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STUDY OF CONSUMER PREFERENCE FOR SOFT DRINKS IN INDIA

Dr. Devendra Kumar Pandey

**Professor, Amity Business School,
Amity University Madhya Pradesh, Maharajpura Dang,
Gwalior (MP).**



ABSTRACT:

Soft drink organizations now a days are highlighting the health benefits targeting youth to secure niche in the soft drink market due to major shifting trends noticed in recent past in the consumption pattern of soft drinks by the youth from carbonated to non carbonated soft drinks. The major objectives of the study are- to study the liking for carbonated & non carbonated soft drinks and to study the influencing factors for consumption of favorite drink.

This paper investigates the different brand awareness tools used by the soft drink organizations to influence the buying behavior of youth and attempts to set out a framework for understanding their perception towards juices.

Various marketing strategies such as repositioning, differentiation of the products, highlighting the health & nutrition benefits of the products & offer better life styles to the consumers etc have become major success factors for the soft drink organizations. The survey was conducted on 125 respondents of Gwalior city. The data were analysed with the help of bar-chart.

By providing insight into how different branding tools used by the soft drinks organizations has helped in attracting & changing the mindset of youth towards the consumption of non carbonated soft drinks, this paper contributes and serves as a guideline for managers to focus on those major factors which influence the youth & can be consider while framing different marketing strategies.

This study should be found helpful to the soft drink organizations as well as to the managers dealing with framing & implementing marketing strategies for soft drinks taking into consideration issues such as life style, fitness & overall well being of youth & would suggest the growth prospects to these companies to improve their competitiveness.

KEYWORDS: *Consumer preference, Soft drinks, Carbonated drinks, Non carbonated drinks.*

INTRODUCTION:

Most of the companies operate in beverage industry, are coming up with innovative products highlighting the health benefits to the society targeting youth to secure niche in the soft

drink market. Major shifting in the consumption pattern of soft drinks from carbonated to non carbonated soft drinks has been noticed in recent past which reflects in the advertisements, sales & promotional activities which the organizations are doing these days.

Various marketing strategies such as repositioning, differentiation of the products,

highlighting the health, nutrition benefits of the products & offer better life styles to the consumers etc has become major success factors for the organizations. Heavy expenditure on various communication channels, sales & promotional activities, celebrities & sport personalities' endorsement have been proved successful to the organizations to deliver the

message to the society that organizations care for consumer health as well as overall well being of the society. The strategic utilization of brand awareness tools has not only helped to the organization to form the basis of source of stability, strategic direction and competitive advantage but also helped to create the emotional bond with the consumers.

The main purpose of this study is to investigate in detail the influencing factors for brand preference among youth towards consumption of non carbonated soft drinks taking into consideration issues such as life style, fitness & overall well being along with the marketing strategies adopted by the companies for promoting their health drinks. This study also attempts to analyze & suggest the growth prospects for these companies to improve their competitiveness especially in India.

OBJECTIVE:

The main objectives of this study are:

- To study the liking for carbonated & non carbonated soft drinks.
- To study the influencing factors for consumption of favorite drink.

PURPOSE & NATURE:

Youth are highly influenced by the advertisements and inspired by their favorite stars. The soft drinks companies are adopting different marketing strategies and tactics to target this segment. The effectiveness of their marketing strategies depend on their way of communication & the medium which impact the consumers to the great extent.

The main purpose of the study is to find out the factors which are major contributors to influence the buying decision of youth for the consumption of non carbonated soft drink along with the reasons thereof & how effectively the organizations have been successful for communicating their brands by using different marketing tools to capture large market share targeting youth. The impact of marketing strategies and brand awareness tools used by the companies on youth is the core of this study. Important factors which influence buying patterns of youth such as price, sensitivity & awareness towards health, advertising, celebrity endorsement effect etc. Sensitivity towards health issues & concerns forcing shifting in consumption pattern from carbonated to non carbonated soft drinks.

RESEARCH SAMPLING TECHNIQUE:

In this study main emphasis is on youth between the age group of 18-35 yrs because of the reasons that this age group represents the major proportion of population for consumption of soft drinks & is health conscious. The sample size of 60 respondents from Gwalior has been taken in this study. Respondents were educated youth, representing both sexes i.e. male and female in equal ratio.

DATA COLLECTION METHOD:

The questionnaire has been distributed to 125 respondents in various locations of Gwalior (Madhya Pradesh, India) out of which only 112 respondents have responded and gave their responses. The main source of data collection is questionnaire which was handed over to the respondents. Secondary data source such as books, magazines, journals, news paper, internet etc has also been used extensively in this study to find out the new trends, differences in earlier study & to explore new dimensions to make it more effective and useful to the organization and researchers.

REVIEW OF LITERATURE:

Chakraborty M, (2008) ^[1] has viewed that companies have roped in brand ambassadors, have tied up with various other companies making complimentary products to ensure their brands create the desired image in the mind of all prospective customers. He further added that promoting and advertising through new mediums like the internet and mobile phones has become important for most of the sectors. It act as a good recall tool.

Choksey . N, (2009) [2] has expressed views by quoting the words of Alpana Titus, Exe.V.P. Flavors , PepsiCo India that flavored and non-carbonated-drinks are growing at faster pace. Further ad campaigns are also being revamped in an effort to capture maximum consumer mind space. On page 99 added that new products, new campaigns, new brand ambassadors, new packaging- the summer of 2009 is quickly becoming one of the most competitive the Indian cold beverage market has ever seen.

Das N & Mukherjee A, (2008) [3] expressed their views that communication plays a pivotal role in brand building as the features and benefits of a product can be communicated through the message of the advertisements or other promotional activities. Now a days companies are promoting the brands effectively. For eg in the film **Taal** the ad of Coke has nicely been presented to the audience and here Coke has become a medium of romance between hero and heroine of the film. It has been proved that the companies who have taken Amitabh Bachchan as their brand ambassador increases their market share.

In the study of Percy et al. (2004) [4], the outcome was that consumers could easily identified emotional associations with all types of brands, as well as how strongly the emotion was felt. These two measures reflect what are considered the two fundamental dimensions of emotions: valance (positive vs negative) and arousal or activation (intensity). Authors have also referred the study of McClure et. al. 2004, FMRI (Functional magnetic resonance imaging) readings showed that when choosing between coke and pepsi in a taste test – when people knew they were drinking- for those whose favorite brand was Coke, only those areas of the brain associated with emotional memory were active when they stated their preferences.

Malapur R, (2007) [5] has expressed her views that brand identity is the entire proposition that a company makes to the consumer. It comprises the features, attributes, benefits, performance, quality, service, support and values that the brand possesses. The brand is viewed as a product, personality, set of values and the position it occupies in the minds of the people.

Mukerjee K, (2009) [6] has expressed views that Coco cola in India roped in popular Bollywood actor Aamir Khan to feature in its advertisements where he portrayed various characters belonging to certain Indian Communities. The Indian audience could immediately relate with the characters played by the actor and the brand soon occupied a *Top of the mind* position. Further Coco cola has made use of a specially created value proposition for the Indian market, *Thanda Matlab Coco Cola*. He also expressed his views on how a large number of brands belonging to Indians and foreign companies have been targeting the Indian consumers through advertisements that appeal to Indian specially. Brands like Coco Cola have realized the need for adopting their advertisements to suits Indian customers. Pepsi café chino ad showed Kareena Kapoor and Priyanka Chopra being rather bold with men and it didn't go down well with the Indian public and the brand failed to take off. It has been further expressed that Coco Cola used the actor Aamir Khan to represent various Indian characters belonging to various states of India. The Panache with which Aamir Khan depicted the character went down well to drive home the message.

Ramakrishnan. Ullas. P, (2009) [7] has expressed his views about OOH (out of home advertising). According to him, any mode of marketing communication that confronts consumers while they venture out from their home can be categorized under this form of advertising. OOH targets consumers while they are on the go, viz; the people who are commuting for jobs, going to railway stations, airports, ferry terminal, movies, shopping malls, community parks and even petrol bank and bus stops. He further added that new organized players are foraying into the scene portending its future growth prospects. In this article the author has highlighted through picture that how the PepsiCo is promoting its logo in Obamaadvertising. The "Obamaadvertising" carried out by Pepsi in the US by replacing the "O" with the Pepsi new logo in the caption used by Obama during his campaign for the US Presidency.

Rawal P., (2009) [8] has mentioned that without advertisement your products, marketing has no relevance. Simply placing the product on the shelf of any retail store is not going to make your product sell due to the market being flooded with lot many brands and substitute products. It is important to build a trust in the people making them aware of the product features and also the price it offers, and this can be fruitfully be done with advertising. It has been further expressed that advertisement is a

part of promotion that forms one of the 4P's of a marketing mix. It is one of the promotional tools among personal selling, sales promotions and public relations that can be easily push a product towards the target segment. Once the customer knows about the value of a product or a service and had developed a positive image of the brand in his mind the chances of marketing the product is an easy job. Once you make your customers believe in your product convincing him/her to purchase, it is a second job. All this can be done by effective advertising message via a medium that can best possibly convey the image. Furthermore it has been expressed that Dabur has increased its ad spending by 25.6% thereby enhancing the sales growth rate of 29.6%. In the next three years, Indian advertising is expected to touch Rs 2500 Cr and is all set to contribute about 6.8% if the entire ad pie which is just 2% as of now. Today's advertisements are full of appeals like love, surprise, joy, excitement, joy, anger, hope, disgust, peacefulness, sorrow, trust and the list go on. Using appeals can actually help the product have an emotional bonding with the customer which drive him to buy the product and that is what the basic essence of any advertisement is.

Reddy D Y and Ramesh A, (2007) [9] opined that the Indian market for fruit juice/ pulp concentrate and sauces/ ketchups is estimated to be more than Rs. 2800 cr in 2004-05 with a growth rate of 18%. In India 90% of the fruit juice market is unorganized. The fruit drink market has become the cynosure of attention, cloaking the attractive growth rate. With increasing importance of health and nutrition, changing life style, higher disposable income have made consumers shift from cola to non cola beverages. Attitude and perception influence buying behavior, and the need arises to probe in to the same which vary across demographic segment.

DATA ANALYSIS & INTERPRETATION:

The questionnaire has been distributed to 125 respondents in various locations of Gwalior (Madhya Pradesh, India) out of which only 112 respondents have responded and gave their responses. As per Figure 1, The ratio between male and female for consumption of fruit juice is found as 56% & 44% respectively.

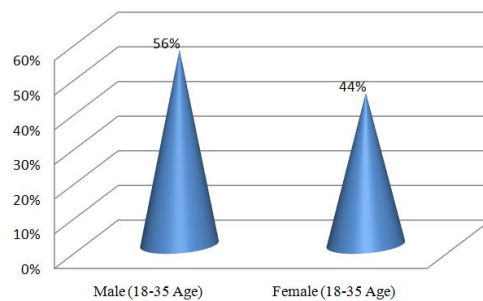


Figure-1: Profile of Respondents (Source: compiled by author)

Liking Pattern for Soft Drinks:

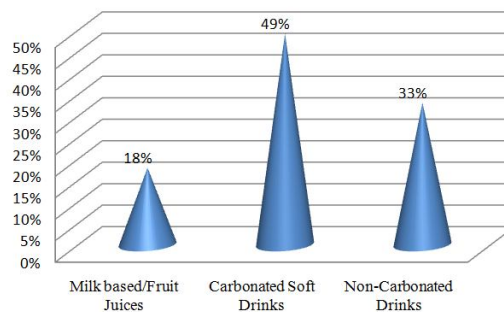


Figure-2: Liking Pattern for Soft Drinks (Product-wise Preference %age) (Source: compiled by author)

The major proportion of youth prefers carbonated soft drinks instead of Juices & milk related drinks.

18% respondents prefer Fruit juice instead of carbonated soft drinks whereas 49% respondents prefer carbonated soft drinks & 33% prefer milk & milk related drinks. 3% respondents don't prefer any drinks.

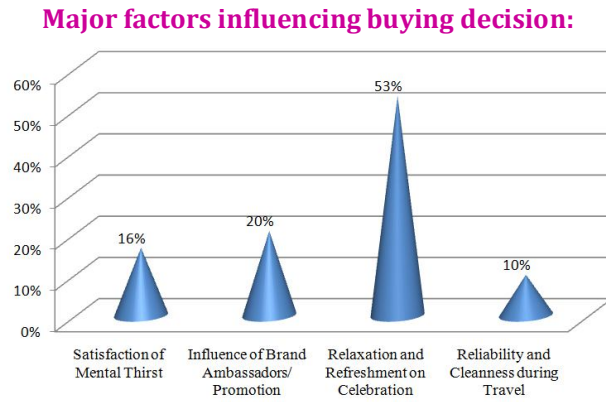


Figure-3: Weightage %age on 5 point Likert Scale (Source: compiled by author)

As shown in Figure 3, the major factors that influence most to youth are Relaxation and Refreshment on celebration: 53%, Influence of Brand Ambassadors/Promotions: 20%, Satisfaction of Mental thirst: 16% and Reliability and Cleanness during travel: 10%.

RESULTS:

Majority of the youth these days have shifted their consumption patters from carbonated to non carbonated soft drinks. Their shifting pattern is directly influenced by their liking pattern of good for overall health, gives them high energy, contain low calories and purity issues. Moreover friends followed by family are major contributors which exert influence on the respondents (youth) for consumption of soft drinks including juices. Refreshing taste, convenience and year around availability are few major factors which influence respondents to go for their favorite drinks. Most of the people prefer branded juices. Coco Coca, PepsiCo and Dabur are main choices for the youth for buying soft drinks. The respondent's inclination is more towards the Real Juice which is a product of Dabur India Ltd followed by Fruti and Tropicana. Issues such as high good for health and purity are major concerns for the respondents for the consumption of branded juices.

SUGGESTIONS:

Soft drink companies are required to increase promotional efforts to increase awareness towards health and overall well being of the youth to increase consumption of Juices and for market penetration and development. They can give attractive discount and compete on new innovative flavors, price basis even.

There is a great need highlight all the benefits of Juices in advertisement by using Print and Electronic media using a mix of emotional and rational appeal. The company can also adopt innovative ways such as Internet and mobile phones to communicate its products and their benefits.

The companies can adopt 360 degree approach towards the campaign through contemporary (Electronic & print media) and non contemporary media (website, mobile phones etc). Marketing strategies such as doorstep delivery just by sending SMS or phone orders would surely help to these organizations to penetrate in market.

The companies can do outdoor activities through branding on Trains, buses, mall activations and consumer events. The companies can find new distribution opportunities like Gym, health centers, colleges, workplace, hospitals, airlines, hotels, restaurants, marriage & banquet halls etc.

Tie up with local ice creams vendors will help to these organizations to ensure supply of the non carbonated drinks in interior locations.

CONCLUSION & MANAGERIAL IMPLICATIONS:

Undoubtedly rapid transformation in the lifestyle of youth specially educated generation living in urban areas has resulted in a dramatic increase in the demand of health food and beverages. The success mantra for the soft drink organization largely depends on how effectively they communicate & deliver the health benefits to the consumers. Different brand awareness tools and marketing strategies used by these soft drink organizations to appeal the target customers to secure niche in market can give them competitive edge only if they are able to be emphatic about a fundamental shift in consumers preferences from carbonated to non carbonated soft drinks specially juices. So to deliver health & convenience to the consumers is a major issue for the soft drink organizations.

As this study revealed that the self awareness of youth towards their overall well being, diseases caused due to the consumption of carbonated soft drinks is a prime concern for governing their shifting patterns which is apart of the issues such as purity, innovative flavors & taste, effective communication, convenience, influence of friends, yoga guru & the brand image perceived by the consumers, which the organizations are required to care for. Moreover this study provides an insight into the attitude of youth for the carbonated & non carbonated soft drinks which influence their consumption pattern. Youth now-a-day have become fitness crazy and gives more importance to taste and health/ nutrition benefits.

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