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Analysis of Customer Expectations after the Recession: Case of Food Sector

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Abstract

The main object of this paper was analyzing consumer expectation of food sector after the 2008 world economic crisis. Consumer expectations were evaluate using the theory of reasoned behavior. Consumer attitude towards particular food products were analyzed with respect to product features, effect of the reference group, past behavior and behavioral intention variables. Variables which influencing consumers' purchase intention test with GLM model. Original data of the study collected from three provinces, in Istanbul, Ankara and Izmir, from 417 face to face interviews with consumers. The research model for the study indicate that respondent's attitude toward the particular food product had influence on their purchase intention. With other variables in the model, price was not statistically significant as a determinant of purchase intention. After the 2008 global economic crisis, surveys on food shopping behavior indicates consumer tend to decrease food expenditure, prefer cheaper brands and cheaper retailers. In contrast, our research outcomes show that consumer attitudes turn to normal as before 2008.

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Keywords: customer expectation; purchase habit; food; reasoned action; GLM analysis

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1. Introduction

Turkey affected and experienced in 2008 the world economic crisis. Financial markets, especially in our country very much affected by the stock market index began to decline in the level of 44 thousand in February 2008 and February 2009 declined from 24 thousand. But it was reach its former level in July 2009. In general, Turkey is good managing the crisis compared to world markets, and get around in a short time.

Despite recovery process of the world financial markets at all countries, economic growth slowed, business closures and unemployment still continues to rise. Temporary recovery in financial markets has not seen in real markets. Future concerns had dropped to spending, and led consumers to savings. As a result of decreasing demand causes to decrease production and layoffs have occurred. Continuing low level of currencies has negatively affected the amount of export.

Evaluation of the economic crisis regarding to the food sector shows serious difficulties contrary to known approach. New customer type emerged after the crisis as shown they decrease spending and making more often price comparison. Omnibus survey of consumers conducted by Nielsen in 2009 bring out below outcomes; [1]

- Food expenditure budget has decreased,
- Cheaper private label products purchasing increased,
- Customers preferred to cheapest food retail stores,
- Small size food product package preference increased,
- Purchasing from local bazaar increased,
- Anonymous products purchasing increased instead of branded products.

According to these results, a customer profile has changed and appears to more rational shopper. Extensive and effective marketing strategies should be apply to attract those customers.

Many of the researcher emphasize that last global economic crises is related financial sector crisis and its affected to non-financial sector (real economy) and consumption expenditure. [2, 3, 4, 5]

Although the initial economic crisis has passed, its effects are still being felt in Europe. The European Parliament must take a more active role in constructing, negotiating and implementing strategies to lift the European Union (EU) out of the crisis, especially in the decisions made by the Basel Committee. [2]

Most products on the market today provoke little more response from consumers than a decision to purchase or reject, or, perhaps just ambivalence. [6]

Several theories and models have been proposed for the purpose of explaining and predicting consumer behavior. [7] The theory of reasoned action regards a consumer's behavior as determined by the consumer's behavioral intention, where behavioral intention is a function of 'attitude toward the behavior'. [8] The theory predicts intention to perform a behavior by consumer's attitude toward that behavior rather than by consumer's attitude toward a product or service. Also, a consumer's intention to perform a certain behavior may be influenced by the normative social beliefs held by the consumer. Not only does the model appear to predict consumer intentions and behavior quite well, it also provides a relatively simple 'basis for identifying where and how to target consumers' behavioral change attempts. [9] The theory of reasoned action have been applied in a large number of studies. [9, 10, 11, 12, 13, 14] For a number of reasons, the theories also seem well suited for the purpose of investigating and predicting consumer food products purchase intentions.

2. Methods

The starting point of the study, affected by the food industry in a time of crisis, to analyze what level of customer expectations in confronting the post-crisis period. Consumer trends mentioned above is an extreme reaction during the crises period? or still ongoing process? This is to determine which hypothesis

is valid. Original data of the study collected from three provinces, in Istanbul, Ankara and Izmir, from 417 face to face interviews with consumers.

Depending on the research goal of determining the level of customer satisfaction for a particular product group, we used "The Theory of reasoned action" model [8], the effect of the reference group, past behavior and behavioral intention were analyzed.

In addition, factors affecting purchasing preference are calculated with GLM analysis for particular food product groups. The GLM gives you flexible design and contrast options to estimate means and variances and to test and predict means. [15] Furthermore, consumers' choice of food retailer, product expectations, evaluating the product features, reasons for the recent period of transition from brands, and also revealed the factors that affect purchasing behavior.

3. Results

3.1. Respondents' profile

Valid sample of 417 questionnaires were collected from Istanbul (208), Ankara (103) and Izmir (106). More than half of the respondents, 71%, were women. Only 1.3% of respondents were under 20 years old and 25.8% were between 41-55 years old range. Majority of the respondent, %67.4, were between 20-40 years old range. The remaining 5.5% were over the 55 years old. More than half of the respondent 64.5% were married. Over the half respondents were well educated and had university degree, 52.9%, even 4.6% of the respondent have a MSc/PhD degree. Only 7.4% of the respondents were retired or unemployed. Majority of the respondents 67.5% were currently employed. The remaining 25.1% both husband and wife were currently employed. Approximately 1/3 of the respondents were having no children and 31.9% were having two children and 26.8% were having one child. Respondents' preferred retail stores were given below (Table 1);

Examining the preferred retail stores, the retail format of hypermarket such as Migros and Carrefour were take first place. Approximately half of the respondents were firstly preferred these retailers. However, discount stores and cheapest food retailers were placed below hypermarkets.

Respondents were evaluated particular food firms with respect to satisfied on promotions, customer feedback, satisfied on product quality, product availability and trust to products. Frequency analysis of consumer expectation on product attributes show that respondents were found not enough satisfied about promotion activities. Almost 2/3 of the respondents were unsatisfied for present promotions. And also customer feedback was found insufficient either. Contrary to other factors, product quality, product availability and trust to products were taken higher scores.

Table 1. Preferred retail stores

Retailers	Firstly preferred (%)	Secondly preferred (%)	Thirdly preferred (%)
Migros	30,8	12,4	6,0
Carrefour	16,2	18,4	9,1
Tansaş	11,2	15,5	12,7
BİM	6,7	7,6	9,6
Kipa	6,4	7,4	8,4
Şok	5,5	7,1	4,8
Kiler	3,6	3,3	3,1
Metro	2,3	2,6	3,3
Pehlivanoglu	2,2	3,8	5,5
Real	1,9	3,3	2,1
Diasa	1,5	3,6	5,7
A101	1,2	0,7	0,5
Makro	0,7	0,7	0,2

Beğendik	0,5	0,2	0,2
Others	9,3	4,8	10,6
Nonrespondent	-	8,6	18,2
Total	100,0	100,0	100,0

3.2. Respondents' purchase intention

Subjects were asked directly with respect to attitudes and beliefs for each product group (tomato paste, canned food, jam, pickle and sauce). A GLM analysis was employed to test with purchase intention of each product group as a dependent variable and product features, effect of the reference group, past behavior and behavioral intention was proposed determinants as an independent variables.

The model was significant in explaining the variance of the dependent variable ($p > .01$, $R^2 = .768$) as shown in Table 2. Respondents' attitude towards tomato paste features had a significant influence on their purchase intention. The product features of consistency and palatability were stimulated to purchase. A GLM analysis results show that price were not significantly effect to purchase intention. And also results indicate that effect of the reference group, past behavior and behavioral intention were not statistically significant as a determinant of tomato paste purchase intention.

Table 2. GLM analysis results according to tomato paste purchase intention

	SS	MS	F	Sig.
Model	3.759	.027	2.471	.000
Error	1.138	.011		
Corrected total	4.898			
$R^2 = .768$				
	SS	MS	F	Sig.
Product Features				
Color	.068	.023	2.077	.108
Consistency*	.122	.041	3.702	.014
Taste/palatability*	.093	.031	2.829	.042
Package practicability	.031	.008	.718	.581
Price	.015	.004	.335	.854
Existence at stores	.048	.016	1.448	.233
Natural/non-additives	.043	.011	.976	.424
Effect of the Reference Group				
a. I use my mother's brand as a habit	.021	.005	.491	.742
b. I conform my friends' brand recommendations	.021	.005	.489	.744
c. I intend to purchase recently popular brands	.029	.007	.666	.617
d. I try to recommended products of the leading persons of the society	.039	.010	.894	.471
e. My wife and my children's preferences must be taken into account	.020	.005	.451	.772
Past Behavior				
a. I intend to purchase promotional brands	.019	.005	.437	.782
b. When my preferred brand on the shelves has been exhausted, I intend to purchase alternative brand	.056	.014	1.289	.279
c. Recently, I intend to purchase alternative brands	.028	.009	.864	.463
Behavioral Intention				
a. Possibly, I will purchase preferred brand next shopping	.023	.006	.521	.721
b. Every once in a while though not always, I will purchase alternative brand	.048	.012	1.097	.362
c. If alternative brand price lower than preferred brand, I would probably purchase alternative brand	.051	.013	1.165	.331

* $p > .05$

The model was significant in explaining the variance of the dependent variable ($p > .01$, $R^2 = .991$) as shown in Table 3. Respondents' attitude towards canned food features had a significant influence on their purchase intention. The product features of palatability and natural or non-additives were highly stimulated to purchase ($p > .01$). In addition, the product feature of outlook and existence at stores were

significantly influence to purchase. Similar to beforehand analysis, price was not significantly effect to purchase intention on canned foods.

A GLM results indicate that effect of the reference group as a leading persons recommended products were significantly influence to canned food purchase intention. Respondents past behavior as a ‘When my preferred brand on the shelves has been exhausted, I intend to purchase alternative brand’ were calculated statistically significant. They were no hesitation to purchase alternative brand when preferred brand exhausted. But in contrast, behavioral intention of the respondents show that they were planned to purchase preferred brand at next shopping ($p>.05$).

Table 3. GLM analysis results according to canned food purchase intention

	SS	MS	F	Sig.
Model	10.990	.076	9.213	.000
Error	.099	.008		
Corrected total	11.089			
R ² =.991				
	SS	MS	F	Sig.
Product Features				
Outlook*	.093	.031	3.783	.040
Metal can	.064	.016	1.960	.165
Glass can	.007	.004	.442	.653
Clearness	.076	.025	3.076	.069
Taste/palatability **	.158	.053	6.388	.008
Package practicability	.061	.015	1.867	.181
Price	.082	.020	2.485	.100
Existence at stores*	.171	.043	5.191	.012
Natural/non-additives**	.482	.121	14.651	.000
Effect of the Reference Group				
a.I use my mother’s brand as a habit	.086	.022	2.626	.087
b.I conform my friends’ brand recommendations	.026	.006	.776	.562
c.I intend to purchase recently popular brands	.068	.017	2.079	.147
d. I try to recommended products of the leading persons of the society*	.141	.035	4.290	.022
e. My wife and my children's preferences must be taken into account	.025	.006	.754	.575
Past Behavior				
a. I intend to purchase promotional brands	.064	.016	1.944	.168
b. When my preferred brand on the shelves has been exhausted, I intend to purchase alternative brand*	.138	.034	4.190	.024
c. Recently, I intend to purchase alternative brands	.050	.017	2.020	.165
Behavioral Intention				
a.Possibly, I will purchase preferred brand next shopping*	.086	.029	3.496	.050
b. Every once in a while though not always, I will purchase alternative brand	.012	.004	.499	.690
c.If alternative brand price lower than preferred brand, I would probably purchase alternative brand	.074	.019	2.257	.124

**p>.01, *p>.05

The model was calculated statistically significant at 99% confidence level as seen in Table 4. Respondents' attitude towards jam features had a significant influence on their purchase intention. The product feature of color was merely stimulated to jar purchase in 99% significance level. This result indicates that jar purchase intention influenced by color of jar. Similar to other product groups, price was not significantly effect to purchase intention.

A GLM analysis results indicate that effect of the reference group and behavioral intention were not significantly effect to jam purchase intention. Only the past behavior of the respondents was calculated statistically significant ($p > .01$). This result show that they were not purchases their preferred brand last shopping. They were not satisfied with preferred brand and tend to purchase alternative brands.

The model was calculated statistically significant at 99% confidence level and as seen in Table 5. Respondents' attitude towards jam features had a significant influence on their purchase intention. The product feature of palatability was merely stimulated to pickle purchase in 99% significance level. Similar to other product groups, price was not significantly effect to purchase intention. A GLM analysis results indicate that effect of the reference group, past behavior and behavioral intention were not significantly effect to jar purchase intention.

Table 4. GLM analysis results according to jam purchase intention

	SS	MS	F	Sig.
Model	34.790	.303	1.875	.000
Error	26.949	.161		
Corrected total	61.739			
R ² = .564				
	SS	MS	F	Sig.
Product Features				
Outlook	.021	.007	.139	.936
Color**	.905	.302	6.109	.001
Consistency	.097	.024	.491	.742
Taste/palatability	.125	.042	.842	.474
Fruit quantity	.170	.042	.861	.491
Package design	.309	.077	1.563	.191
Price	.092	.023	.468	.759
Existence at stores	.147	.049	.991	.401
Natural/non-additives	.015	.005	.101	.959
Product variety	.273	.091	1.845	.144
Effect of the Reference Group				
a. I use my mother's brand as a habit	.959	.240	1.485	.209
b. I conform my friends' brand recommendations	1.482	.371	2.296	.061
c. I intend to purchase recently popular brands	.653	.163	1.012	.403
d. I try to recommended products of the leading persons of the society	.809	.202	1.254	.290
e. My wife and my children's preferences must be taken into account	.086	.022	.134	.970
Past Behavior				
a. I intend to purchase promotional brands	.534	.133	.827	.510
b. When my preferred brand on the shelves has been exhausted, I intend to purchase alternative brand	.377	.094	.584	.674
c. Recently, I intend to purchase alternative brands**	2.721	.907	5.620	.001
Behavioral Intention				
a. Possibly, I will purchase preferred brand next shopping	.595	.149	.922	.452
b. Every once in a while though not always, I will purchase alternative brand	1.070	.268	1.658	.162
c. If alternative brand price lower than preferred brand, I would probably purchase alternative brand	.229	.057	.355	.840

** $p > .01$

Table 5. GLM analysis results according to pickle purchase intention

	SS	MS	F	Sig.
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Model	15.585	.472	9.753	.000		
Error	4.455	.048				
Corrected total	20.040					
$R^2=.778$						
			SS	MS	F	Sig.
Product Features						
Outlook			.099	.025	.510	.728
Colour			.149	.050	1.025	.386
Clearness			.114	.028	.587	.673
Taste/palatability**			1.048	.262	5.412	.001
Package practicability			.064	.021	.438	.727
Price			.295	.074	1.524	.202
Existence at stores			.142	.047	.980	.406
Natural/non-additives			.036	.012	.246	.864
Product variety			.264	.066	1.361	.254

**p>.01

Table 6. GLM analysis results according to sauce products purchase intention

	SS	MS	F	Sig.		
Model	10.933	.081	3.043	.000		
Error	1.118	.42				
Corrected total	12.051					
$R^2=.907$						
			SS	MS	F	Sig.
Product Features						
Consistency			.022	.005	.203	.935
Taste/palatability			.138	.034	1.292	.289
Package practicability			.056	.014	.522	.720
Price*			.282	.071	2.650	.046
Existence at stores			.044	.015	.545	.654
Natural/non-additives			.037	.012	.460	.711

*p>.05

The model was significant in explaining the variance of the dependent variable ($p>.01$, $R^2=.907$) as shown in Table 6. Respondents' attitude towards sauce products features had a significant influence on their purchase intention. The only product feature of price was stimulated to purchase. And also results indicate that effect of the reference group, past behavior and behavioral intention were not significantly effect to sauce products purchase intention.

4. Conclusion

The research model for the study indicate that respondent's attitude toward the particular food product had influence on their purchase intention. Different type of product features influence to purchase intention. With other variables in the model, price was not statistically significant as a determinant of purchase intention. The most important outcome is that the price not directly influences to purchase intention. After the 2008 global economic crisis, surveys on food shopping behavior indicates consumer tend to decrease food expenditure, prefer cheaper brands and cheaper retailers. In contrast, our research outcomes show that this picture has been changed and consumer attitudes turn to normal as before 2008. Customers prefer to known quality brands and loyal to them. However it is obviously seen that food firms and food retailers were work together and manage this period successfully. Leader food retailers Migros

and Carrefour were arrange favorable price and attractive store promotions to hold customer brand loyal. The fact is food firms' profit decrease according to before 2008 period.

The results of this study not fully supported the Fishbein and Ajzen (1975) theory of reasoned behavior. [8] For instance, particular food products such as tomato paste, pickle and sauce were not significantly determined the relative importance to predicting the behavioral intention as a function of attitude toward behavior. Nevertheless, regarding canned food and jar products were supported theory of reasoned action to predicting purchase intention.

Corollary of the above, findings indicate that food sector was accomplish the process of after effect crisis. Food retailers as an actor of food sector had an important role to led customers quality food brands. Food sector firms should improve their promotion activities and the marketing strategies have to focus on alternative food products to attract consumers. Weakest side of the picture for food firm is brand loyalty level is not high.

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