

# Study on Consumer's Perspective on Difference Between Home Bakery and Commercial Bakery

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**Abstract:** *The Indian bakery industry is one of the biggest sections in the processed food industry with abundant supply of primary ingredients required for bakery industry. The paper compared the commercial bakery and home baker from the consumer's viewpoint. The responses were obtained from 100 respondents from major cities of Maharashtra state. The findings of the study revealed that Quality, Taste and Price were important factors while choosing bakery products from commercial setup whereas Freshness, Taste, Quality and Customization were important factors while buying products from a home baker. Like all the other businesses the Bakery Industry also got affected during the Covid-19 Pandemic.*

**Keywords:** Bakery Industry, Home bakers, Commercial Bakeries, Bakery Products, Consumer Behaviour

## I. INTRODUCTION

A bakery refers to an establishment that sells and provides bakery products. A bakery could be in the form of a small business just selling few products, which may eventually turn into a specialized, large bakery that provides packaged baked products to grocery retailers. A person who prepares baked products as a profession is called a baker. A pastry chef is someone who is trained in the art of making pastries, desserts, bread, and other baked products.

Some bakeries around the world are also cafes, offering coffee and tea to customers who want to buy baked products on the spot. Bakeries provide services for special occasions, customized baked products for people who have allergies or sensitivities to certain foods, variety of confectionery products and sweets.

Human beings have been baking for ages. Baking was traditionally done at home by women, generally for the family. Commercially, men used to bake in bakeries and restaurants. Bread is one of the most important components of our day-to-day food. Baking has a long history that has satisfied the basic need for food of people from civilizations for thousands of years.

The culture of home bakers has been growing all over the world and also in India. With an increase in awareness of entrepreneurship, the future for home bakers in India looks quite promising. These start-ups have been a small but consistent source of income for many bakers. Moreover, lockdown has pushed more baking enthusiasts to start up their own venture and convert their hobby into profession. During the lockdowns and the time on their hands, numerous amateur bakers experimented with baking.

Any business is often judged by the ease of execution it offers. Unlike various other businesses, the Bakery business is easy to execute, does not need many licenses or marketing costs. A basic level of skill, creativity and word of mouth publicity is enough to start a bakery start-up. People prefer home bakers as they are sure of the purity of the products, hygienic conditions as opposed to a cake that is prepared on the factory floor. During the Covid-19 Pandemic, there was a consumer shift from the local cake shops to the home baker. Home bakers for many consumers could be a friend or a relative that they trust which automatically improves their market value. Ease of marketing through social media and access to a home baker is helping in the popularity of Home baker's business.

### Commercial Bakery:

A commercial bakery is one that produces food in large quantities and sells it to the customer. It sells a variety of sliced breads, cookies, biscuits, cakes and other baked products. The bakeries are run by individuals and the product is sold to

customers directly in the grocery stores and supermarkets in India. Many people still prefer to purchase baked products from small bakeries or those which are run in the traditional ways. Baking is automated on machines that produce more products in the commercial industry. **Certifications, Licenses, and Health Requirements for Commercial Bakeries** - Commercial Bakeries need to adhere to Bombay Shop and Establishment Act, get certified from Food Safety and Standards Authority of India (FSSAI), need No objection certificate (NOC) for fire (for non-commercial layout or setup), permissions from local authorities and small scale industry licenses. As the business grows the commercial setup also need added licenses, permissions and health precautions to run the business. Certain licenses and laws may change as per different states in India. Many additional facilities need to be added as per the Food Safety Management System Guidelines issued by the Indian Food Safety and Standards Agency (FSSAI), like food production facilities should include sinks, drying facilities, soap, trash cans, faucets, and an appropriate supply of temperature-controlled water. To provide sanitary facilities, there must also be a sufficient number of toilets, hand washing facilities, and changing rooms for workers.

Commercial Bakery has many challenges, for example to meet the demand for healthier food, a bakery must invest in improving the hygiene of the premises, upgrade the equipment and hire and train new employees with knowledge and skills of these products. The new product innovations are another major challenge for the industry due to the increasing competition in the market.

### **Home Bakery:**

Entrepreneurs or Home bakers run the business from home and deliver products directly to customers. These are small unorganized bakeries that focus on making quality products without worrying about whether they could make a decent profit on products.

The number of households is usually small or adequate, and the people who run the business can sell or deliver products directly to customers. Consumers can find safe, hygienic, customized and personalized products like margarine free, egg-free, sugar free products at home bakeries that are not available in commercial bakeries. The ingredient is hand-picked to ensure that high-quality ingredients meet the client's requirements specifications, quantity, cake pan, design, and other specifications. Customers pay the same price because each order is prepared after the order is placed and hence served fresh. The popularity of home bakers is growing because of easy promotional means like the social media platforms. Home bakers stand out as personalized designers catering each order individually, it may be the cake design, icing, pricing, hamper packaging, cake table setup for their grand or small occasions or satisfying their sweet tooth. They assure their clients that quality of food is never compromised.

Thus it can be summarized that the main reasons for the Home Baker to rise above the Commercial Baker is uncompromising quality, affordability, product as expected after ordering, available at your doorstep and a wide coverage of bakery products. Home bakers have started surfacing on internet, being more available to one and all by displaying their products online.

Home bakers face a variety of challenges while running their small scale business. They rely heavily on repeat customers, the best local or organic ingredients or food costs are expensive, also the operating costs are higher than the commercial bakers. Maintaining the same quality at a low cost can be difficult at times. The delivery or transportation cost needs to be considered, which may be additional one, depending on the destination. Depending on the home kitchen's layout, the baker may need to make adjustments before the bakery can be opened for operation. Home Bakery startup costs may include cost of renovating the existing kitchen, buying equipment, license fees, insurance and initial inventory cost. No qualifications are required for a Home Baker to start his business as long as he has developed the skills for baking. There is minimal information available to consumers about the Home baker's qualifications, requirements and certification required. This makes it difficult for customers to entrust the right home baker with their order and creates an imbalance in the market's quality versus price of custom bakes.

## **II. LITERATURE REVIEW**

India is the world's second largest producer of food after China. The Indian bakery industry is one of the biggest sections in the country's processed food industry with abundant supply of primary ingredients required for bakery industry. India is the third-largest biscuit manufacturing country after the United States and China.

The market for high end cakes is increasing at a high pace in India. Customers want personalization of cakes. The home bakers have dominated this market and got an edge over the commercial bakery setup. A commercial bakery is the one that produces food in large quantities and sells it to the customer. It is produced in bulk quantities and hence customization of product is not possible. The clientele for Commercial and Home bakery is different.

The article by Casey, E. offers a feminist reading of home-baking. It emphasizes on the ways in which baking was considered with a variety of normative values, like the patriotic virtues of home-baking during British war-time propaganda, and the simple and economical recipes in the post-war period. The author says that baking represents more of fun than work in the contemporary scenario. The version of baking is portrayed as both 'hyper-domestic' and a type of 'post-feminist homemaking', whereby feminist discourses of choice and equality are entangled with highly conventional modes of domesticity.

Sujjaruk, P. carried out a qualitative research for bakers for non-commercial purpose. The respondents were requested to rate the attributes and emphasize on the benefits that they looked for on each of the attributes. The results indicate that the motivation behind the activity was challenging ability of the respondents, meeting expectations of others, self-improvement and build a relationship with acquaintance or a friend. For factors affecting buying decision that relate to product attributes, from the highest score to the lowest score it was quality, price, after sale service, sale promotion, product guarantee, store, brand, sales person, product design, advertising and packaging respectively. Constantin, S. B. says that the sales growth of bakery products is by means of advertising, sales promotion, public relations tools, trademarks, promotional events, and sales forces. Promotion helps in educating, advising and informing consumers as to how they can select quality bakery products.

A Research paper by Kubicová, L., & Predanociová, K. talks about the survey aimed at finding out consumers' behavior in the Slovak food market with bakery products. The important components for consumers were found to be quantities of the product consumed, its price and the prospective growth of the bakery industry in Slovakia. The results suggest that the price of the product and the past experience with the manufacturer were the important factors for consumers while choosing a product. The survey also indicated that a café kind of setup in the bakery, which is a growing trend world over was welcomed by the customer.

CHEN, C. C. talks about an innovative kind of service-learning for social enterprise by the management students for the social inclusion of deaf people in a bakery. It was suggested that the exercise would be fruitful only when the teachers and students collaborate with the nonprofit organization with a sense of deep trust and partnership. It was an innovative approach for the inclusion of the deaf people and using their skills to make them self-reliant in a bakery setup.

### III. CONCLUSION

- Consumers prefer to purchase the bakery products mostly on weekly basis and few consumers prefer to buy them on a monthly basis.
- There is more inclination of the consumers towards buying from the commercial bakeries as compared to the home bakers.
- The major reasons for choice of commercial bakery products were availability of the products and its standardization, quality assurance ease of purchasing and cost efficiency respectively.
- The major reasons for buying bakery products from home bakers were hygiene, quality of ingredients used, homemade, taste and ensured quality respectively.
- The factors which influenced the customers to buy from commercial bakeries were quality, taste, price, popularity, service and set standards respectively
- The factors which influenced the customers to buy from home bakers were freshness, taste, quality, customization, quantity and price respectively.
- Thus it can be concluded that the factors that influence the buying behavior of consumer from commercial bakery are Quality, Taste and Price whereas for the home bakers it is Freshness, Taste and Quality.
- Like all other businesses the Bakery Industry also got affected during the Covid-19 Pandemic. The number of Home bakers mushroomed during the pandemic as people got time to pursue their hobby and earn some money out of it.

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