

CONSUMER CHARACTERISTICS IN THE INSTITUTIONAL CATERING ACCORDING TO PRIMARY RESEARCH

Mónika Fodor Dr.Ph.D.

College Senior Lecturer, Budapest Business School, Faculty of International Management and Business
H-1165 Budapest, Dióssy L. u. 22.-24., Hungary,
fodor.monika@kkfk.bgf.hu

Ágnes Csiszárík-Kocsir Dr.Ph.D.

Associate Professor, Óbuda University – Keleti Faculty of Business and Management,
H-1084 Budapest, Tavaszmező u. 17., Hungary,
kocsir.agnes@kgk.uni-obuda.hu

András Medve Dr.Ph.D.

Professor, Óbuda University – Keleti Faculty of Business and Management,
H-1084 Budapest, Tavaszmező u. 17., Hungary,
medve@uni-obuda.hu

- Abstract -

On the basis on our primary research in 2011 we analyzed specialties of consumer behavior in the Hungarian institutional catering. One of the objectives of our research was to examine food consumer preferences, preferences of choosing the mode of institutional catering and characteristics of choice for service. During the research conscious sample taking by quota and standardised pre-tested questionnaire was used. The questionnaire inquired about food consumption, eating habits, value system and demographical items. The results of our surveys have been analysed in comparison with a previous primary survey (2009.) in order to be able to reveal the most typical characteristics of the changes. We believe that the results give useful information to the food service providers in regard to the expectations of the potential consumers, the marketing activities to be used in order to enlarge and develop this service sector.

Keywords: *institutional catering, economic crisis, primary research, food consumer behavior*

JEL Classification: M 50

1. THE ACTUALITY OF THE SUBJECT

The economic crisis started in 2008 did a big shoot on the economy in Hungary and in other countries too (Csiszárík et.al, 2008). Due to the tax and benefit changes introduced in 2011, the payable tax of the food voucher was raised to 19.04%. Although cold food voucher could be given to the Employees unrestrictedly in 2010, a tax of 97.8 % had to be paid. This year the Employer pays monthly the preferential taxes of the maximum 18.000 HUF of cold and hot food vouchers and the Employee decides whether to spend it on cold food or hot meal. The reason of the above is that the food vouchers are accepted not only at restaurants, canteens of workplaces and public catering places but at shops also to purchase food ready for consumption.

Nevertheless, according to the forecasts, in 2012 the cold food voucher will be separated from the hot one while the amount of the hot meal voucher will be transferred to the so called Széchenyi Rest Card. The available amount on this card will be not more than 150.000 HUF / year which could be used at catering places or service providers of institutional catering. The plans to restrict on the availability of the hot meal voucher are good news to those working in the catering trade along with the fact that the Rest Card launched this year could be independently used for purchasing hot meal. Whether the Card will be accepted by every canteen, Food Delivery Company, snack bar and public catering place by January 2012 is still in question. It is because many professionals doubt whether the payment by Rest Card would be ensured by the service providers who have accepted the vouchers this year. This would be essential out of convenience and financial reasons to the Employees having Rest Card as well as to the food service providers primarily because this way their turnover would not be decreased (Tamásné Szabó, 2011).

Based on the probable changes and forecasts of next year it appears that the role of providing institutional catering will be significantly upgraded. This is also why we believe that the researches providing information on the expectations of potential consumers and their preferences could be of great importance to this sector.

2. METHODOLOGICAL BACKGROUND

The basis of our research have been the results of the survey carried out nationwide 2 years ago in which survey the consumer market of institutional

catering was extensively analysed. As a result of the survey it has been found that the so-called “Time conscious” food consumers are the ones who are the most prone to use these types of services. According to the aspects of social demography the members of this segment are young (aged 25-35), having Bachelor’s Degree and mostly live in town. Therefore in this research we have focused on this segment. We would have liked to know how the economic difficulties of 2010 have affected the consumer behaviour of this segment and due to this economic crisis what changes happened in the consumers in selection of institutional catering modes. An additional purpose of our research has been to mark the chief points of the next grandiose survey and outline the hypothesis. During the empirical process we used conscious, not representative sampling. Between December 2010 and January 2011 students aged 25-35 learning at Higher education institutions and Adult training centres in Budapest and Pest county were asked. We used pre-tested standardized questionnaire in which – besides monitoring the effects of the crisis – preference analysis on selection of institutional catering modes was also analyzed and the options, allowances ensured by the Employer for eating was investigated.

3. RESULTS

3.1. Allowances Provided by the Employer

During our previous empirical research it has proved true whether using institutional catering depends not only on the consumer criterions but the Employee is affected by the facilities of the workplace as well. In the domestic specialist literature we can only find references in regard to the active Employees who can also be influenced by the food allowance and the infrastructural background provided by the Employer when choosing to eat at one of the food service providers at work. In Hungary we have been the first to prove this coherence based on the results obtained from the nationwide questionnaire involving 1000 people. That is why during the present survey we have placed special emphasis on the analysis of the criterions related to the workplace, more specifically on the role of the catering system when choosing the alternatives of institutional catering. We have examined what type of allowance(s) the respondents receive presently. *Based on the results we have discovered that the most favourite has been the food allowance which has been followed by the public transport allowance and the recreational allowance.*

Comparing this value not methodologically just in content with the results of a survey carried out on this same segment previously, we have learnt that *the percentage of those receiving food allowances at the moment is more significant (65%) than before*. It appears that in spite of the unfavourable tax conditions and the crisis, this allowance is kept and has become an even more favourable allowance among the Employers.

Table-1: Share in Allowances (%)

Allowances	Have a share (relative frequency in % of the respondents)
Recreational allowance (recreational voucher)	46,3
Transport allowance	51,6
Cell phone allowance	46,3
Sport season ticket	3,2
Training allowance	10,5
Internet usage allowance	24,2
Health insurance allowance	24,2
Life insurance	3,2
School Start allowance	12,6
Gift vouchers	5,3
Food allowance	80,0

Source: own research, 2011. N=270

The measure of the food allowance has also been asked. According to this, the Employees receive from their Employers an average 10.096 HUF cold food voucher monthly and an average 8.790 HUF hot food voucher / month as food allowance. This is also a greater amount of money (6.800 HUF) compared to the results gained from the survey carried out on the same target segment 2 years ago.

3.2. Possibilities and opinions on the institutional catering

In this survey the proportion of those who exclusively eat food brought from home during working days has been analysed. Their numbers are far less than it has been found at our previous survey which indicates that this target group is indeed more open to the possibilities of institutional catering. We have investigated separately the general opinion on the institutional catering. With the

help of the statements table prepared, the answers have been analysed. According to the respondents the main advantage of the institutional catering is its convenience, for in this way the time spent on cooking can be saved as well as warm food can be consumed even on weekdays.

Table -2: Opinions on institutional catering (1=does not agree at all, 4=agree completely)

Statements	average	deviation
Institutional catering is more expensive than cooking at home.	2,84	0,9
Institutional catering is more convenient than cooking.	3,20	0,8
With institutional catering hot food is ensured in the workdays.	3,30	0,6
During lunch at work time can be spent with friends,	3,02	0,8
During lunch at work I can negotiate.	2,40	0,9
With institutional catering time can be spared on preparing meal at home.	3,03	0,9
I use institutional catering because I don't like cooking.	1,84	0,9
The meal brought in from home is the only good dish.	2,10	0,9
I would use institutional catering more frequently if more food allowance would be granted at work	2,86	0,9

Source: own research, 2011. N=270

3.3. Preference analysis of the institutional catering alternatives

The preference system of the institutional catering service providers have been analysed in terms of primary, secondary preference and dispreference. In our present survey we have focused on the so-called "time conscious" consumers, the segment which was the most open to use institutional catering.

Among this potential target group the favourite place to eat at has been the cafeteria. As of secondary preference the participants of the survey often eat at sandwich bars and traditional canteens. The former solution has not been regarded the same way by all the respondents: many (81%) have declared that they would never use it for a working lunch. On the whole the preference analysis of the alternatives has proven that the respondents prefer the service providers where an easy and quick meal is ensured; and this is not surprising in view of the fact that most of the employees (47.4%) have only 30 minutes for lunch.

Table-3: Frequency of usage of institutional catering modes (%)

Institutional catering alternatives	Chiefly I choose this (<i>absolute frequency</i>)	Could be an option (<i>relative frequency</i>)	Never an option to consider (<i>relative frequency</i>)
Canteen	9,8	42,5	16,7
Snack bar	12	36,5	27,1
Traditional, classis restaurant close to work	3,3	35,4	31,3
Food delivery e.g.: Food Express	7,6	43,8	9,4
Cafeteria and luncheonette close to work	20,7	44,8	21,9
Quick restaurant close to work	6,5	37,5	26
Pizzeria close to work	-	35,4	27,1
Sandwich bar close to work (pl.: Sub-Way)	-	44,8	83

Source: own research, 2011. N=270

It is also an interesting result that 42.5% of the respondents would gladly use the traditional canteen which is handled with special care in the domestic supporting system. The services of the canteens are therefore in demand, but the problem is that only few employers can offer the possibility of these services.

The number of employers providing warm food through service providers in the form of a local canteen has been analysed separately as well as the number of respondents (in percentage) who would use this service if there was a chance. According to the result, 49% of the respondents do not have such opportunity at work but would use it gladly if they were able to.

Table-4: Opportunities of using local canteen (%)

yes, I do have it and use it	16
yes, I do have it but do not use it	10
no, I do not have it, but if I had a chance, I would use it	49
no, I do not have it, but even if I had a chance, I would not use it	25

Source: own research, 2011. N=270

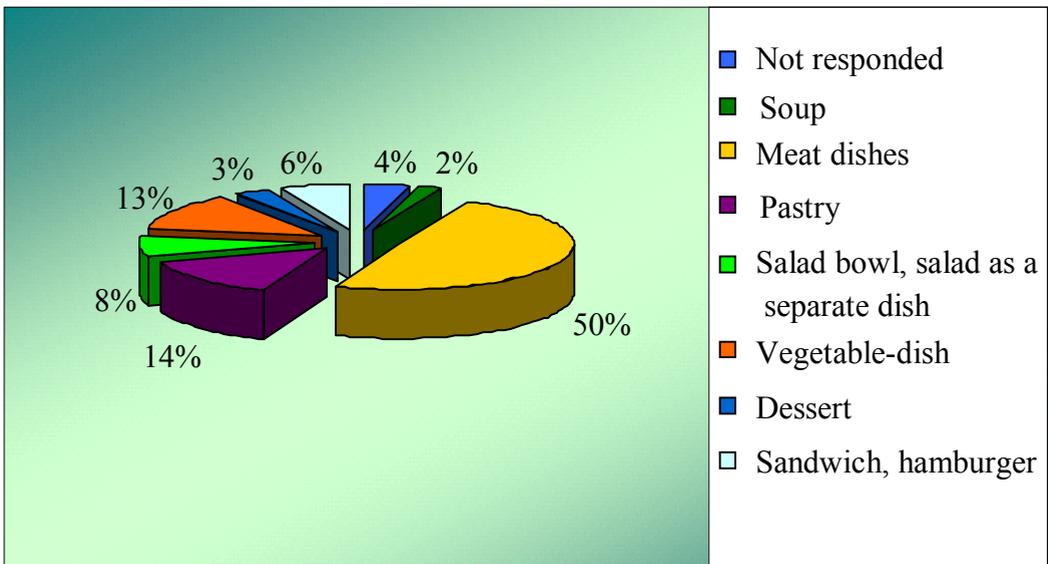
The result consequently reveals that the employees have a great demand for such a service, and if the employer provides such, in all likelihood that could significantly improve the positive feelings of the employees towards the workplace and improve their performance and their loyalty to the job.

Presumably the proportion of the employees having warm food during the day on weekdays would improve with the growing number of local canteens run at the workplace. According to our present survey the number of these local canteens operated at the workplace is but few:

Only 9% of the respondents said that they always eat warm lunch. More than one fifth of the respondents (23%) do never eat warm lunch. This situation has to be improved because the base for efficient and fruitful work is the healthy diet.

Similarly to the investigation of certain service provider alternatives we have analysed differentially the consumer preference system in regard to certain menu as well. We believe that it could be important for a service provider to know the type of meals its potential consumers might eat. It was revealed that the most favourite meals are the meat dishes, the pastry and the salads.

Figure-1: The most favourite lunch meals at work (%)



Source: own research, 2011. N=270

4. SUMMARY

Based on the results of the research it can be stated that the significance of institutional catering is notable within the cafeteria system and compared to the previous investigations it is growing in importance. This also supports the actuality of those researches which analyse the consumer behaviour of institutional catering. In the course of our current survey we have found that the following factors *the taste of the food, the prices related to the food and the quickness* play an outstanding role in the selection of this service. According to the respondents the competitive advantage of the institutional catering are *the comfort, hot food provision and saving time*. It is reckoned that to communicate these competitive advantages could be important to the marketing communication strategy of the food service providers. An essential result of the research is that we have managed to further differentiate the so called “time conscious” consumer target group which is the most open to use the institutional catering according to the viewpoint system of the service selection. It is recommended in addressing these consumer groups to apply the niche marketing which could be a good strategy to the smaller food service providers whom would be able to address the segments having special consumer needs with the help of well-fitted marketing tools.

REFERENCES

- [1.] Csiszárík-Kocsir, Á. – Elek, E. – Fodor, M. – Varga, E. (2008): Financial stability and instability presented by the example of sub prime crisis, MEB 2008 – 6th International Conference on Management, Enterprise and Benchmarking, Budapest, 2008. május 30.-31., Budapesti Műszaki Főiskola, p. 253.-261.,
- [2.] Tamásné Szabó, Zs. (2011) <http://fn.hir24.hu/gazdasag/2011/10/27/caferteria-ujra-megszabjak-hol-mennyit-kolthetunk/> date of downloading: 27 October 2011. 14:30