



Consumer Behavior towards Ready-to-Eat (RTE) Market: A Study of MTR Foods

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ABSTRACT

MTR Foods is a well-known brand in the world for its packaged foods especially ready-to-eat meals. The purpose of this study is to determine the factors affecting the purchase decision of India's and Malaysia's consumers against the ready-to-eat (RTE) market. Online research and survey were done to collect the results. The factors influencing the consumer behavior includes price, convenience, taste, and nutrition. Most of the respondents are willing to make recommendation about MTR Foods. MTR Foods can improve its brand awareness by making more advertisement as there is around 27.9% of the respondents do not recognize the brand. Additionally, MTR Foods may conduct research in different states and countries for the company's future planning.

Keywords: Consumer Behavior, India, Malaysia, MTR, Ready-to-Eat (RTE) Market

INTRODUCTION

MTR Foods is a food product company. It manufactures variety of products, such as RTE curries, RTE rice, RTE cook gravies, frozen foods, ice-cream, instant mixes, spices, and pickles, *papads*, and milk beverage drinks. It was the first company in India to receive an award for Technology Absorption by Prime Minister, which was ISO 9002 certification. It has been listed as a Fortune Next 500 (India's Top Midsize) company for 2016. The operating revenue for MTR Foods (updated until 31 March 2019), has over INR 500 cr. The earnings before interest, taxes, depreciation and amortization (EBITDA) have a 6.13% increment. In 2019, MTR Foods set up Rs 50 crore seed fund to invest in startups engaged in food processing and was actively considering investing in a couple of firms. MTR is the most preferred brand in India comparing to its competitors such as ITC and PRIYA (Abirami, 2016). The vision of MTR Foods is 'Your Friend in Everyday Life'. It puts a 'brave, trustworthy, and inspiring' as a value to keep. 'Brave' means to think innovatively, act boldly, and be world-class.

The company began with the establishment of the Mavalli Tiffin Room (MTR) restaurant in Lal Bagh, Bengaluru, Karnataka in 1924 by Yagnanarayana Maiya. Today, MTR products have been exported to countries such as Malaysia, Australia, Canada, Japan, Hong Kong, USA, UK, and Singapore. Besides, it hosted a three-day



Telugu Food Festival in January 2020. In this festival, one can experiences six cuisines from both Telangana, and Andhra Pradesh.

In 1975, a Food Control Act was introduced when India was under emergency. The Act has mandated that food had to be sold at very low prices. MTR became a pioneer in the packaged foods when they introduced their Rava Idli Mix. Then, it diversified its products by selling ready-to-eat snacks such as chutneys and *rasams*. In the year 1984, it expanded its business to the southern states of Andhra Pradesh, and Tamil Nadu.

Towards the end of the '90s and the early 2000s, MTR's ready-to-eat mixes were launched, and to fuel further growth, it has become part of Norwegian Company M/s Orkla in 2007.

The Covid-19 pandemic has caused challenges for the world. MTR Foods is doing its bit in fight against Covid-19 by providing ready-to-eat meals to doctors and medical staff battling the pandemic at hospitals. Moreover, it has started accepting and delivering orders (no Cash-on-Delivery orders) across India. It partnered with online food delivery platform, Swiggy to deliver food essentials from every category under the brand's portfolio.

Consumer behavior is a study of how a customer selects, buys, uses, and disposes ideas, goods, and services to satisfy his needs and wants. RTE food products are those offered to the customer after being washed, cooked, frozen and processed, and yet consumed after heating. The reason that drives us for this research is that there are around 80% of the people consume ready-to-eat food (Solanki, 2017).

This study objectives are to determine the visibility of the brand MTR in Penang, Malaysia and Ghaziabad, India, and consumer satisfaction towards MTR products. There is a similar research done on consumer attitude towards processed food of MTR Foods at Mysore, India (Sundar, 2016). India's and Malaysia's consumers' behavior towards the RTE market of MTR Brand image is one of the factors influencing consumer behavior (Hawa, et al., 2014). MTR Foods has achieved good brand image after years. The factors affecting the consumers' purchasing decision, for example price, convenience, and taste, are a great direction for MTR in determining its future business plan. Meeting the needs of consumers and maximizing the consumers' satisfaction are the ways to increase the performance of MTR.

RESEARCH METHOD

It refers to the methods used to help us in completing this research. It is an organized and systematic method to find out answers for questions. This is a descriptive project namely Consumer's Behavior towards Ready-to-Eat Market: A Study of MTR Foods. Sampling refers to the method that the researchers used to choose a sampling unit. The sampling unit was taken from the customers and the sample size of the study was 111 respondents. Percentages were used in making analysis of the research topic.

The data were collected from both primary and secondary sources. Primary data is the data gathered at first hand. It is collected by surveys, observations, questionnaires, and discussions with the respondents. Our questionnaires were



created using Google Forms and distributed using social medias such as WhatsApp, to share the questionnaires' link through WhatsApp groups. Secondary data are collected from journals, magazine, and websites of marketing management.

RESULTS AND DISCUSSION

Table 1: Demographic of the respondents (N=111)

Response	Frequency	Percentage (%)
Nationality		
India	61	54.95
Female	31	50.82
Male	30	49.18
Malaysia	50	45.05
Female	39	78.00
Male	11	22.00
Gender		
Female	70	63.06
Male	41	36.94
Age		
15-20	11	9.91
Indian	6	54.55
Malaysian	5	45.45
21-25	56	50.45
Indian	29	51.79
Malaysian	27	48.21
26-30	17	15.32
Indian	11	64.71
Malaysian	6	35.29
Above 30	27	24.32
Indian	15	55.56
Malaysian	12	44.44

Table 1 shows that there is a total of 111 respondents completed the survey. It shows that most respondents are Indian with 61 respondents (54.95%), while 50 (45.05%) respondents are Malaysian. Malaysian female respondents are more than male respondents, while male and female Indian respondents both relatively have the same numbers. The overall sample contains a greater number of female respondents.

Out of 111, 56 of them are from the age range of 21-25, which is also 50.45% of all respondents. The least number of respondents is from the age range of 15-20 with only 11 respondents (9.91%).

**Table 2: Customers Satisfaction towards MTR Foods**

Response	Frequency	Percentage (%)
Do you know MTR Foods?		
Yes	80	72.07
Indian	56	70.00
Malaysian	24	30.00
No	31	27.93
Indian	5	16.13
Malaysian	26	83.87
How do you know MTR Foods?		
Family/Friends	28	25.23
Social Media	14	12.61
Advertisement	23	20.72
Doctor Recommendation	0	0
Find it by yourself	16	14.41
Don't know MTR Foods	30	27.03
How often do you buy MTR Foods' Ready-to-Eat meal?		
Daily	7	6.31
Weekly	27	24.32
Monthly	45	40.54
Never	32	28.83
What is the range of Ready-to-Eat product of MTR Foods that you most likely to consume?		
	N=144	
Soups	23	15.97
Vegetable Curries	16	11.11
Paneer Gravies	21	14.58
Rice Items	21	14.58
3 Minute Indian Breakfast	29	20.14
Dosa Paste	1	0.70
Sweets	1	0.70
Not buying any Ready-to-Eat meal	32	22.22
Criteria to consider when purchasing MTR Foods' Ready-to-Eat meal.		
	N=154	
Availability	13	8.44
Pricing	31	20.13
Convenience	34	22.08
Taste and Nutrition	36	23.37
Variety of RTE meal	6	3.90
Advertisement	6	3.90



Not buying any Ready-to-Eat meal	28	18.18
How was your satisfaction towards MTR Foods' Ready-to-Eat products?		
1 - Highly Unsatisfied	6	5.41
2 – Unsatisfied	7	6.31
3 – Neutral	38	34.23
4 – Satisfied	49	44.14
5 - Highly Satisfied	11	9.91
Would you recommend MTR Foods to your family or friends?		
Yes	84	75.68
No	27	24.32

Table 2 demonstrates the customer satisfaction towards MTR Foods.

As overall, total of 80 out of 111 respondents know about MTR Foods and most of these respondents are Indian (70%) followed by Malaysian (30%). Otherwise, out of another 31 respondents that do not know about MTR Foods, 83% of them are Malaysians. This shows that MTR Foods is not a well-known brand in Malaysia, yet considered as popular brand in India.

Among the respondents that know about MTR Foods, 28 (25.2%) of them know MTR Foods from their family or friends, followed by advertisement (20.7%), find it by themselves (14.4%) and social media (12.6%). This indicates most of MTR Foods consumers that satisfied with its' products are very willing to share the information of the brand to their family or friends.

Besides that, most of the respondent buys MTR foods products on monthly basis (40.5%). The result of respondents purchasing MTR Foods daily is recorded the least percentage (6.3%). It is in contrast with Isher et al. (2018) where the respondents mostly make their daily purchase of Ready-to-Eat products.

The Ready-to-Eat products of MTR Foods most respondents likely to consume is 3 Minute Indian Breakfast (26.1%). The second is soups products by 20.7%, followed by rice items and paneer gravies both with 18.9%.

Additionally, most of the respondents purchase or prefer the MTR Foods Ready-to-Eat meals on the criteria of taste and nutrition (32.4%), convenience (30.6%) and pricing (27.9%). This is in contrast with Udupa & Hiriappa (2017) argued that among the choices for reason for consumption of MTR Foods, respondents care the least on nutritional quality.

The table above demonstrated that most of the respondents (44.1%) rated their satisfaction level as 4 or satisfied with MTR Foods' Ready-to-Eat products. 34.2% of the respondents rated as 3, or neutral. 9.9% of the respondents were highly satisfied (5) with MTR Foods' products. This concluded that the respondents were most likely satisfied with MTR Foods. Few of the respondents are highly satisfied with the products, implying that MTR Foods still need to put a lot of effort to improve the products quality to make customer more satisfied.



Last but not least, out of 111 respondents, 84 of them (75.7%) were more willing to recommend MTR Foods product to their family or friends, while 27 of them (24.3%) did not willing to do so.

Overall, the respondents were satisfied with MTR Foods' Ready-to-Eat products.

CONCLUSIONS

The results from this study and published data enable us to determine the consumer behavior towards ready-to-eat (RTE) market specifically on MTR Foods. From the analysis, we know that many people from India actually recognize the brand of MTR Foods, but not for respondents from Malaysia. Only half of the Malaysian respondents do know this brand. Family or friends allow them recognize the brand. Furthermore, advertisement plays a great role in brand recognizing purpose. Therefore, MTR should increase the advertising in order to enhance the brand's image and reputation. A research from International Research Journal of Management Science & Technology (Udupa & Hiriyappa, 2017) showed that advertisement is the most preferred promotional methods. The advertisement should be done more in Malaysia as there are still a group of people do not notice about MTR Foods.

The purchasing of MTR Foods products is basically done weekly or monthly for consumers in India. However, there is almost half of the respondent from Malaysia does not make any purchase of the brand's product before. Among the variety of products manufactured by MTR Foods, 3 Minutes Indian Breakfast, soups, rice items and paneer gravies are the most popular choices for the consumer. From this analysis, MTR Foods should focus more on these products to gain more sales.

From the study, we can also conclude that taste & nutrition, convenience and pricing are the criteria that consumer will take into consideration before purchasing MTR's products. A research of future food trend from Annals. Food Science and Technology (Mehmeti, G. & Xhoxhi, O., 2014) conveyed that convenience and nutrition are among the influencers. Although our survey does not reach the older people, it is agreeable that older people can actually accept Ready-to-Eat foods if the taste meets their preference, and if the products take healthiness into account (Peura-Kapanen et al., 2017). Hence, MTR Foods should always ensure that its products meet these criteria as well as consumers' needs. MTR Foods should keep the product price low without affecting the quality of the product to attract more consumers.

In conclusion, the satisfaction level of the consumers towards MTR Foods is good and thus, they are willing to recommend the brand of MTR Foods to the family and friends. The ready-to-eat foods provided do meet the consumer expectations from the aspect of taste and nutrition. Ready-to-eat (RTE) market is widely accepted by the consumers as it is convenience and reasonably priced. MTR Foods may develop and introduce new products in the future, with the premise that it does fulfill the consumers' needs.

Suggestion

MTR Foods is a top brand food processing company in India. Therefore, Indians are aware of this brand and its products. 91% of the respondents form India is aware of this brand. They usually make purchase of MTR Foods products on monthly basis.

The most popular products' choices are 3 Minutes Indian Breakfast, soups, rice items and paneer gravies, which are also popular in North Indian region. They are satisfied with the taste and nutrition level of the products, as well as the convenience and pricing of the products. They would like to recommend the brand to their family and friends as they are satisfied with MTR Foods.

We would like to suggest MTR Foods to increase their expenditure on advertising to position its brands as well as being noticed by the consumers. Advertisement is important as it is a medium to reach the consumers. From the data, many respondents from Malaysia are not actually aware of this brand hence never make any purchase of MTR products. Meanwhile in India, MTR Foods has several competitors in the same field such as Haldiram's, Bikano and Biknerwala. MTR Foods should always make sure that they are having competitive advantages and is more preferred by the consumers. To achieve this, MTR Foods must ensure that its products meet the taste of the consumers no matter in which country. Taste preference is the key driver for ones to make repeat purchase. MTR Foods should find alternatives to retain and increase the brand-loyal customers.

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