

A Study on Consumer Profile and Preference for Virgin Coconut Oil in Bangalore City

ABSTRACT

Aim: This research endeavors to examine the fundamental factors driving consumer preferences and actions concerning Virgin Coconut Oil (VCO) in Bangalore City. It seeks to assess the impact of demographic variables, health perspectives, and brand recognition on consumer choices and behavior toward VCO.

Study design: Descriptive research design

Place and Duration of Study: The research was carried out in Bangalore city, during June and July of 2023, primary data was collected from a random sample of Sixty respondents.

Methodology: A diverse group of participants were surveyed, spanning different age groups, educational backgrounds, and occupations. The survey encompassed aspects such as age, gender, education, occupation, income, and family size. Conjoint analysis facilitated the measurement of attribute importance scores, providing insights into consumer preferences for factors including price, brand, and health benefits.

Results: Analysis of the collected data unveiled noteworthy trends. Majority of the respondents (61.7%) were males, and a significant proportion (43.3%) held master's degree. Employed individuals constituted the largest occupation category (58%). Conjoint analysis revealed that health benefits held the highest importance score (39.979), followed by price (37.011) and brand (23.010).

Conclusion: This study accentuates the pronounced role of health benefits in driving consumer choices regarding VCO. The findings illuminated the demographics of VCO consumers in Bangalore City and emphasize the need for targeted marketing strategies aligned with health-conscious consumer preferences. Insights gained from this research can significantly guide product development and branding initiatives, fostering a competitive advantage in this potential market. Further exploration and validation of these predictors are warranted to enhance the efficacy of marketing strategies and cater effectively to the evolving consumer landscape.

Keywords: Virgin Coconut Oil (VCO), consumer preference, health perception, brand recognition, market analysis, urban consumer

1. INTRODUCTION

The demand for unrefined, unprocessed, nutritious, and organic oil is expected to drive significant expansion in the worldwide edible oil market. Vegetable oils with reduced cholesterol, fat, and calorie content are projected to see strong growth in the coming years due to rising health consciousness among people all over the world. Additional key drivers of the expansion of the global edible oil market include a significant expansion of the retail network, rising crop yields, rising oil output, and expanding economies. Virgin coconut oil (VCO) consumption has drawn a lot of attention in recent years because of its possible health advantages and wide range of uses. This introduction provides a thorough review of the topic, highlighting the underlying problems, suggested fixes, and the justification for the study.

Due to its high nutrient profile and potential therapeutic capabilities, VCO has become a well-known option in an era characterized by rising health consciousness and a shift towards alternative therapies. VCO, which is extracted from fresh coconut meat, is rich in bio active chemicals and medium-chain triglycerides (MCTs), which have been linked to a number of health benefits.

Consumer behavior in the food market, influenced by socio-demographics, income, and education, is exemplified in Kerala state study on Virgin Coconut Oil (VCO) awareness and consumption patterns

among urban elites. The study revealed 82% awareness, 78% active usage, and successful awareness-to-action conversion. Respondents, mainly graduates (96%), with diverse occupation and incomes (Rs. 0.75-1.5 lakhs), allocated Rs. 325 monthly for VCO. Regional disparities in awareness and purchase frequency highlighted the need for targeted marketing strategies (John et al., 2018).

Virgin coconut oil (VCO) has rapidly gained popularity as a valuable product, necessitating marketers to understand potential consumer awareness and consumption behaviors for effective marketing planning. VCO, derived from fresh coconut milk or meat, is extracted through wet milling and pressing. Health advantages associated with VCO are widely recognized (Anuradha, 2016).

Analyzing consumer perceptions and utilization patterns is crucial for strategizing successful product positioning and marketing tactics, ensuring originality of the study. Approximately 50% of coconut production is allocated for culinary and religious practices, while 35% is processed into copra, 11% for tender nuts, and a mere 2% for oil production, with a similar proportion used for seed purposes (Veerakumaran et al., 2015).

Despite the growing popularity of VCO, there existed a gap in our understanding of consumer behavior, preferences, and patterns of usage, particularly in urban settings like Bangalore. This study aimed to bridge this gap by delving into the intricate aspects of consumer preferences for VCO, shedding light on the factors influencing their choices and the implications for the market.

Through a meticulous analysis of consumer profiles and preferences, this research seeks to unravel the dynamics driving the consumption of VCO among different demographic segments. By examining factors such as age, gender, education, occupation, and income, the study intended to decipher the intricate web of influences that shaped consumers' decisions to embrace VCO. A concise review of existing literature underscored the significance of VCO as a health-promoting product. Prior studies have highlighted its potential effects on weight management, cardiovascular health, and even skincare. However, limited research has been conducted to explore the specific preferences and consumption patterns of urban consumers, especially in the context of Bangalore City.

This study narrowed its focus to Bangalore City, a vibrant urban landscape renowned for its cosmopolitan culture and diverse consumer preferences. By examining consumer profiles and preferences, the study intended to provide valuable insights to VCO manufacturers, marketers, and health practitioners. This research was motivated by the need for evidence-based strategies that aligned with consumer needs and aspirations.

In the ensuing section, the methodological framework, data collection, and analysis techniques employed to unravel the intricate tapestry of consumer preferences for VCO are presented. Through this exploration, it aspired to contribute to the body of knowledge surrounding VCO consumption, enriching the understanding of consumer behavior and informing strategic decisions in the realm of health and wellness products.

1.1 Theoretical Framework

In our study, a conjoint analysis framework was employed to assess consumer preferences for Virgin Coconut Oil (VCO) brands. Conjoint analysis involved presenting participants with various product profiles characterized by different attribute levels and asking them to make choices or express preferences.

2. METHODOLOGY

The study was conducted in Bangalore City due to its significance as a major urban center in Karnataka, India. A sample size of 60 consumers were surveyed, chosen through random sampling. Data was collected using a well-structured questionnaire during July 2023, aligning with the reference period of the study. Simple percentage analysis was applied to explore demographic characteristics like age, education, occupation, and income levels of the respondents.

Conjoint Analysis, a robust statistical technique, was utilized to understand consumer preferences for Virgin Coconut Oil attributes. This method helped to assess the influence of attributes such as price, brand, and health benefits on consumer choices.

3. RESULTS AND DISCUSSION

3.1 Findings Related to Demographic Features

3.1.1 Gender

From Table 1, it is evident that the male respondents accounted for 61.70%, while the female respondents accounted for 38.30% of the total sample.

Table 1: Gender of the Sample Respondents

S.No	Gender	Number of respondents	In per cent
1	Male	37	61.70
2	Female	23	38.30
	Total	60	100.00

3.1.2 Age

The distribution of respondents across age groups is highlighted in Table 2. The highest representation was in the age group of 36-45 years (36.70%), followed by 26-35 years (21.70%).

Table 2: Age of the Sample Respondents

S.No	Age (in Years)	Number of respondents	In per cent
1	18-25	4	6.70
2	26-35	13	21.70
3	36-45	22	36.70
4	46-55	14	23.30
5	56 and above	7	11.70
	Total	60	100.00

3.1.3 Education

Table 3 demonstrates that the respondents were well-educated, with 43.30% holding Master's degrees and 36.70% having Bachelor's degrees.

Table 3: Educational Status of the Sample Respondents

S.No	Educational Level	Number of respondents	In per cent
1	Below high school	2	3.30
2	High school	4	6.70
3	Bachelor degree	22	36.70
4	Master degree	26	43.30
5	Doctoral Degree	6	10.00
	Total	60	100.00

3.1.4 Annual Income

The distribution of respondents based on annual income is presented in Table 4. Majority of respondents (58.30%) reported an annual income between ₹6.00 lakhs and ₹18.00 lakhs.

Table 4: Annual Income of the Sample Respondents

S.No	Annual income (in Rs)	Number of respondents	In per cent
1	Upto ₹6 Lakhs	2	3.30
2	₹6.00 lakhs - ₹12 lakhs	12	20.00
3	₹12 lakhs - ₹18 lakhs	21	35.00
4	Above ₹18 lakhs	25	41.70
	Total	60	100.00

3.1.5 Occupation

As shown in Table 5, a significant proportion of respondents were employed (58%), followed by homemakers (16.70%) and self-employed individuals (11.70%).

Table 5: Occupational Status of the Sample Respondents

S.No	Occupational Status	Number of respondents	In per cent
1	Employed	38	63.00
2	Self- Employed	7	11.70

3	Homemaker	10	16.70
4	Retired	5	8.30
Total		60	100.00

3.1.6 Family Size

The details of the family size of the respondents are presented in Table 6. Majority of families (75%) consisted of 3 to 5 members, followed by families with fewer than 2 members (8.30%), and those with more than 6 members (16.70%).

Table 6: Family Size of the Sample Respondents

S.No	Family Size	Number of respondents	In per cent
1	Less than 2	5	8.30
2	3 to 5	45	75.00
3	More then 5	10	16.70
Total		60	100.00

3.2 Analysis of Consumer Preference for Virgin coconut oil

Conjoint analysis was employed to delve into the complex interplay of consumer preferences and decision factors concerning Virgin Coconut Oil. This analysis aimed to uncover the relative importance of key attributes - Price, Brand, and Health Benefits - and their impact on consumers' choices.

3.2.1 Estimation of Utility

Table 7 presents the utility estimates for each attribute level. It is evident that Health Benefits held the highest utility estimate across all levels, indicating that consumers heavily prioritized health-related attributes when making purchasing decisions. The attribute 'Specific benefits' within Health Benefits garnered the highest utility estimate (2.523), followed by 'General benefits' (1.682) and 'Few benefits' (0.841). Brand recognition also played a significant role, with 'Highly Recognized' brands (0.525) being more preferred than 'Local' brands (0.350) and 'Unrecognized' brands (0.175). Interestingly, the utility estimates for different price ranges were relatively lower, with 'More than 651' (0.372) gaining slightly higher preference.

Table 7: Utility Estimates for Attribute Levels

S.No	Attribute	Level	Utility Estimate
1	Price (Rs/500ml)	Less than 400	0.124
		401 to 650	0.248
		More than 651	0.372
2	Brand	Unrecognized brand	0.175
		Local brand	0.350
		Highly Recognized	0.525
3	Health Benefits	Few benefits	0.841
		General benefits	1.682
		Specific benefits	2.523
(Constant)			3.153

3.2.1.1 Estimation of Total Utility

The table 8 displays the results of the conjoint analysis, highlighting the various combinations of attributes and their corresponding total utility values based on consumer preferences toward Virgin Coconut Oil (VCO). These preferences were ranked in descending order of total utility, providing insights into the factors that strongly influenced consumer choices.

The table showcases the prioritization of attributes among consumers. Preferences with higher total utility values signify stronger preferences among consumers. Notably, preferences that included attributes like "More than 651" for Price, "Highly Recognized" for Brand Preference, and "Specific benefits" for Health Benefits tend to have the highest total utility values. These findings are pivotal for marketers, as they provided a clear understanding of the attributes that resonated most with consumers, aiding in the formulation of effective marketing strategies for Virgin Coconut Oil.

Table 8: Consumer Preferences for Virgin Coconut Oil Attributes

S.No	Price (Rs/500ml)	Brand Preference	Health Benefits	Total Utility Value
1	More than 651	Highly Recognized	Specific benefits	6.573
2	401 to 650	Local brand	Specific benefits	6.274
3	More than 651	Unrecognized brand	Specific benefits	6.223
4	401 to 650	Unrecognized brand	Specific benefits	6.099
5	More than 651	Local brand	General benefits	5.557
6	401 to 650	Highly Recognized	General benefits	5.608
7	401 to 650	Unrecognized brand	General benefits	5.258
8	Less than 400	Highly Recognized	Few benefits	4.643
9	Less than 400	Local brand	Few benefits	4.468
10	Less than 400	Unrecognized brand	Few benefits	4.293

3.2.2 Importance of VCO attributes

The importance values, displayed in Table 9, underlined the relative significance of each attribute in consumers' decision-making processes. Health Benefits emerged as the most crucial factor (39.979%), followed by Price (37.011%) and Brand (23.010%). This reinforced the notion that consumers in Bangalore City placed a premium on the health-related advantages offered by Virgin Coconut Oil than Brand and Price.

Table 9: Importance Values of Attributes

S. No	Attribute	Importance (in per cent)
1	Health Benefits	39.979
2	Price	37.011
3	Brand	23.010

3.2.3 Test of Alignment of Attributes

Table 10 demonstrates the correlation between observed and estimated preferences. The Pearson's correlation coefficient (R) of 0.616 indicates a positive correlation, suggesting that the estimated preferences align reasonably well with the actual observed preferences.

Table 10: Correlations between Observed and Estimated Preferences

S.No	Correlation	Value	Significance
2	Kendall's tau	0.333	0.090

3.2.4 Factors influencing consumer preference for VCO

The outcomes of the conjoint analysis underscore the intricate relationship between consumer preferences and the attributes of Virgin Coconut Oil. The pronounced importance assigned to Health Benefits aligns with the growing health consciousness among consumers, emphasizing the integral role of wellness in purchasing decisions. Price and Brand recognition, though significant, seemed to be secondary influencers, suggesting that consumers in Bangalore City prioritized the health advantages of Virgin Coconut Oil over other considerations.

The observed positive correlation and limited reversals affirmed the reliability of the conjoint analysis results. The relative consistency in respondents' choices indicated the validity of the estimated utility values and reinforced the robustness of the findings.

In summary, the conjoint analysis provided valuable insights into the factors guiding consumer preferences for Virgin Coconut Oil in Bangalore City. This knowledge can empower marketers to tailor their strategies, focusing on health benefits while ensuring competitive pricing and brand recognition efforts.

4. CONCLUSION

The comprehensive investigation into consumer preferences and behavior surrounding the purchase of Virgin Coconut Oil in Bangalore City has illuminated several critical insights. The study revealed that a significant proportion of consumers were health-conscious, valuing the health benefits offered by Virgin Coconut Oil. This attribute emerged as the most influential factor in their purchasing decisions, followed by brand recognition and price.

The findings also unveiled intriguing trends in demographic characteristics, with a majority of consumers falling within the age range of 26 to 55 years and possessing at least a bachelor's degree. The majority of respondents were employed or homemakers, representing stable-income households. Furthermore, the study shed light on the income of respondent consumers most of them falling under the income range of elite consumers with more than Rs.12 lakh annually.

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