

# Problems And Prospects Of Catering Services : A Case Study Of Sangli City

\* *Jyoti Indupratap Yadav*

\*\* *Ravasaheb Mayappa Yallatti*

## INTRODUCTION

The liberalization of the Indian economy and its resulting effects on consumer habits is leading to a higher incidence of eating out among the majority of the consumers. This emerging trend is especially prevalent amongst middle-class Indians, as dining out is increasingly perceived as a form of entertainment.

In a country like India, Catering was not at all a common service. People liked and believed in preparing food themselves along with their family members on special occasions. They had a lot of time at their disposal and had less money to spend. But as time progressed, and with the evolution of double income families, nuclear families-where time was a constraint – this gave birth to *Catering Services*. Catering services have attained a new dimension in today's scenario. There are players in the market who not only provide catering services, but along with it, they carry out associate activities like decoration, arranging for reception arrangements, etc. The catering industry's basic purpose is to supply what is needed for the planning and execution of functions on given dates and at specific locations, where food is of prime importance.

## NEED FOR THE STUDY

Catering plays a significance role in the overall economic growth of the country. With the rapid industrial growth and promotion of tourism, the catering and hotel sector is booming and is offering job prospects. India is one of the major tourist destinations in the world and attracts numerous tourists from around the world every year, resulting in the growth of the hospitality industry. Catering and hotelier jobs are fast emerging as an interesting and well-paid career option. In today's age, cooking is not considered an everyday chore. Dining out has become a style statement. Cooking is developing as an art and craft, and there is a lot of competition in this field. The culinary industry is growing by leaps and bounds, creating more demand for chefs and professional cooks. An increasing number of catering managers are needed for jobs in business and industry, schools and colleges, the health services and the armed forces. With the right experience behind them, many catering managers start their own contract catering businesses. There is a lot of scope for catering in U.K. and South-East Asia. In the backdrop of the above discussion, the researchers selected the research endeavor of “*Problems and Prospects of Catering Services: A Case Study of Sangli City*”.

## REVIEW OF LITERATURE

Parasuraman et al. (1985) presented a list of ten determinants of catering service quality as a result of their focus group studies with service providers and customers : Access, Communication, Competence, Courtesy, Credibility, Responsiveness, Security, Understanding And Tangibles. According to Susan (1992), Food Type, Food Quality, Food Varieties are the main reasons for customers to choose a particular caterer. The study also highlighted that style, and atmosphere also attract the customers. The study also highlighted that the meal experience is enhanced by tangible things in catering. Heung V. C. S. (2000) aimed to measure the satisfaction levels of customers in relation to the catering services in Hong Kong. Using the disconfirmation model, the study was conducted to measure the satisfaction levels of the customers based on 34 catering service attributes. The results pointed out that the customers were pleased with: Availability of personal care, amenities, quietness and availability of food and beverage variety. A study by Agnes et al. (2004) revealed that the waiting time, staff attitude, food quality and variety significantly influenced and

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\* *Assistant Professor*, V.P. Institute of Management Studies And Research, Sangli, Maharashtra.

E-mail : jyoti\_sim1674@yahoo.co.in

\*\* *Associate Professor*, V.P. Institute of Management Studies And Research, Sangli, Maharashtra.

E-mail : ryallatti@rediffmail.com

affected customer satisfaction. He found that the price of the food, health issues, preference of kids and other demographic variables, such as income, age and size of the household, guests etc. considerably influence the frequency of consuming food.

## OBJECTIVES OF THE STUDY

- 1) To study the growth and development of the catering services in Sangli city.
- 2) To examine whether the catering business in Sangli city is keeping up with recent trends in the market.
- 3) To study the customer care services and satisfaction given by caterers.
- 4) To examine the problems faced by caterers in the study area.

## HYPOTHESES OF THE STUDY

- ⊗ H1: Customer satisfaction and services provided by caterers are significantly independent.
- ⊗ H2: Qualification in catering business is significant with respect to customer satisfaction.

## RESEARCH METHODOLOGY ADOPTED

a) **Area Selected** : For the purpose of research, the researcher had selected Sangli city, Maharashtra.

b) **Data Source:**

i) **Primary Data** : Primary data was collected by field survey, for this purpose, a close ended questionnaire was prepared and distributed among the caterers and customers.

ii) **Secondary Data** : For secondary data, the researchers referred to daily newspapers, magazines, seminar papers, research articles, books etc.

c) **Sampling Technique:** Simple random sampling technique was used to finalize the sample size.

d) **Sampling Size** :

Sr. No.	Category of Respondents	Sample Selected
1	Caterers	30
2	Customers	150
	<b>Total</b>	<b>180</b>

e) **Period of The Study** : This present study was conducted during January 2010 to April 2011.

f) **Statistical Techniques Used** : Tables, Percentage, Weighted Mean, Rank, Likert Rank Scale etc. have been used.

## DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The data which was collected through the field survey has been presented in the following tables :

Table 1: Gender Wise Classification of Caterers		
Gender	Caterers	Percentage
Male	25	83
Female	5	17
<b>Total</b>	<b>30</b>	<b>100</b>
Source: Field Survey		

Out of the total 30 caterers, majority (83 percent) of the respondents were males and the remaining respondents (17 percent) were females. From the Table 1, we can conclude that there were more male caterers in Sangli city as compared to female caterers.

The Table 2 shows the educational level of the respondents. 33% of the caterers were matriculate, 20% of the caterers were graduates and only 3% respondents were post graduates. Majority of caterers were illiterate, but were having rich

Table 2: Educational Qualification of Caterers		
Educational Qualification	Caterers	Percentage
Illiterate	13	43
Matriculate	10	33
Graduate	6	20
Post-Graduate	1	3
<b>Total</b>	<b>30</b>	<b>100</b>
Source: Field Survey		

Table 3 : Annual Income Earned From The Catering Business		
Annual Income	Caterers	Percentage
Below ₹ 250000	13	43
₹ 250000-500000	14	47
₹ 500000-1000000	2	7
₹ 100000-1250000	0	0
₹ 1250000-1500000	0	0
Above ₹ 1500000	1	3
<b>Total</b>	<b>30</b>	<b>100</b>
Source: Field Survey		

experience in the catering business . The Table 3 shows the annual income of the caterers. Most of the caterers had an annual income ranging from ₹ 0-250000 (43 percent) and ₹ 250000-500000 (47 percent) respectively from the catering business, whereas, very few caterers had an annual income of ₹ 500000-1000000. There were no caterers who had an annual income of ₹ 1000000 -1500000 that was earned from the catering business. Only 3 percent caterers had an annual income of ₹ above 1500000 per annum.

Table 4 : Reason For Starting A Catering Business		
Reason to start Catering Business	Caterers (n=30)	Percentage
Interest in Catering	19 (63.33)	28
Potential for Growth	3 (10.00)	4
Unemployed	20 (66.67)	29
Higher Income	10 (33.33)	15
Responsibility of Family	16 (53.33)	24
<b>Total</b>	<b>68</b>	<b>100</b>
Source: Field Survey		
Note: Figures in bracket are out of total population.		

The Table 4 shows that a majority of the caterers ventured into the catering business due to unemployment and responsibility of the family, whereas 63 percent caterers had an interest in the catering business. Around 43 percent of the caterers ventured into catering because they thought that they could earn a higher income in this business and the business has a good potential for growth.

Table 5 : Supplementary Services Provided By Caterers		
Supplementary Services	Caterers (n=30)	Percentage
Music/DJ	2 (6.66)	5
Flower/Stage Decoration	5 (16.66)	13
Tent/ <i>Pandal</i>	2 (6.66)	5
Lighting	6 (20.00)	16
None	23 (76.66)	61
<b>Total</b>	<b>38</b>	<b>100</b>
Source: Field Survey		
Note: Figures in bracket are out of total population.		

The Table 5 represents the information of supplementary services provided by the caterers (other than food). In Sangli city, majority of the caterers (77 percent) were not providing any supplementary services like music/DJ, flower/stage decoration, tent/*pandal*, lighting etc. other than food. They only provided the contact details of people who provided

<b>Table 6 : Effective Promotion Techniques According To The Opinion Of Caterers</b>		
<b>Promotion Techniques</b>	<b>Caterers (n=30)</b>	<b>Percentage</b>
Advertising	10 (33.33)	22
Personal/Word of Mouth	30 (100.00)	67
Publicity	5 (16.67)	11
<b>Total</b>	<b>45</b>	<b>100</b>
Source: Field Survey		
Note: Figures in bracket are out of total population.		

<b>Table 7: Opinion About The Caterers (n=150)</b>			
<b>Statement</b>	<b>Total</b>	<b>Wt. Mean</b>	<b>Rank</b>
You visited the caterer because he/she is a highly reputed caterer.	620	41.33	1
The Caterer is flexible for sudden changes in quantity and services.	598	39.87	4
<b>You feel satisfied with the overall quality of the caterers, considering your experience with them.</b>	<b>601</b>	<b>40.07</b>	<b>3</b>
<b>You received exactly what you ordered.</b>	<b>603</b>	<b>40.20</b>	<b>2</b>
The caterer has adequately provided the menu and prices of services.	555	37.00	7
The prices of food item and other services are reasonable.	539	35.93	9
The caterer appears to be fully aware of the customer's requirements.	544	36.27	8
The Caterer follows cleanliness and hygiene during the complete event.	593	39.53	5
The Caterer has the ability to meet the needs of the clients.	556	37.07	6
The Caterer has the ability to communicate with clients and staff.	601	40.07	3
The Caterer is associated with current trends.	455	30.33	10
Source : Field Survey			

such supplementary services or arranged a meeting of the customer with the respective service provider. Some of the caterers provided these supplementary services to customers by taking appropriate charges.

The Table 6 reveals that all the caterers believed that personal/word of mouth publicity is an effective promotional technique as compared to advertising.

A five point Likert summated Scale was instituted to measure the factors – opinion about the caterers, opinion about the services/facilities provided by the Caterer.

5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree

In order to examine how the customers perceived the caterers ( Table 7) in terms of the above 11 statements; the scores for all the statements were compared. Majority of the customers visited a caterer because he/she was a highly reputed caterer and the customer received exactly what they ordered. Customers felt satisfied with the overall quality of a

<b>Table 8 : Opinion About The Services/Facilities Provided By The Caterers (n=150)</b>			
<b>Statement</b>	<b>Total</b>	<b>Wt. Mean</b>	<b>Rank</b>
Time and attention are given to food safety in storage, preparation and display.	617	41.13	1
You are happy with the equipments used by the caterer.	581	38.73	5
You are happy with the presentation of the food and services like Decoration, Stall arrangement, Entertainment, Music etc.	520	34.67	7
You are happy with the parking facilities.	490	32.67	8
The Caterer provides pure drinking water.	608	40.53	2
The Caterer provides for a separate hand wash basin facility.	605	40.33	3
You are satisfied with the seating arrangement.	590	39.33	4
<b>You are very satisfied with services provided by the caterer.</b>	<b>563</b>	<b>37.53</b>	<b>6</b>
Source : Field Survey			

Table 9: Problems Faced By Caterers			
Problems	Sources	Caterers	Percentage
<b>I) GENERAL PROBLEMS</b>			
Marketing Problems	Competitive Price	1 (3.33)	0.21
	Poor Marketing Design	8(26.67)	1.71
	Competition from Hotels and Restaurants	27 (90.00)	5.77
	Lack of Storage Facilities	3 (10.00)	0.64
	Lack of Advertisement	19 (63.33)	4.06
	Sudden Changes in Prices of Raw Materials	29 (96.67)	6.20
Financial Problems	Lack of Credit Facilities	6 (20.00)	1.28
	Problem of Capital	10 (33.33)	2.14
Administrative Problems	Non-Cooperation Among Staff	21 (70.00)	4.49
	Lack of Manpower Planning	12 (40.00)	2.56
	Lack of Training	16 (53.33)	3.42
	Lack of Motivation	6 (20.00)	1.28
	Lack of Professionalism	18 (60.00)	3.85
Labour Problems	Scarcity of Labour	29 (96.67)	6.20
	Lack of Skill	23 (76.67)	4.91
Technical Problems	Lack of Dissemination of Information	11 (36.67)	2.35
	Lack of Modern Equipment	14 (46.67)	2.99
Natural Problems	Weather Conditions	5 (16.67)	1.07
	No Season for Events	25 (83.33)	5.34
Political Problems	Lack of System of Subsidy	26 (86.67)	5.56
	Low State Participation	25 (83.33)	5.34
	Lack of Co-operative Societies	22 (73.33)	4.70
Other Problems	Lack of Research and Innovation	12 (40.00)	2.56
	Lack of Quality Production	11 (36.67)	2.35
<b>2) SPECIFIC PROBLEMS</b>			
	Illiteracy	22 (73.33)	4.70
	Lack of Economic Holdings	7 (23.33)	1.50
	Seasonal Activity	27 (90.00)	5.77
	Lack of Transportation Facilities	8 (26.67)	1.71
	Poor Quality Equipment/Utensils	13 (43.33)	2.78
	Women Labour	12 (40.00)	2.56
	<b>Total</b>	<b>468</b>	<b>100.00</b>
Source: Field Survey			
Note: Figures in bracket are out of total population.			

caterer by considering their experience with the caterer. However, the prices of food items and other services were not reasonable and they were not associated with the current trends (**Rank 10**).

The Table 8 depicts the opinion of the customers about the services/facilities provided by the caterers. Majority of the customers were satisfied for giving time and attention to food safety in storage, preparation and display; also, caterers provided pure drinking water and separate hand wash basin facility, seating arrangement, etc. But customers were not happy with the parking facility provided by the Caterers (**Rank 8**). Customers were not satisfied with the services provided by the caterers as after calculating the weighted mean, it obtained the **Rank 6**.

Like other businesses, the catering business is not free from problems , which have to be faced by the caterers. The Table 9 depicts the problems faced by caterers while providing catering services in the study area. Out of the total

caterers, around 97 percent caterers faced problems of sudden changes of prices of raw material and labor problem i.e. scarcity of labour, and 77 percent caterers faced the problem of lack of skilled labour, followed by 90 percent caterers who faced the problem of competition from hotels and restaurants and seasonal activity, whereas 83 percent caterers faced the problems related to natural conditions, i.e. no season for events etc. Most of the caterers faced problems related to policies i.e. lack of a system of subsidy, low state participation, lack of co-operative societies. A major problem was lack of advertising (63 percent), lack of professionalism (60 percent), lack of manpower planning (40 percent), lack of training (53 percent) among the administrative staff and illiteracy (73 percent) of the staff as well as of the caterers .

The afore- mentioned major problems of caterers create hurdles in the growth of the catering business; and the government should take serious steps to resolve the growth hurdles.

## TESTING OF HYPOTHESES

### ❖ Hypothesis: Customer satisfaction and services provided by the caterers are significantly independent.

After applying the Likert scale test and calculating the weighted mean with rank, the Table 7 indicates that the highest **(Rank 1)** has been given to the '*reputation of the caterer*', followed by '*customers received exactly what they ordered*' **(Rank 2)** and the Table 8 indicates that the '*satisfaction regarding services provided by the caterers*' obtained the **6th Rank**. Though the customers were getting exactly what they had ordered, but customers were not actually satisfied with the services provided by the caterers. It indicates that the hypothesis stated as '*customer satisfaction and services provided by the caterers are significantly independent*', is accepted.

### ❖ Hypothesis: Qualification in catering business is significant with respect to customer satisfaction.

From the Table 2, it is clear that most of the caterers (43%) were illiterate and from the Table 7, it is clear that the *third highest rank* was given to customer satisfaction. Hence, both tables together indicate that irrespective of the qualification of the caterers, the customers were satisfied with the overall quality of the caterers considering their experience with them. It indicates that the hypothesis stated as '*Qualification in catering business is not significant with respect to customer satisfaction*', is rejected.

## OBSERVATIONS

- 1) The percentage of male caterers was higher than the number of female caterers. Women took up the catering business mostly due to the death of the husband or due to separation /divorce and they had to provide for their family.
- 2) The researchers found that the majority of caterers were illiterate. Their annual income from the catering business was in the range of below ₹ 500000.
- 3) Majority of the caterers started the catering business due to unemployment, responsibility of the family or they had an interest in catering.
- 4) Majority of the caterers were not providing any supplementary services like music/DJ, flower/stage decoration, tent/pandal, lighting etc. other than food. Also, they did not have their own equipment/utensils. At the time of the event, they arranged for all the necessary equipment/utensils on a rental basis from suppliers.
- 5) The internet/website was still not a very significant distribution channel for the catering business. The caterers were not Internet/tech savvy and were unaware of how technology could be implemented to further their business.
- 6) Most of the caterers believed that personal/word of mouth publicity, friends and relatives are the effective media for advertisement and it is an effective promotional technique.

## SUGGESTIONS

**1) Support From The Government:** The State Government should take initiatives to make the catering business successful and support the caterers by disbursing loans without much formality. There should be a provision of subsidy to the targeted caterers on a sustainable basis for their development. Government should provide the training through DIC's for caterers so that they will get the latest information regarding food and other services.

**2) Develop Managerial And Technical Skills of Employees:** Caterers should provide the required managerial and



technical training to their staff so as to make them accountable and responsible for executing the tasks entrusted to them.

**3) Provide Employee Training, Motivation And Welfare Facilities:** Careful selection of cook/chef and staff to promote new clusters in the potential catering zone is very essential. Therefore, there is a need for good cooks/chefs/ staff and their timely and continuous support regarding recent trends in the market, including frequent monitoring and appropriate evaluation. For the same purpose, the catering management should motivate the staff by providing welfare measures, monetary/non-monetary incentives, and job security to retain the employees.

**4) Create, Maintain And Retain Customers:** Caterers should take efforts to create new customers and also maintain and retain them by providing good and prompt services as well as arrange for follow up services to take care and solve their problems patiently. There must be various payment options in catering like accepting payment via credit card, cheque etc. The management must focus on customer comfort and promptness of service.

**5) Proper Use of Advertisements And Promotional Techniques:** Sales promotion activities need to be taken up and advertisements should be aired in the local cable television, newspapers, and the internet for giving information to customers who are spread over the domestic as well as national markets. Caterers should attend trade fairs/exhibitions for updating their knowledge in the catering business.

**6) Adopt Professionalism And Common Business Courtesy:** The caterers who are not professional in their business practices will never reach the pinnacle of success in their field. The researchers have suggested the following guidelines for the caterers:

- ✿ Give price quotes and commitments only when you know everything about the event;
- ✿ Treat clients and staff members with respect;
- ✿ Build relationships with clients. Do not look at them as accounts or projects;
- ✿ Stand behind your work. If it is wrong, make it right;
- ✿ Dress professionally.

**7) Keeping Up With Current Trends:** It's not just a matter of food and presentation and theme trends. Caterers who are not wired to do business online through the internet and e-mail are missing out on huge opportunities. Caterers need to get in the habit of getting a website for their business and responding to e-mail correspondence as soon as possible, as well as providing e-mailed proposals to those clients who prefer to do business via their computers. If caterers are not in the habit of working online, they are behind the times.

**8)** There should be active participation of women in catering activities. More governmental schemes and adequate programmes on management skills should be provided to women caterers.

## CONCLUSION

In the present business scenario, identification of consumer preferences has become a crucial element. In this study, the researchers found that consumers prefer those caterers who provide them with the maximum degree of satisfaction. By this study, it has been concluded that various factors are responsible for affecting the choice of consumers regarding catering services. The catering management can increase their sale and market share by taking into account the following factors. The various factors are - payment options, behavior of staff, presentation, price, hygiene, quality of food, quality of beverages, ambience and experience, behavior and loyalty, comfort and promptness, packaging and supplementary services, and use of good advertising media. The caterers should develop and maintain a healthy relation with customers so that customers can give them maximum business, and it will help them for the future growth of their business.

## FUTURE PROSPECTS IN CATERING SERVICES

Apart from these problems, today, there are positive signs in the catering industry, which can be sustained on a continuous basis.

✿ **All Gujarat Caterers Association (AGCA)** had celebrated its 50<sup>th</sup> anniversary from 3<sup>rd</sup> to 6<sup>th</sup> November 2009. A good number of caterers from different cities, including Sangli city, took part in this event. The AGCA has also made much

headway - funding programs tailored for caterers-in-training in universities and culinary schools.

The catering industry plays a major role in the overall economic growth of the country. Along with the rapid industrial growth and promotion of tourism, the catering and hotel sector is booming and is offering huge job prospects to Indians. Phoenix HRD is a placement agency which helps caterers to find the perfect jobs in the Catering and Hotel industry that ranges from restaurants to hotels. In this era of globalization and growth of the Hospitality industry, the demand for qualified and experienced professionals in India and overseas is increasing. The Indian catering industry has maintained the growth rate of 15 to 20 per cent and the catering industry has not witnessed any negative impact of a slowdown.

*“Catering has now become an important factor for the success of any event - be it a social gathering or a wedding. In the wake of the nature of this business, the catering industry has largely remained unaffected by the economic slowdown. It has also maintained 15-20 percent growth year-on-year,”* said Narendra Somani, President, All Gujarat Caterers Association.

✿ **Technology Oriented Approach :** The Hotel and Catering Institute has demonstrated the latest technology packages relating to caterers and catering facilities for catering appliances, hygiene factors, variety of dishes, online business etc. to caterers.

✿ **Market Oriented Approach :** The catering industry is working towards the development of a rich market both in the domestic and international front in the areas of market research, sales promotion activities, design of venue and menu, and product diversification.

People, since time immemorial, have been passionate about food. Today, they are passionate about food, and they will continue to be passionate about food. Therefore, it comes as no surprise that catering services will always be in demand. Future lifestyle and demographic trends indicate an optimistic outlook for the catering industry. A return to traditional family celebrations or reunions and the increasing number of two-income families with their hurried lifestyles are also positive indications of the need for catering services. Prospective caterers should consider the long-term market when evaluating their position, and should always be prepared to adapt to changing trends.

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