

Food Processing Sector in India with reference to Customer Satisfaction – A case study

Dr.Mohd Ali

**Associate Professor & HOD,
Commerce and Business Management,
Chaitanya Degree and PG College,
Hanamkonda, Warangal,
Telangana State.**

S.Pratap

**Associate Professor,
Commerce and Business Management,
Chaitanya Degree and PG College,
Hanamkonda, Warangal,
Telangana State.**

ABSTRACT:

This paper examines several types of products which are produced by the food industry. Industry and Agriculture are two pillars of economy; of course, the development of any country's economy depends on the consumers' health and wealth. India is the world's second largest producer of food products next to China and holds the potential to catered needs of consumers. Food regulations and standards have become a sensitive subject and the regulation of the quality of the food products the object of an increasing customer satisfaction. Therefore, the food processing sector is one to examine the products by taking primary data whether reliable or not.

Key words:

Food processing, preservation, consumer demand, consumer satisfaction

I.INTRODUCTION:

Food processing combines raw food ingredients to produce marketable food products that can be easily prepared and served by the consumer. Food processing and preservation are major requirements to extending the shelf-life of foods. The micro-organisms that cause food spoilage may be arrested by using the recent methods of food processing. Recent food technologies are used to meet the standard requirements of food safety, and consumer demand. The use of fire to cook, heat and dry foods may be described as the earliest form of food processing. Foods may be processed by exposure to heat (e.g. roasting), wet heat (e.g. boiling) or cooked in oil (e.g. frying). The food processing sector is critical to India's development, for it establishes a vital linkage and synergy between the two pillars of the economy—Industry and Agriculture.

India is the world's second largest producer of food and holds the potential to acquire the numerous statuses with sustained efforts.

II.SCOPE OF THE STUDY:

The enormous growth potential of this sector can be understood from the fact that food production in the country is expected to double in the next 10 years, while the consumption of value-added food products will also correspondingly grow. The growth of this industry will bring immense benefits to the economy, raising agricultural yields, enhancing productivity, creating employment and raising life-standards of a large number of people across the country, especially those in rural areas.

The liberalization of the Indian economy and world trade and rising consumer prosperity has thrown up new opportunities for diversification in the food-processing sector and opened new vistas for growth. A recent study has revealed that there is tremendous potential in India to build a profitable business in the sector. This industry ranks fifth in the country and employs 16 lakh workers, comprising 19% of the country's industrial labour force.

It accounts for 14% of the total industry output with 5.5% of the GDP. Its turnover is estimated at Rs.1,44,000 crore, of which Rs.1,11,200 crore is in the unorganized sector. The industry has started producing many new items like ready-to-eat food, beverages, processed and frozen fruit and vegetable products, marine and meat products, individually quick frozen (IQF) products, etc. The Indian consumer is being fast introduced to newer high quality food products made by using the latest state-of-the-art technology that is also giving the industry a competitive edge.

Table 1.1 Status of Food Processing Industry in India

SL.No.	Particulars	Rank
1	Rank of industry	5 th place
2	Employment in lacks	16
3	% total industrial labour force	19
4	Total Industry output in %	14
5	Output as % of GDP	5.5
6	Estimated turnover (rupees in crores)	1,44,000
7	Unorganised Sector (rupees in crores)	1,11,200

Source: Ministry of food processing India, Annual report

III. REVIEW OF LITERATURE:

Dr. Amiya Kumar Behera, in his Report on APO Multi-Country Study Mission on Rural-Based Food Processing Industry has reported that poverty and unemployment in the rural areas are the two most important challenges India faces. The rural economy cannot be developed fully by improving only the productivity of agriculture, although this will go a long way in improving the rural economy; however, rural industries, subsidiary activity and food processing industry in particular, are of great importance for a rapid transformation of the rural economy, in India Satish Chacker and KK Juneja has given their review on Food Standards, Implementation and Quality Control as food is one of the essentials for maintenance of life and is embedded in cultural and social habits of people. The study carried out by S. Mahendra Dev and N. Chandrasekhara Rao of the Centre for Economic and Social Studies (CESS) for the International Food Policy Research Institute (IFPRI) and the State Government, pointed to infrastructure and utilization facilities while processing the product which leads to consumer friendly. Dr. Dev presented the details of the study, “Agro-processing in Andhra Pradesh: Opportunities and Challenges”, at a seminar on “Agricultural exports and food processing”,

organised by IFPRI at the Acharya N.G. Ranga Agricultural University. The study made a series of policy recommendations.

OBJECTIVES:

- To know the present status of the process industry
- To know the standards of products
- To diagnose the processed food
- To suggest the feasible ways

IV. RESEARCH METHODOLOGY

For the present study the data has been collected from both primary and secondary sources. The primary data collected through the survey of consumers in selected outlet stores from Warangal District, Telangana State through pre-structured questionnaire and personal interview. The sample size chosen for the study is 70 respondents (40 customers from D- Mart and 30 from Spencer’s) and they were selected through simple random sampling method. Customers were requested to provide the information related to consumer satisfaction relating to processed food. The percentages of all the aspects of the questionnaire have been analyzed. The analyzed data have been represented in a table and interpreted.

DATA ANALYSIS AND INTERPRETATION

Table-1 Demographic profile of Respondents

SL.No	Category	Particulars	No. of respondents	Percentage
01	Gender	Male	20	28.57
		Female	50	71.43
02	Age	Below 25 Years	15	21.42
		26-35	20	28.57
		36-45	24	34.28
		Above 45	11	15.71
03	Education Qualification	Upto Graduation	52	74.28
		Post Graduation	18	25.72

Source: Primary data

Interpretation

Above table shows that of the respondents from male and female category i.e. 28.51% and 71.43% respectively. 34.28% of the respondent's age group is 36-45 and 74.28% percentages of the respondents were graduation.

Table- 2 Do you feel good with standards of the products

Sl.No	Particulars	Respondents	percentage
01.	Yes	38	54.28
02.	No	20	28.68
03.	Can't Say	12	17.14
Total		70	100

Source: Primary data

Interpretation

Above table describes that the maximum of 54.28 percentage customers are being satisfied with standards. Only 17.14 percentages of customers could not say anything about satisfaction of products.

Table-3 Do you sure to say that products are healthy to consume?

Sl.No	Particulars	Respondents	percentage
01	Yes	13	18.57
02	No	25	35.71
03	Some extent	10	14.28
Can't say		22	31.42
Total		70	100

Source: Primary data

Interpretation

Above table tells that the maximum 35.71 percentage of the customers strongly believe that the products are not healthy to consume and 31.42 percentage of the customers are unable to say exactly about the consumption of the products that indicates do not know about product quality.

Table-4 Do you believe that the standards are maintained by processed food products organizations?

Sl.No	Customer response	Respondents	Percentage
01	Up to Maximum Extent	07	10.00
02	Up to Some Extent	18	25.72
04	Not at all	25	35.71
05	Can't Say	20	28.57
Total		70	100

Source: primary data

Interpretation

Above table reveals that the maximum customers were not reliable with standards of the products and next majority of the respondents were said can't say, that index majority of the customers are not aware of standards.

RECOMMENDATIONS

1.Changes have been brought about habits resulting due to developments in technology and for socio economic reasons; food is in increasing demand for a range of food products. Therefore Food Regulations and standards have become a sensitive subject and the regulation of the quality of the food products the object of an increasing public interest. Quality is being the first consideration for the Consumer acceptance, which in turn is linked with recognized national and international standards, reflecting the national and international markets which are essential for the manufacturer to be able to design produce and market products embracing the Consumer's needs of quality features and using upto date technologies. Compliance with these standards is ensured through the use of regulatory standards and quality assurance systems.

2.While processing food and preservation, the government should give certain instructions relating to storage of products to overcome damage of health of consumers.

3.It suggested that bring all food processing industries under an independent Ministry and creation of a separate department at the State level.

4.It recommended to Government encouragement to contract farming in fruits, vegetables, poultry, feed crops like maize, soybean, organic rice and other products and large players in these fields attracted to set up units.

V.CONCLUSION:

Besides economic activity of every organization, the organization should create good environment for producing products in order to damage of human health. In this case, the Government also should care about production facilities directly and supervise as and when situation demands to overcome the spoilage of products and sub-standards. Only growth of economy is not supported to develop nation besides, health conscious also play an important role. Therefore, the Government has to look into the matter.

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