In our study, the consumer awareness on edible oils was measured by obtaining a score to a predetermined set of questions. Accordingly, it was recognized that the majority of the edible oil purchasers (49%) had a low awareness on edible oils. 44.5% show a moderate level of awareness while a small proportion of the sample (6.5%) had a high level of awareness on edible oils. As far as the types of edible oils purchased by the consumers is concerned, it is evident that most of the consumers (71%) buy unbranded Coconut oil while the second highest majority buy branded Coconut oil. The purchase of other types of edible oils is very low among the consumers in the Badulla region.

When the consumer choice of unbranded edible oils was compared relative to the choice of branded edible oils, the multinomial logistic regression results (Table 01) revealed that the multinomial logit for females relative to males is higher for preferring unbranded edible oils to branded edible oils. This indicates that females are more likely than males to prefer unbranded to branded edible oils. When the consumer's age, education level, monthly income, number of persons with non-communicable diseases in the family, concern about product attributes and promotion, awareness about edible oils and monthly expenditure for edible oils are increased by one unit, the multinomial log-odds of preferring unbranded edible oils over branded edible oils would be expected to decrease while the other factors held constant.

When the consumer choice of both branded and unbranded edible oils was concerned relative to the choice of branded edible oils, the multinomial logistic regression results revealed that the multinomial logit for females for preferring both branded and unbranded edible oils (both types of oil) to only branded edible oils relative to males is higher given all other predictor variables in the model are held constant.

Table 01. Results of the multinomial logistic regression

Consumer choice for edible oils		B	Significance	Exp (B)
Unbranded edible oils	Intercept	-1.481	.597	
	Male	-.639	.172	.528
	Age (years)	-.004	.352	.996
	Education level	-.138	.000	.871
	Monthly income (LKR)	-.573	.000	.564
	Family size	.257	.206	1.293
	Diseased persons in the family	-.157	.000	.855
	Concern on product characteristics	-.581	.006	1.788
	Concern on marketing promotion	-.716	.000	.488
	Concern on product price	.129	.000	1.137
	Concern on place	.167	.645	1.181
	Awareness on edible oils	-.353	.000	1.423
	Monthly expenditure for edible oils	-.001	.012	1.001
	Both branded and unbranded edible oils	Intercept	-1.507	.557
Male		-.548	.206	.578
Age (years)		.005	.299	1.005
Education level		-.018	.000	.982
Monthly income (LKR)		-.602	.000	.548
Family size		.241	.199	1.272
Diseased persons in the family		-.051	.002	.950
Concern on product characteristics		.384	.000	1.468
Concern on marketing promotion		-.381	.000	.683
Concern on product price		.076	.025	.927
Concern on place		.330	.334	1.391

Awareness on edible oils	.417	.000	1.517
Monthly expenditure for edible oils	.001	.002	1.001

a. The reference category is: Branded edible oils

The findings indicated that there are three categories of edible oil consumers. They are consumers who purchase only unbranded edible oils, only branded edible oils and both branded and unbranded edible oils. Consequently, most people tend to purchase unbranded edible oil category without considering their health. The most popular edible oil category was unbranded edible oils. Very few people tended to consume branded type edible oils.

4. Conclusions

The findings established that the educational level, monthly income, monthly expenditure for edible oils, concerning product attributes, concerning product promotions, product price, awareness of edible oils and household's persons with non-communicable diseases was a significant factor in its choice of edible oils with a relatively small variation of data. Most consumers in the Badulla region show less awareness of edible oils while the majority purchase unbranded coconut oil for consumption. Very few people tend to consume branded type edible oils.

5. References

- Abeyssekara, M. G. D., Prasada, D. V. P., & Pathiraja, P. M. E. K. (2020). Equilibrium relations in the coconut sector: an analysis of fresh nut, oil and desiccated coconut market in Sri Lanka for the period 1956-2017. *Tropical Agricultural Research*, 31(1), 1. <https://doi.org/10.4038/tar.v31i1.8339>
- Govindaraj, G. N., & Suryaprakash, S. (2013). Determinants of Edible Oil Choice by Households in Tamil Nadu, India. *Ecology of Food and Nutrition*, 52(6), 497–514. <https://doi.org/10.1080/03670244.2012.748458>
- Nagar, A., & Nagar, A. (n.d.). *An Empirical Study of Consumers Preference about Branded Edible Oil in Chennai City*. 7(12), 790–797.
- Sarwade. D. K. (2011). Brand Preferences and Consumption Pattern of Edible Oils in Maharashtra State. *International Conference on Economics and Finance Research*, 4, 330–334.
- Taylan, O. (2013). A hybrid methodology of fuzzy grey relation for determining multi attribute customer preferences of edible oil. *Applied Soft Computing Journal*, 13(5), 2981–2989. <https://doi.org/10.1016/j.asoc.2012.02.007>