

A Minor Research Project on

**“A Study of Outdoor Catering Services-
Vegetarian In Mangalore & Udupi Districts”.**



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by

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OBJECTIVES OF THE STUDY

Service marketing is a new entry in the marketing field and dominating the economy at a faster rate. The topic **“A STUDY OF VEGETARIAN OUTDOOR CATERERS IN MANGALORE AND UDUPI DISTRICTS”** is one of the services offered by the service marketing. No prior study has been done on this topic. This study aims to elicit information about the catering service prevailing in Mangalore and Udupi districts.

THE SPECIFIC OBJECTIVES OF THE STUDY ARE:

1. To examine the catering services in general and vegetarian catering in particular.
2. To identify the factors which influence the caterers in their entry into the service.
3. To analyse their pricing practices and the factors which influence their pricing.
4. To study the purchases, sales and sales promotions practices.
5. To know their pattern of investment and growth in investment.
6. To know the caterers' involvement in the society and their contributions to the society.
7. To study the requirement of man power and other elements of jobs.
8. To know the composition of customers.

FINDINGS OF THE STUDY

This study relies only on primary data as this area is unexplored so far. The study is confined to Mangalore and Udupi areas. Out of the 79 identified vegetarian caterers operating in the study area, 62.5 per cent are located in Mangalore and 37.5 per cent are located in Udupi. In the study area more caterers are found in Mangalore due to urbanization and scope for growth.

Outdoor catering service is more suitable for sole proprietorship. In the study area, 86 per cent of the outdoor catering service is owned by sole proprietorship and only 14 per cent is owned by partnership type of business ownership. This type of service is dominated by sole trader as it generally requires limited capital and limited managerial skill.

The study reveals that 34 per cent of the caterers are below 40 years of age and 46 per cent fall in between the age group of 40-50 years. The average age of the caterers in the study area is 43 years.

Since this type of business is started by those who are already in the field of business, the average age is considered to be middle age. The reason behind this could be the business is of recent origin and that is why youngsters have not yet made an entry into this field so far.

The study indicates that this service is dominated by male members representing 86 per cent in the study area as against 14 per cent represented by female members. Since the catering business involves physical work and personal presence of the caterer at the venue or at the point of service, this service is ventured by male members only.

It is very interesting to note that more number of catering sources are originated from the joint families. This fact is clear from the study. 68 per cent of the caterers hail from joint families as this type of family is conducive for the running of catering service. It is difficult to manage the activities of business by one man and the members of the family co-operate in all the service activities.

Majority of the caterers, say 78 per cent of the caterers are married. The bachelors account for 22 per cent in the study area.

Since our study is strictly on vegetarian catering, the religion of the caterers is also an important aspect of study. When caterers are classified based on the religion, 82 per cent of the caterers belong to Hindu religion. It has been observed that the eating habit of the customers is directly influenced by their religion. As a practice, people in the study area do not consume non-vegetarian food during auspicious occasions. Hence this business is dominated by Hindu religion.

When Hindu caterers are further analysed based on their caste, it is revealed that vegetarian outdoor catering is dominated by Brahmin community with 36 per cent, as it is accepted by all other castes. It is a well known fact that Udupi Brahmins are known for hotel industry.

The educational background of the caterers reveal that 66 per cent of the caterers are SSLC and below SSLC. The percentage of caterers having upto PUC education is 92 per cent. The high rate of literacy of Dakshina Kannada District has its reflection on the educational level of caterers. This type of service does not require higher education. A person with minimum education and basic skill in business can venture into catering service.

The study further shows that, 86 per cent of the caterers' main business is catering service itself. They are not dependent on other activities for their supplementary income. The caterers expressed their opinion that catering service requires maximum attention and it is not possible to take up any other business simultaneously for additional income.

Prior to their entry into outdoor catering service, 14 per cent were employed, 6 per cent were in agriculture, 48 per cent were into business, 14 per cent were working as cook and 18 per cent were housewives. The highest percentage, say 48 per cent had prior business experience. As this services can be undertaken easily with contacts and minimum business skill.

When we studied the mode of formation, 90 per cent of the caterers revealed that, the catering service was started by self and not inherited. The data proves the fact that catering service is of recent growth. This is further supported when the age of the service is analysed. It shows that 66 per cent of the catering service is below 15 years old and the mean age of service in the study area is 11-12 years.

Attraction towards outdoor catering service as a source of livelihood arises from various reasons. Interest in operating a business which does not call for more investment or skill, dissatisfaction with the jobs, non-availability of remunerative job, inadequate education to procure a more remunerative job, family tradition etc. are the various reasons which prompt one to select outdoor catering service. In the study area, majority of the caterers (74 per cent) entered into this service because of their interest. When further investigated to know the reasons for selecting catering service in particular, 80 per cent reveal that it is due to previous experience and feel that the service has better scope. The factors which influence one's decision in selecting catering service in particular, are varying viz., inheritance, previous business experience, lack of capital for other business and better scope.

Outdoor caterers provide not only food (as core service) but also other services (supplementary services). Some caterers provide along with the food other services such as Shamiyana, table, chairs, generators, utensils etc on hire. These services are provided to increase customer convenience and to earn reputation. It is found that 64 per cent of the caterers provide only food and serving and 36 per cent of the caterers provide other accessories also along with food.

When purchase practice is analysed, the study shows that majority of the caterers i.e., 88 per cent, purchase their requirement as and when they get the order. They do not keep stock of the materials due to the perishable nature of the requirements. Moreover, the study further reveals that 72 per cent of the caterers make their purchases both on cash and credit basis. It is found that 54 per cent of the caterers purchase specialized items (costly and where quality is of utmost importance), from the Super Bazars. Study also reveals that 64 per cent of the caterers buy from different shopkeepers in order to establish contacts with many and also for quick service, quality, credit, discount etc.

54 per cent of the caterers' monthly value of purchase is less than Rs. 50,000. The study also reveals that the monthly average purchase in the study areas is Rs. 67,000.

The data regarding monthly turnover of caterers is based on the estimation and observation made by them. Only 36 per cent of the caterers maintain their books of accounts under double entry system.

56 per cent of the caterers' average monthly turnover is below Rs. one lakh and the average monthly turnover in the study area is Rs. 1,14,000.

CHI-SQUARE TEST HAS BEEN APPLIED TO EXAMINE:

- a. The relationship between number of services provided and the volume of service.
- b. The relationship between educational level of caterers and their volume of service.
- c. The relationship between age of service and their volume of service.

THE CHI-SQUARE TEST REVEALS THAT:

- a. Providing more accessories or supplementary services along with basic food and serving may not help in the volume of service. The evidence is not sufficient enough to establish the relationship between number of services provided and the volume of service.
- b. The educational level of the caterers and the volume of service are not related to each other.
- c. The age of service and their volume of service depend on each other. So we accept the general notion that experienced caterers have scope for higher volume of service.

All the caterers allow credit to their customers. More than 60 per cent of the caterers allow credit for a duration not more than a fortnight. An outdoor caterer has to accept all order sizes to retain his customer. However due to certain constraints, he cannot accept order if it is too big or too small. The average small order size is 48 and the average big order size is 2500 in the study area.

An outstanding feature of outdoor catering service is its fluctuation in demand. The demand is more during summer than in rainy season. Similarly demand reaches its peak during Uttarayana (according to Hindu Panchanga) than during Dakshinayana period as most of the auspicious ceremonies are held during Uttarayana period.

Simultaneous production and consumption of services make localization of outdoor catering services. The study reveals that 90 per cent of the caterers are ready to serve even if there is distance between them and the customers. The average distance covered by the caterers in the study area is approximately 40 k.m.

Pricing decisions are influenced by many factors in the catering service. The prices vary from caterer to caterer and from season to season. Generally, while fixing the prices of meals, a caterer takes into account many factors. They are cost, size of the order, distance, number of items on the menu and the specified quality... etc. The study reveals that the average price per 'standard meal' is Rs. 44. The study also reveals that more than 95 per cent of the caterers opine that their average price varies due to frequency of transaction, size of the order, distance and number of items in the menu.

Karl Pearson's coefficient of correlation is applied to find the relationship between the number of services provided and price per meal. This test concludes that price per meal is not influenced by the number of services provided like the number of customers.

The initial investment requirement for catering service is very less. There are few caterers who have admitted that they started this service with zero capital. They made use of the utensils at home, and started in a small scale. The catering service is growing over the years. It is evident from the calculation of present value of investment which shows an average of Rs. 4,60,000. When analysed further, it has come to light that on an average every caterer invests additional fund of Rs. 28,000 every year to satisfy the growing demand of their services.

By applying **compound interest formula**, on average initial investment, average present investment and mean time, we found that, investment in catering service shows a growth rate of 26 per cent in the study area.

This study also reveals that average number of customers per month per caterer is 26.

Karl Pearson's coefficient of correlation is applied to find out the relationship between average number of customers (per month) and price per meal. The test shows that the price per meal charged by the caterer does not depend on the average number of customers. Chi-square test has been applied to examine the relation between religion of caterers and religion of customers. The test statistics reveals that the religion of the caterer and the religion of the customers are closely associated.

Though employees play a significant role in outdoor catering service, the study reveals that employees are very rarely appointed on permanent basis. The work is undertaken with the help of contract workers on piece wage system. This provides an opportunity for students to earn while learn and also for women to use their leisure time for earning. These contract workers' average earnings per contract is Rs. 130.

Caterers admit that they face competition but the competition is non-price competition viz., quality and service delivery. Advertising is used as a means to give information rather than as a competitive tool. Study shows that the monthly average expenditure on advertisement is Rs. 1,020.

Chi-square test is applied to examine the relationship between volume of service and advertisement expenses. The test indicates that advertisements do not help in increasing the volume of service. The marketing of service largely depends upon the human element or customer who is a part of the delivery process. Thus the word-of-mouth publicity is very effective in promotion.

It is very interesting to note the caterers' involvement in the society. The caterers reveal that they involve themselves in social activities such as religious functions, community activities, supply food free of cost to orphanage, giving donations... etc. so that they can have better social contacts which will ultimately help them in increasing their customer base. The study shows that 0.59 per cent of the average turnover is contributed to the social activities.

A graphical test known as Pareto chart, has been applied to analyse the most significant problem faced by the caterers. Pareto chart depicts that the major problems which trouble 80 per cent of the caterers are getting skilled workers and time keeping (Delivery within the stipulated time).

The study being two-dimensional, besides caterers, we have also interviewed 200 customers in order to know their response. 90 per cent of the customers assert that they stick to a particular caterer for all their family functions due to quality.

The study shows that 45 per cent of the customers have selected their caterer by personally experiencing the service in some other occasions. Whereas 55 per cent of the customers through the recommendation of their friends/relatives/employees i.e., word of mouth.
