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## Instant food advertising strategies impact on sales

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### Abstract

Instant food sector is one of the fast growing sector in India and number of users and amount spent on them are significantly increasing year to year. Fast food industry is one of the world's fastest growing sectors in food industry. However, over a period of time, with a growth in the number of nuclear families, economic growth and increasing per capita income as well as globalization, fast food culture gained prominence in India. The study reveals that 64% of the respondents visit fast food outlets once in a week and majority of the respondents spent more than 15% of their monthly income on fast food and the most favorite cuisine preferred by the respondents is western junk foods. They also expressed that the discount offered at the fast food outlets are considered as the effective promotional activity. The fast food industry is highly competitive and dominated by large companies. Highly competitive businesses must be savvy in developing marketing strategies that drive consumer traffic. This entails staying in constant touch with customers. One of the best ways for biggest fast food companies to stay in touch with their companies is through marketing research. Fast Food Company must know what key customers want and will buy before developing marketing and advertising strategies. Fast food companies often use market segmentation as a marketing tool. Fast food companies can drive traffic through collectibles, particularly those that kids enjoy. Select a movie or popular animated film Market segmentation is the process of identifying key buying groups that patronize your restaurant.

**Keywords:** Advertising strategies, sales, food

### Introduction

The primary reasons linked to the increasing demand for Ready to eat products include the rise of the working class and women entering the workforce. This meant families found it difficult to spare time for cooking and making meals, leading to the rise of production of microwaveable meals and ready to eat products.

Advertising is central to the marketing of the US food supply. Marketing is defined as an activity an organization engages in to facilitate an exchange between itself and its customers/clients. Advertising is one type of marketing activity. The US food system is the second largest advertiser in the American economy (The first being the automotive industry) and is a leading buyer of television, newspaper, magazine, billboard, and radio advertisements.] The reasons that the food advertising market is so large include the following: 1) food captures 12.5% of US consumer spending and so there is vigorous competition, 2) food is a repeat-purchase item and consumers' views can change quickly, and 3) food is one of the most highly branded items, which lends itself to major advertising. Over 80% of US grocery products are branded.

- The ready-to-eat food market in India is expected to accelerate at a CAGR of 18.63% during the forecast period.
- The ready-to-eat food market in India is segmented by product (Frozen food, ready to heat, and ready to cook) and distribution channel (Offline and online).
- The report offers information on several market vendors, including Bikanervala Foods Pvt. Ltd., Darshan Foods, Gits Food Products Pvt. Ltd., Haldiram Foods International Pvt. Ltd, Heritage Foods Ltd., ITC Ltd., McCain Foods Ltd., McCormick and Company Inc., MTR Foods Pvt. Ltd., and Tyson Foods Inc.

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Advertising expenditures for US food products were \$7.3 billion in 1999. In 1997, the US advertising expenditures for various foods were: breakfast cereals – \$792 million; candy and gum – \$765 million; soft drinks – \$549 million; and snacks – \$330 million. Total expenditure for confectionery and snacks was \$1 billion. In contrast, during the same year, the US Department of Agriculture spent \$333 million on nutrition education, evaluation, and demonstrations. Advertising budgets for specific brands of foods, beverages, and fast food restaurants are also revealing.

The heavy marketing directed towards youth, especially young children, appears to be driven largely by the desire to develop and build brand awareness/recognition, brand preference and brand loyalty. Marketers believe that brand preference begins before purchase behavior does. Brand preference in children appears to be related to two major factors: 1) children's positive experiences with a brand, and 2) parents liking that brand. Thus, marketers are intensifying their efforts to develop brand relationships with young consumers, beginning when they are toddlers. Marketers know that toddlers and preschool children have considerable purchase influence and can successfully negotiate purchases through what marketers term the "nag factor" or "pester power".

### Literature

Guruprasad & Tandon V. (2019) <sup>[2]</sup> in their research paper they observed that after the relaunch of Maggi many people purchase Maggi not because of its price and taste but people have become so brand loyal to Maggi that they buy Maggi blindly after its relaunch in India.

Chaturvedi M & Prasad H (2018) <sup>[1]</sup> in their research paper they observed that Ups and downs are common in business as Nestle is concerned about who is leading the food and beverages industry worldwide, especially Maggi take into accounts advertisement are very influencing and they are the backbone in the great business of Maggi.

Shrestha M. (2018) <sup>[7]</sup> in their research paper he observed that Wai Wai noodles are done market research before launching their product in a particular area. And based on their research, they launch their products in that region. Wai Wai has great sell in the Northern and northeastern regions of India. And Wai Wai can increase their marketing in other parts of the country also.



Kaur P. (2016) <sup>[4]</sup> in his research paper he observed that after a ban on Maggi noodles due to the excessive amount of lead contained in them, people become more aware of their health instead of taste. Though Maggi relaunch in the Indian market it is very important for it to follow the guidelines of content properly. Puntambekar G & Pandey M (2016) <sup>[6]</sup> in their research paper they observed that the sale of Maggi noodles after relaunch is increasing month on month. Maggi uses effective marketing strategies, sales promotion, influencing and attractive slogan, emphasis on health and quality of the product. Jain A. (2016) <sup>[3]</sup> in her research paper she observed that people are more concerned about their health in context with ready-to-eat products like noodles. When Maggi got banned in India Patanjali launched its atta noodles which are considered healthier and many customers of Maggi shifted toward Patanjali noodles in 2016 though after relaunch Maggi recovers its market share.

Indian mothers and home makers have a high regard for home cooked food. Into such a culture ready to eat products were introduced in the 1980's. The changing economic conditions, increasing income levels along with the rise of the working middle class with both parents going to work made the requirement very prominent. Other than working mothers, there are other segments too like bachelors and students who lack time and knowledge to cook. The expansion of retail chains, hypermarkets, convenience stores, supermarkets and outlets in tier 1 and tier 2 cities have helps in product penetration and increasing awareness among people.

**Objectives**

1. To study the instant food market shares in Hyderabad.
2. To examine the promotional strategies of various instant food producers.
3. To assess the level of promotional practices impact on sales and satisfaction of consumers in Hyderabad.

**Hypothesis**

**H<sub>01</sub>:** There is no significant association between education of the respondents and impact of mode of advertisement on them.

**H<sub>02</sub>:** There is no association between gender of the respondents and impact of mode of promotion of scheme.

**H<sub>03</sub>:** There is no significant relation between age of the respondents and impact of promotional activities of instant food products comparing to other product.

**Sample & Sample Size**

The consumers of instant food / fast food who re frequently consuming such items in Hyderabad region treated as valid sample for the study.

A sample of 100 such consumers opinion was considered with the help of structured questionnaire.

**Analysis**

**Factor analysis (Influencing factors to choose instants)**

**Table 1:** KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.810
Bartlett's Test of Sphericity	Approx. Chi-Square	9396.444
	DF	28
	Sig.	.000

Before we proceed for factor analysis first the researcher tested the eligibility of the data by checking KMO- Bartlett's test which is a measure of sampling adequacy. The KMO value is 0.810 >0.6. Bartlett's Test of Sphericity indicates a measure of the multivariate normality of set of variables (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis).

**Table 2:** Total variance explained

Component	Initial Eigenvalues			Extraction sums of squared loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.270	90.875	90.875	7.270	90.875	90.875
2	3.434	5.431	96.306			
3	.148	1.851	98.157			
4	.048	.597	98.754			
5	.034	.423	99.177			
6	.029	.361	99.538			
7	.021	.265	99.803			
8	.016	.197	100.000			

Extraction Method: Principal Component Analysis.

The variance matrix indicating 90% (Statistically 65% variance valid) variance on tested variable, i.e 10% of other factors are influencing to decide factors.

The Scree plot resembling with two factors in pictorial format.

**Table 3:** Rotated Component Matrix<sup>a</sup>

	Component	
	1	2
Price	.342	.763
Availability	.460	.063
Variety	.461	-.261
Quality	.848	.100
Convince	.054	-.094
Experience	.652	.239
Time	.234	.413
Others	-.474	.282

The below Principal Component Matrix gives the component matrix which is rotated using the VARIMAX rotation technique which gives the Rotated component matrix. Rotation of factors helps in the better interpretation of factors. Since the first factor in the ROTATED Component Matrix is heavily loaded with the policy choosing factors. The Principle component matrix extracted only 2 most influencing factors whose *Eigen value* is more than 1, among tested 08 factors only 2 is mostly influencing on instant foods. i.e Quality of the Product (.848) and Price of the Product (.763)

**H<sub>01</sub>:** There is no significant association between education of the respondents and impact of mode of advertisement on them.

**Table 4:** Chi-Square Tests

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	99.873 <sup>a</sup>	12	.000
Likelihood Ratio	105.288	12	.000
Linear-by-Linear Association	43.016	1	.000
N of Valid Cases	101		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is 1.60.

The above chi square test indicating the significant value less than 0.05 (0.000), hence the Hypotheses Rejected. i.e the education play a vital role in, remembering and buying of instant food products by the respondents. The educated people are much concern about quality and contents.

**H<sub>02</sub>:** There is no association between gender of the respondents and impact of mode of promotion of scheme.

**Table 5:** Chi-Square Tests

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	48.704 <sup>a</sup>	4	.072
Likelihood Ratio	53.196	4	.000
Linear-by-Linear Association	31.955	1	.000
N of Valid Cases	101		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .67.

The above chi square test indicating the significant value is greater than 0.05 (0.073), hence the Hypotheses Accepted. i.e the male and female respondents are attracted for different offers given by company people. The male and female are differently respond for various options.

**H<sub>03</sub>:** There is no significant relation between age of the respondents and impact of promotional activities of instant food products comparing to other product.

**Table 6:** Chi-square tests

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	148.658 <sup>a</sup>	16	.000
Likelihood Ratio	146.892	16	.000
Linear-by-Linear Association	33.397	1	.000
N of Valid Cases	101		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is 1.66.

The above chi square test indicating the significant value less than 0.05 (0.000), hence the Hypotheses Rejected. i.e. various age of respondents have different comparing criteria's which have huge impact on sales of the Instants.

### Discussion of Results

Most of the Hyderabadies are much spicy food lovers. The economic progress has recast the social fabric of traditional family into growing nuclear family where both spouses go for work necessitating a change in their life style and depending more on bought food and fast food. Hence they spend a greater percentage of their income on fast food by such existential necessity. Anticipating increase in the family purchasing power, increasing spending on food is easily overlooked. From the analysis the researcher implies that the consumers visiting the fast food joints belong to all categories of income group. Thus it confirms from the analysis that the income is not a factor influencing the level of satisfaction.

The study reveals that age is not a factor influencing the consumer for moving towards the branded fast food joints. The fast food brand, which once fed consumers belonging almost exclusively to the high-income groups, has seen the profile of its consumers change. The average age of the walk-in consumer has also changed. What used to average at 25-plus has expanded to include people from 40 and above years of age. Further during the week ends they also lead their children to such joints. Study clearly shows that consumers do not visit these outlets primarily for food but for fun, change and social reasons. Consumer acceptance of food served by fast food outlets is critically important for the future growth of fast food outlets in any economy. The move to 'localize' the fast food tastes has paid rich dividends and increased brand loyal customer base for the companies. Additionally, fast food's good satiety value and rich taste available at affordable prices continued to attract consumers. Consumer gave first preference to McDonald among all the fast food outlets. The reason for this is its indianised menu and low price offers. The brand has been growing from strength to strength on the back of its customer friendly pricing and an Indian menu.

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