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Impact of Nutritional Labelling on Consumer Buying Behaviour

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Abstract

Nutritional label plays an important role in providing the relevant nutrition information to consumers. Inclusion of a nutritional label on food items may be an important packaging decision for the Sri Lankan food processors. Hence, a study was conducted with a view of identifying the market for nutritional labeling and the factors that influence the consumer willingness-to-pay for nutritional labeling. Data were collected from a random sample of 90 consumers selected from three supermarkets - Dhanasiri, Cargill's Food City and Royal Garden Mall - located in Kandy. Market for nutritional labeling was identified by exploring data and a logit method of analysis was performed to identify the factors that influence the willingness-to-pay for nutritional information on food items. A significantly greater proportion of individuals in the age category 36 to 50 years, individuals with tertiary education, individuals with special dietary status and households with less than four members were willing to pay more for the nutritional labels. Logit analysis showed that gender, level of education and special dietary status have a significant positive effect and the household size has a significant negative effect on the willingness to pay for nutrition information. Accordingly, it could be stated that incorporation of a nutritional panel in the package would enhance the demand for food products and it would be an appropriate strategic task for the local food processors.

Keywords*: - Nutritional Labeling, packaging, tertiary education, food processors*

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INTRODUCTION

The phrase "you are what you eat" is literally true. Eating is considered as one of the most important part of our everyday living. Without food we cannot expect the life to exist. The food we eat are the only source of energy and nutrition. Food contains a variety of nutrients which are essential if our bodies has to function effectively. Nutrients are required to perform particular roles in our body including growth and repair, heat and energy and protection from the disease. It is important that the food we eat provides a combination of nutrients.

Changing needs and lifestyle, the link between diet and disease, dietary guidelines and media attention have stimulated interest in nutrition. Trends in society have an influential effect on consumer choice and demand. Healthy living is a term frequently used, with the benefits of exercise and healthy eating, reduction of alcohol and stress management continuously stressed by the experts in the field of nutrition and medicine. Life expectancy has increased and people want to lead an active and healthy lifestyle in the latter part of their lives.

SCOPE OF STUDY

"Impact of Packing and Labeling" emphasizes on Consumer Satisfaction, Brand Performance, Brand Loyalty, Attitudinal Change, packaging impact on the buying behavior of consumer. It emphasizes to know how consumer are flexible and motivating . This is motivating me to do the research on "Impact of packaging and labeling" .

As per Indian regulations food product must have

- Product name and category of food.
- An ingredient list in descending order of weight.
- Logo of vegetarian and non-vegetarian food.
- Nutritional fact panel or information which includes energy, protein, carbohydrates (sugar) and fat.
- The shelf life (use by or best before date).
- Storage conditions.

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- The name and address of the manufacturer, packer and / or seller.
- The country of origin (in case of imported foods).
- The weight.
- Instructions of use.

Health claims establish a relationship between a food and disease or medical condition.

STATEMENT OF PROBLEM

The consumer can notice the labeling defect easily through a visual inspection and that may create suspicion about the quality of the product also in the mind of the consumer. If during food inspection the regulator about the quality of the food product also and invariably the sample of such food product is taken and sent for analysis for the check of its quality also. If on analysis the sample is found non-complying to the standards then the food product is declared as substandard besides misbranding and prosecution is launched for substandard and also for misbranding i.e. labeling defect. Even if the sample is found confirming to standards, the prosecution is launched for misbranding.

It is clear that on one hand the correct and appropriate labeling convince the user that it is the product for him/her and he/she should buy it and indirectly promotes the sale of the product. On the other hand incorrect and incomplete labeling makes the food product misbranded, suspicious of its quality and attracts the attention of the regulators for its quality check and further leads to prosecution.

In the view of above, the food business operator can understand the importance of correct labeling and if the label declaration is incorrect and not in accordance to the regulations then the FBOs have to face the implications of the FSS acts. The food business operator is responsible for providing the correct and requisite information on the label of the consumers. Considering the importance of correct labeling, we have made this course for awareness of the food business operators on the labeling of packaged food products in accordance to food safety and standards (packaging and labeling) regulations, 2011, notified by FSSAI which is effective in India.

METHODOLOGY

RESEARCH METHODOLOGY

Research design

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A research design defines the structure or framework within research in carried out. In this study descriptive research design has been used in order to describe the customer awareness and impact of nutritional labeling.

Area of study

The study has been conducted in the Coimbatore city.

Sample size

The sample size adopted by the researcher in this study is 120 respondents.

Sampling technique

The researcher adopted simple random sampling method to collect the data.

Source of data

The researcher used both primary and secondary data, to accomplish the objective of the study.

Primary data

The primary data has been conducted through the questioner from the customer. The questionnaire is designed in a systematic manner covering adequate and relevant questions which is useful to study.

Secondary data

The theoretical aspects of the study is collected from various sources which includes books, journals, magazines, websites and other related projects.

Data collection

In this study the researcher has used the questionnaire method for collecting relevant information. The data has been collected from the respondents using the questionnaire. Data collection is carried out in the month of December 2016 and February 2017.

NEED OF THE STUDY

1) The study is used to know the problems faced by the consumers while purchasing the packaged food items.

2) It is used to analyze the level people's awareness on purchasing the food products

3) It also helps to prevent from the diseases.

OBJECTIVES OF THE STUDY

1) To explore the reasons for usage and non usage of food labels along the consumer.

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2) To find out the attributes of food labels are marked important by the consumers.

3) To assess the influence of food labeling on the changes in dietary patterns among the consumer.

4) To find whether food label determines what food to buy or not.

LIMITATIONS OF THE STUDY

1) The study is conducted with 120 respondents.

2) The time taken for this study was limited and it was a major constraint to complete the work entirely.

3) All the respondents of this survey are based on all over Tamil Nadu.

REVIEW OF LITERATURE

(Kuvykaite et al, 2009). With regard to food purchasing, food labels have hence probably become the most important and most influential factor during consumer decision making (peters Texeira & Badrie, 2005).

Skuras, 2005; silayoi & speece, 2004). Apart from the functional protective value of packaging, packaging per se-which includes the labeling dimension of the packaging-has in recent years become increasingly important as a marketing tool, for example to indicate status quality (rundh, 2005).

Huet al, (2006) noted that all consumer behavior in response to reading food labels will depend upon the reference points from which they came and the values that they bring to food purchasing.

Prathiraja and ariyawardana (2005) anticipated nutritional labeling to affect consumers "purchasing behavior significantly consumers" ability to choose their diets depends partly on the quantity as well as quality of information available through a variety of sources, including nutrition panel of food labels (caswell and padberg, 1999).

Underwood et al.,(2001) and silayoi and speece (2004), found out that packaging element acts as a tool for differentiation.

PROFILE OF THE STUDY

Consumer buying behavior for food and grocery products has always been influenced by a number of economic, cultural, psychological and lifestyle factors. Food purchase behavior of consumers in most emerging economies,

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including India, significantly changed through per capita disposable income, movement of household towards higher income groups, increases in global interaction, increased access to information and communication technologies, urbanization, changes in lifestyle, changes in family structure and increase in education & health awareness.

SOME FOOD LABEL INFORMATION CONSUMERS CONSIDER DURING PURCHASE

- Food Safety
- Country Of Origin
- Quality
- Health Claims
- Price
- Findings

DATA ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of the study on the topic, "IMPACT OF NUTRITIONAL LABELLING ON CONSUMER BUYING BEHAVIOUR" is presented based on a sample of 115 respondents. The collected data are classified and tabulated. The data are analyzed using the following statistical tools.

- Simple percentage analysis.
- Chi-square analysis.

Simple Percentage Analysis:

Simple percentage analysis is carried out for all the questions given in the questionnaire. This analysis describes the classification of the respondents falling under each category. The percentage analysis is used mainly for standardization and comparison. Diagrams and charts depicted are in support of the analysis.

$$\text{PERCENTAGE} = \frac{\text{Number of respondents}}{\text{Total number of respondents}} \times 100$$

Chi-Square

This analysis is one of the simplest and widely used non- parametric tests in statistical work. It was first used by Karl Pearson in the year 1900. The quantity describes the magnitude of the discrepancy between theory and observation.

FINDINGS AND SUGGESTIONS

FINDINGS

- It is found that most of the people look at the labels and packaging on the food products.

- It is found that the many of the respondents agreed that the

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information given on the food products is useful.

- Many of the respondents check the information on the food products before purchasing the information like (iron, weight, percentage etc).

- Many of the respondents give high preference to the food labels and the packaging on the food packets and the information like expiry date, price, method to use and the nutritional labels on the food.

- Many of the respondents also look at the sugar levels and the other ingredients(applicable to the old consumers).

SUGGESTIONS

- Important factors to be considered in visual mechanizing.

- Many respondents feel that the package label must include text to indicate nutrient labels.

- The purchasing behaviour varies differently depending on the kind and type of nutrient levels. The companies must also use strategic techniques to attract the buying, motivating and the purchasing behaviour of the consumers.

- As the technology is changing very fast the companies must also be closer to the consumer by taking their ideas and attributes regarding the food labels.

- Make enhancing understanding of nutrition labels for consumers a priority. Front-of-packing labeling that is quick and easy to understand, without the need for extensive education, is beneficial. Overall consumers seem to prefer labels that rely less on numerical data, are colourful, and assist with interpretation of nutrition information.

- Ensure labels meet the needs of ethnic minorities, indigenous, low-income, and other vulnerable groups at greater risk of health inequalities. Aim for standardization and consistency with labels, and implement at a nutritional level.

- Examine the role of claims, as they appear to mislead many consumers, and seem to serve more of a marketing role that proper consumer education.

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CONCLUSION

The findings indicate that awareness and knowledge of food labeling may not always adequately impact on food choices, even though study respondents indicated high awareness, and how to average reading of the labels and health in European studies. Food labels are a useful source of information through which consumers food choices are shaped. Thus, it is important to educate consumers to read food labels, and on how to understand them and apply the information when making food choices. Although this study indicated a low to average level of knowledge with regard to food labels in the group of Koforidua consumers, such findings should be interpreted with caution as this was an exploratory study. Different consumers demonstrate varying levels of knowledge with respect to food labels, and the subsequent varying impact on food choices might result. Further result on more Ghanaian consumers is required to determine weather or not the resulted obtained in this study apply to the general Ghanaian consumer population.

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