

Factors Influencing on Buying Behaviour of Softdrink Products- A Percptual Study

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Abstract: In the highly competitive environment, companies must protect the long-term interest of the customers to enhance their profitability by means of long-lasting relationships with the customers. This study examines the factors influencing on buying soft drink products with special reference to Coco Cola brand in Chittoor district of Rayalaseema region, Andhra Pradesh. The opinion has been collected from 224 customers of coco brand and study is confined to five brands of Coco Colo brands such as Coco-Cola, Thumps up, Limca, Sprite and Maaza. It is to observe that most of the respondents are 36-45 age group and majority of the respondents are between Rs. 20001 to 30000 income group. Majority of the respondents are influenced with taste, quality and friends' circle and these three are most significant factors towards buying of soft drinks in Chittoor district of Rayalaseema Region, Andhra Pradesh.

Keywords: Behaviour, Brand, Buying, Factors, Influence, Soft drinks etc.

1. Introduction

The soft-drink industry includes companies that manufacture non-alcoholic beverages and carbonated mineral waters or concentrates and syrups for the manufacture of carbonated beverages. Soft drink products have been well accepted by consumers and gradually overtaking hot drinks as the biggest beverage sector in the world. In the midst of the rapidly growing soft drink demand, the industry overall is encountering new opportunities and challenges. Changing consumer demands and preferences require new ways of maintaining current customers and attracting new ones. Due to heavy competition, the beverage companies much focus towards customers and companies have to offer high quality products, efficiently distribute them, ensure safety and keep prices low all while staying nimble enough to exploit new markets by launching new products. Recent developments in soft drink consumption and challenges in marketing have heightened the need for searching the consumers' needs and preferences. It is hard to ignore the existence of soft drink in today's markets and since the inception of soft drink in the 1830's, its consumption has steadily increased with technological advances in production and increased product availability. According to Euromonitor International's research reveals that India's per capita consumption is around 13 litres in 2016 compared to china's consumption around 62 litres. Given the current huge gap between the two countries, it is safe to say that it will take many years for India to catch up with China. Research reports brings out that the average India consumption levels have been increase by a CAGR of 25 percent during 2014-19 and it will not reach even half that of average consumption levels in China by 2019. Even though China will continue to be a very important market for multinationals and provide solid and significant volume opportunities, despite the current slowdown-something for China pessimists to bear in mind at the same time India's soft drink market share gradually increasing irrespective of any reforms. Recent statistics says that over the past two years, the soft drink industry has seen a value growth of 11% compound annual growth rate (CAGR) and a volume growth of 5% CAGR. In total, 1.25 billion people in the country drink 5.9 billion litres of soft drinks in a year. This makes India's per capita soft drinks consumption large, but just 1/20th of that of the U.S., 1/10th of Kuwait, 1/8th of Thailand and Philippines, and one-third of Malaysia's. Recently Indian government has been introduced new GST bill with four tier structures of 5%, 8%, 12% and 24%. This would be a major threat to growth of soft drinks over the forecasted period and it will expected to boost the average price per unit soft drink increase by between 1 to 2 percent, which is not good news for soft drink manufactures at a time when they are facing stiff competition from companies manufacturing health and wellness beverages. Hence, the study sought to examine the buying pattern and to identify key factors influence to attract new and retain existing customers towards soft drinks in Chittoor district markets.

2. Literature Review

There are numerous studies on buying behaviour but there are only few studies on buying behaviour towards soft drinks in a study done by [1] Dube (2004), the study examines regularly purchase products and

focused on largest supermarket assortment categories such as carbonated soft drinks, canned soups, cereals. Within the category, consumers often purchase multiple products and multiple units of each alternative selected on a given trip. This multiple discreteness violates the single-unit purchase assumption of multinomial logit and profit models. The misspecification of such demand models in categories exhibiting multiple discreteness would produce incorrect measures of consumer response to marketing mix variables. In studying product strategy, these models would lead to misleading managerial conclusions. [2] MuthamizhVendanMurugavel, D. (2010) identified the factors influencing consumers towards malted food product, to measure consumers' satisfaction towards malted food products and found that the advertising was the major source of information, usage of twice a day was visible in majority of the cases. Refill packing was preferred by the major junk. Quality and performance oriented aspects were given more weightage. [3] Tamilselvi. J. &Kirubaharan. M (2011) identified the factors influencing on buying decision found that there were no significant differences in the product attributes in distinct groups as classified by income, family size and education. [4] Dharmesh and Khushbu (2012) studied that better understanding of consumer perception of healthy foods and its elements are key success factors for development and market orientation found that there is a positive correlation between different influencing factors and buying behaviour of customers.[5] Chia-Hsien Chu, (2000), the study examines the factors influencing on marketing communication and consumer characteristics that encourage impulse buying behaviour. One of the objective of the study is applies the antecedent, process and consequence approach to investigate the essential differences between reminder impulse buying and pure impulse buying. The results reveal that reminder impulse buying significantly differs from pure impulse buying behaviour on motivation, buying goal and decision evaluation. The second objective examines how sales promotion strategy might affect reminder impulse buying, with product appeal and consumer traits as moderating factors. Reminder impulse buying have significantly influences by sales promotion strategy and product appeal. Specifically, an instant reward promotion promotes stronger reminder impulse buying than a delayed-reward promotion. In addition to that reminder impulse buying can be encourage with utilitarian product appeal with a price discount and a hedonic product appeal with a premium promotion. [6] Gluckman (1986) studied the factors influencing consumption and preference for wine. The results of the study bring out that familiarity with brand name, price, quality/mouth feel of the liquid, taste and suitability for all tastes. Some of the implicit factors identified through extensive questioning were, colour and appearance. Most consumers seemed to prefer white wine to red. Packaging, appearance, colour, ornateness, use of foreign language and graphics were taken as important clues for quality and price. Consumers preferred French or German made wines to Spanish or Yugoslavian wines.[7] Manoj Patwardhan (2007), they aim at improving business performance through an understanding of customer's preferences and desires. Currently the world is rising competition where there are numerous brand selling the homogenous products, consumers have a plentiful number of choices and many diverse factors influence their buying behaviour. In such a scenario, this analysis can help in structuring and formulating different strategies for maximizing profit. This study tried to find the factors affecting consumer's buying behaviour, with the focus on two commonly used products (soaps and chocolates). These factors are based on certain variables used in the survey. These variables were aimed at identifying the secondary factors that influenced the choice of soaps/chocolates at the point of purchase or due to other contextual reasons. The variables include packaging, cost, availability, ingredients, product popularity, etc., that influence the choice of a brand from among those in the consideration list, but may not be the most important and primary determinants for short listing brands. The study is useful to the marketers as they can create various marketing programs that they believe will be of interest to the consumers. It can also boost their marketing strategy.[8] Nandagopal and Chinnaiyan (2003) study titled 'Effects of Advertising Spending on Satisfaction: A study on soft drink Industries'. The study used Garrets ranking method to rank factors influence on soft drinks and results of the study found that, the product quality was ranked as first, followed by retail price and availability. [9] Shanmugasundaram (1990) studied about soft drink preference in Vellore town of north Arcot district in Tamil Nadu. The results of the study found that Gold Spot (27%) is the most preferred brand followed by Limca (25%). Furthermore, taste of the brand and media played a significant role to influence consumer towards a specific brand. Because of convenience in carrying, tetra pack was most preferred one studied factors influencing consumer preferences for milk. They were milk quality, convenient availability, supply in quantity desired, flavour, colour, freshness and mode of payment showed higher levels of consumer satisfaction. But packaging and labelling are not as important for winning over consumers, according to findings published in the journal Food Quality and Preference, the study involved consumers at distinct stages of development and highlights the importance of adopting a "sensory marketing approach," said the researchers from French research organization.[10] Wilcox &Sarakamal (2008) study conducted on consumption and marketing of Fanta, 7up, Slice and dew etc. The study found that promotional methods may have contribute to increase consumption of soft drinks. [11] Agarwal (2009) conducted a study on use of soft drinks multi positioning strategies. The

results found that promotion & communication plays a significant role for better rural market.[12, 13] Pallavi & Ramai (2009) studied soft drinks in rural area and their results intensity of colour, advertisements and flavour are the key drivers for purchasing of soft drink beverages. [14] Mishra (2010) study focused on rural marketing India of soft drinks: opportunities & challenges. The results reveal that rural population purchasing power increasing gradually towards soft drinks. Hence the soft drink companies require appropriate marketing strategies to attract vast potential of rural markets. At the same time inadequate rural transportation, lack of awareness, inefficient transportation and warehouse facilities are the major challenges for companies.

3. Research Objectives

1. To determine the factors influencing buying soft drinks products.
2. To identify the customers' buying pattern related to Coca Cola products.

4. Research Methodology

The primary data was obtained by administering survey method, guided by questionnaire to the customers. The two types of questions, were asked in the questionnaire such as Rank and Multiple-choice questions. The Secondary data was collected through articles, journals, magazines, newspapers and internet etc. The study is restricted to five products of Coco Cola brand such as Coco-Cola, Thumps up, Limca, Sprite and Maaza. There were seven factors sorted out from previous studies such as Taste, Price, Advertisement, Brand name, Friends Circle, Quality and Availability.

Research Design	Descriptive research
Research Method	Survey method
Research Instrument	Structured questionnaire
Sample size	224
Sample area	Chittoor District
Sampling method	Non-Probability/Convenience Sampling
Statistical package	SPSS
Analytical tool	Percentage analysis, Garrett Ranking

4.1 Garrett ranking method:

$$\text{Percentage position} = \frac{100(R-0.5)}{N}$$

Respondents were asked to rank the brands of soft drinks. Their ranks were converted into percentile score as follows:

- P= Percentile position
- R= Rank
- N= Number of items

For percentile the score values are obtained from Garrett's table score values are multiplied with frequency.

5. Limitations of the study

- The area of study is limited to Chittoor district only. Hence the results may not be true for other geographical areas.
- Quality of information highly dependent on the knowledge of the respondents.

6. Data Analysis and Interpretation

TABLE 1: Demographic Profile

Age	No. of Respondents	Percentage
16-25	48	21.4
26-35	52	23.2
36-45	58	25.9
46-55	40	17.9
Above 55	26	11.6
Gender	No. of Respondents	Percentage
Male	126	56.2
Female	98	43.8

Income	No. of Respondents	Percentage
Rs.10001-20000	49	21.9
Rs.20001-30000	84	37.5
Rs.30001-40000	47	21.0
Above Rs. 40000	44	19.6

Source: Primary data

From table 1 it is to observe that 25.9% respondents are 36-45, 23.2% respondents are 26-35, 21.4% respondents are 16-25%, 17.9% respondents are 46-55 and 11.6% respondents are above 55 age groups. Majority (56.2%) of the respondents are male and 43.8% respondents are female group. Majority (37.5%) of the respondents are between Rs. 20001 to 30000 followed by 21.9% of the respondents are between Rs. 10001 to 20000, 21% of the respondents are between Rs. 30001 to 40000 and 19.6% respondents are between above Rs. 40000 income groups.

6.1 Factors Influence on the preference of soft drink products

TABLE 2: Coca Cola

Factors	Total score	Rank
Taste	4985	VII
Price	7105	III
Advertisement	6240	VI
Brand name	6435	V
Friends Circle	9854	I
Quality	7450	II
Availability	6540	IV

Source: Primary data

From Table 2, Most of the respondents prefer Coca Cola through friends' circle with 9854 score, followed by quality with 7450, price with 7105, availability with 6540, brand name with 6435, advertisement with 6240 and taste with 4985 score.

TABLE 3: Sprite

Factors	Total score	Rank
Taste	9885	I
Price	6805	V
Advertisement	8240	II
Brand name	6945	IV
Friends Circle	7854	III
Quality	6750	VI
Availability	6330	VII

Source: Primary data

From Table 3, Most of the respondents prefer Sprite through taste with 9885 score, followed by advertisement with 8240, friends' circle with 7854, brand name with 6945, price with 6805, quality with 6750 and availability with 6330 score.

TABLE 4: Thumps up

Factors	Total score	Rank
Taste	7985	III
Price	6505	V
Advertisement	8450	II
Brand name	7330	IV
Friends Circle	8855	I
Quality	6350	VI
Availability	5530	VII

Source: Primary data

From Table 4, Most of the respondents prefer Thumps up by friend's circle with 8855 score, followed by advertisement with 8450, taste with 7985, brand name with 7330, price with 6505, quality with 6350 and availability with 5530 score.

TABLE 5: Limca

Factors	Total score	Rank
Taste	9870	I
Price	6485	VII
Advertisement	7450	V
Brand name	7240	VI
Friends Circle	9265	II
Quality	8540	III
Availability	8250	IV

Source: Primary data

From Table 5, Most of the respondents prefer Limca by taste with 9870 score, followed by friend’s circle with 9265, quality with 8540, availability with 8250, advertisement with 7450, brand name with 7240 and price as least preferred factor with 6485 score.

TABLE 6: Mazza

Factors	Total score	Rank
Taste	8870	I
Price	5485	VII
Advertisement	6450	V
Brand name	6240	VI
Friends Circle	8265	II
Quality	7540	III
Availability	7250	IV

Source: Primary data

From Table 6, Most of the respondents prefer Mazza by taste with 8870 score, followed by friend’s circle with 8265, quality with 7540, availability with 7250, advertisement with 6450, brand name with 6240 and price as least preferred factor with 5485 score.

7. Conclusion

The study on soft drinks helps to millions of consumers and for companies in terms of how it is benefited, how consumers are opined, what problems and opportunities are in soft drink industry. The beverages sector in India has significant transformation in past 10 years, includes carbonated and non-carbonated drinks industry. The both sectors are grow near about 45 percent annually and would be three or four times in size by 2019. Hence customers/consumers opinions make significant impact on success of soft drink industry. The objectives of the study are to determine the factors influencing buying soft drinks products and to identify the customers’ buying pattern related to Coca Cola products in Chittoor district. The opinion has been collected from 224 customers of coco brand and study is confined to five brands of Coco Colo brands such as Coco-Cola, Thumps up, Limca, Sprite and Mazza. Garrett ranking method was used to determine factors influence buying soft drinks. It is to observe that most of the respondents are 36-45 age group, male and majority of the respondents are between Rs. 20001 to 30000 income group. It is concluded that majority of the respondents are influenced with friends’ circle, followed by quality while purchasing coco-cola; taste and advertisement for sprite; friend’s circle and advertisement for Thumps-up; friend’s circle and quality makes significant for Limca and Mazza. Hence it is concluded that majority of the respondents are influenced with taste, quality and friends’ circle and these three are most significant factors towards buying of soft drinks in Chittoor district of Rayalaseema Region, Andhra Pradesh.

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