

FACTORS INFLUENCING BRANDED SOFT DRINKS AMONG THE PEOPLE OF SALEM, TAMIL NADU

Dr.C.Rajendran¹ and A.Emthiyas²

¹Assistant professor, PG & Research Department of Commerce,
Government Arts College (Autonomous), Salem

²Ph.D., Full Time Research Scholar PG & Research Department of Commerce,
Government Arts College (Autonomous), Salem

Email: ¹drcejendran@gmail.com, ²a.emthiyas321@gmail.com

Abstract—The annual growth of soft drink industry in India is the maximum of 7% in India, around ninety five percent of the market shares is occupied by Coke and Pepsi % directly or through franchisees. Industry watchers say, fake products also account for a good share of the balance. Almost 110 soft drink producing units are in the country. More than 1,25,000 people have been employed in this industry in India. There are two separate segments of the market, cola and non-cola drinks. The cola segment claims a share of 62%, while the non-cola segment includes soda, clear lime, cloudy lime and drinks with orange and mango flavors. The per capita consumption of soft drinks in India is around 5 to 6 bottles of the exchequer and exports goods worth ` 2 billion. It also supports growth of industries like glass, refrigeration, transportation, paper and sugar. Recent developments in soft drink consumption and challenges in marketing have heightened the need for searching the consumers' needs and preferences. These two companies have introduced different brands of soft drinks in order to attract more consumers. In this perspective, the researcher aims to know the factors influencing the consumers to prefer branded soft drinks. The study will help the retailers and manufacturers of soft drinks to understand the underlying factors and which factor mostly influence the consumers of Salem city and help them to craft their marketing strategies.

Keywords—Brands, Consumer satisfaction, Fake Products, Retailers, Soft Drinks.

INTRODUCTION

The origins of soft drinks lie in the development of fruit-flavoured drinks. In Tudor England 'water imperial' was widely drunk; it was a sweetened drink with lemon flavour and containing cream of tartar. 'Manays Cryste' was a sweetened cordial flavoured with rosewater, violets or cinnamon. Another early type of soft drink was lemonade, made of water and lemon juice sweetened with honey, but without carbonated water. The *Companies des Lemonades* of Paris was granted a monopoly for the sale of lemonade soft drinks in 1676. Vendors carried tanks of lemonade on their backs and dispensed cups of the soft drink to Parisians.

In every area of the world there are major soft drink producers. However, a few major North American companies are present in most of the countries of the world, such as Pepsi and Coca Cola. Major North American producers other than the two previously-named companies include Cot, Dr.Pepper Snapple Group, and Jones Soda.

Pepsi is one of the most popular and most widely consumed soft drink brand brands in India. It is the flagship brand of the PepsiCo. India. Pepsi was introduced to India in 1990 and was an instant hit amongst the Indian youth. It grew in popularity rapidly and never looked back. According to the official website of PepsiCo. India, Pepsi is loved by over 200 million people worldwide and is the largest selling soft drink brand in India.

Coca-Cola is the world's highest most selling and most popular soft drink brand by far. However, Coca-Cola has not been able to make the same impression over the Indian people masses. Nevertheless, Coca-Cola is one of the most sought-after and largest selling soft drink brands in India. It is the signature brand of Coca-Cola India. Coca-Cola was re-launched in India in 1993 after a span gap of 16 years.

These two companies have introduced different brands of soft drinks in order to attract more consumers. In this perspective, the researcher aims to know the factors which influence the consumers of branded soft drinks in Salem, Tamil Nadu.

Concept of Brand

As stated by Seth Godin, a brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer's decision to choose one product or service over another. If the consumer (whether it's a business, a buyer, a voter or a donor) doesn't pay a premium, make a selection or spread the word, then no brand value exists for that consumer the word brand is comprehensive, it encompasses other narrower terms. A brand is a name and or mark intended to identify the product of one seller or group of sellers and to differentiate the product from competing products. Brand is also used, not really correctly, to refer to a specific product, as in "sales of the brand". As said by Ogilvy, a brand is 'the intangible sum of a product's attributes: its name, packaging, and price, its history, its reputation, and the way it's advertised'. According to David Meerman Scott Branding is what lazy and ineffective marketing people do to occupy their time and look busy. But in the words of M. Ghodeswar, Branding is a set of marketing and communication methods that help to distinguish a company from competitors and create a lasting impression in the minds of customers. The key components that form a brand's toolbox include a brand's

Concept of Soft Drinks

A soft drink contains carbonated water, a sweetener, and a natural or artificial flavouring. The sweetener may be sugar, high-fructose corn syrup, fruit juice, sugar substitutes (in the case of diet drinks), or some combination of these. Soft drinks may also contain caffeine, colourings, preservatives, and other ingredients. Soft drinks are called "soft" in contrast to "hard drinks" (alcoholic beverages). Small amounts of alcohol may be present in a soft drink, but the alcohol content must be less than 0.5% of the total volume, if the drink is to be considered non-alcoholic. Fruit punch, tea, and other such non-alcoholic beverages are technically soft drinks by this definition but are not generally referred to as such.

REVIEW OF LITERATURE

Agarwal (2009) in his study on "Use of Soft Drinks Multinational Positioning Strategy" concluded that rural India has widely diverse cultures and subcultures. Also, there is large number of like of soft drinks and regular use of consumer's soft drinks which vary from region to region and state to state within the country. This makes the promotion task difficult as the act message has to be delivered in the local soft drinks according to the rural populations. A low level of literacy of rural people also leads to the problem of communication for promotion purposes. The demand for goods and services is seasonal in nature India and it is directly as well as closely connected with manufacturer of soft drinks which itself is seasonal. Therefore, there is considerable fluctuation in demand in rural area.

Dhandhapani, (1997) in his research work, "A study on the acceptance of Fountain Pepsi in Madurai City", revealed that Pepsi consumption was 69.23 percent in the case of 150 sample respondents, and Coco-cola market was only 13.46 percent and thumps up was only 10.36 per cent.

Keller (1998) stated from his research that a famous brand name can disseminate product benefits and lead to higher recall of an advertised benefit than a non-famous brand name leading to high recall and repurchase. The last factor studied was product promotion. Promotion is a component of a marketing mix which takes the form of communication between the product and the correct or potential consumers. Several studies suggest that promotion, especially in form of a well-targeted advertisement cannot only make the consumers less price sensitive and more loyal, but also change their knowledge, attitude and behaviour towards the product.

McCracken (1986) contents that these brand associations are created or developed from brand and product category experience, positing in promotional communication, or user imagery. Those brands benefit from associations with endorsers, because endorser acquire or possess a variety of desirable meaning (e.g., Pepsi becomes more attractive to teenagers when endorsed by Madonna, because of her anti-establishment image).

Susana (2010) in their study "Consumer Buying Behaviour in Fashion Retailing: Empirical Evidences" stated that the consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to the extent that they understand their customers. The main objective of this paper is to study the gender differences in consumer buying behaviour of a Portuguese population when they go shopping to buy apparel products. To attain this objective a survey was developed and administered across Portugal. The findings confirm the differences between women and men especially in terms of What, Where, When, and How they buy.

OBJECTIVE OF THE STUDY

To identify the factors influencing the consumers to prefer branded soft drinks of PepsiCo India and Coca-Cola India Ltd.

RESEARCH METHODOLOGY

The entire city has been divided into 51 wards, out of which 5 wards have been selected for collection of samples. In each ward, 50 samples have been drawn randomly. Totally 250 samples are taken for the research. Here only Descriptive analysis particularly percentage analysis has been applied for the study.

STATEMENT OF THE PROBLEM

It is necessary to find the factors which influence consumers to purchase the branded soft *drinks* in Salem. Some people are totally confused with regard to selecting the preferred branded soft drinks in the city. Because, they are not aware of the branded soft drinks. The research is to be undertaken in order to find out solution for the above problem

RESULTS AND DISCUSSION

Factors influencing the respondents to purchase PepsiCo branded soft drinks

The Table 1 describes the factors influencing the respondents to purchase PepsiCo branded soft drinks viz., “*Thirsty, Taste, Casually, as a matter of prestige, Part of regular diet, Parties & Functions, Medical advice, Influence of others, Offers & Discounts, Advertisement effect*”.

Table 1: Factors influencing the respondents to purchase PepsiCo branded soft drinks

Factors	Pepsi		Miranda		Slice		7up		MD		7up R		Total
	N	%	N	%	N	%	N	%	N	%	N	%	
Thirsty	24	9.6	34	13.6	61	24.4	70	28	28	11.2	33	13.2	250
Taste	42	16.8	28	11.2	54	21.6	68	27.2	33	13.2	25	10	250
Casually	37	14.8	40	16	67	26.8	45	18	38	15.2	23	9.2	250
As a matter of prestige	27	10.8	33	13.2	69	27.6	48	19.2	45	18	28	11.2	250
Part of regular diet	28	11.2	34	13.6	44	17.6	67	26.8	44	17.6	33	13.2	250
Parties & Functions	33	13.2	42	16.8	39	15.6	78	31.2	33	13.2	25	10	250
Medical advise	37	14.8	46	18.4	29	11.6	65	26	40	16	33	13.2	250
Influence of others	46	18.4	36	14.4	65	26	39	15.6	35	14	29	11.6	250
Offers & Discounts	37	14.8	31	12.4	55	22	66	26.4	33	13.2	28	11.2	250
Advertisement effect	56	22.4	39	15.6	45	18	59	23.6	30	12	21	8.4	250

Source: Primary Data

The Table 1 let slips that almost 10% of the respondents purchases Pepsi, nearly 14% of the respondents purchases Mirinda, 24% of the respondents purchases Slice and 28% of the them purchases 7up on account of Thirsty. In addition, 11% of the respondents like to buy Mountain Dew and 13 % of the respondents desire to purchase 7Up Revive for thirsty.

Besides, the Table also reveals that almost 17% of the respondents purchases Pepsi, nearly 12% of the respondents purchases Mirinda, 22% of the respondents purchases Slice and 27% of the them purchases 7up on account of Taste. In addition, 13% of the respondents like to buy Mountain Dew and 10 % of the respondents desire to purchase 7Up Revive for the above purpose.

Moreover, the Table also reveals that almost 15% of the respondents purchases Pepsi, exactly 16% of the respondents purchases Mirinda, about 27% of the respondents purchases Slice and 18 % of those purchases 7up occasionally. In addition, 15% of the respondents like to buy Mountain Dew and 9 % of the respondents desire to purchase 7Up Revive occasionally.

Likewise, it is observed from the Table that almost 11% of the respondents purchases Pepsi, exactly 13.2% of the respondents purchases Mirinda, about 28% of the respondents purchases Slice and 19 % of those purchases 7up for prestige. In addition, 18% of the respondents like to buy Mountain Dew and 11% of the respondents desire to purchase 7Up Revive for the same purpose.

Similarly, it is perceived from the Table that almost 11% of the respondents purchases Pepsi, exactly 13.6% of the respondents purchases Mirinda, about 17.6% of the respondents purchases Slice and 26.8 % of the them purchases 7up

as a part of regular diet.. In addition, 18% of the respondents like to buy Mountain Dew and 13.2% of the respondents desire to purchase 7Up Revive as a part of regular diet.

Further, the Table reveals that just 13.2% of the respondents like to purchase Pepsi, 16.8% of the respondents prefer to purchases Miranda, 15.6% of the respondents desire to have Slice, the maximum of 31.2% of the respondents would like to have 7Up and 13.2% of the respondents purchases Mountain Dew and 10% of them prefer 7Up when they are participating in parties and functions.

Apart from the above, the Table further states that 14.8% of the total respondents like to purchase Pepsi, 18.4% of the respondents prefer to purchases Miranda, 11.6 % of the respondents desire to have Slice, maximum 26% of the total respondents would like to have 7Up and 16% of the respondents purchases Mountain Dew and 13.2% of them prefer 7Up Revive as per the advice of the medical officers.

The Table further states that 18.4% of the total respondents like to purchase Pepsi, 14.4% of the respondents prefer to purchases Mirinda, maximum 26% of the respondents desire to have Slice, 15.6% of the total respondents would like to have 7Up, 14% of the respondents are interested to buy Mountain Dew and 11.6% of the respondents purchases 7Up Revive because of the suggestions given by others.

In addition, the Table exposes that almost 15% of the respondents prefer to buy Pepsi, 12.4% of the total respondents like to purchase Mirinda, 22% of the respondents prefer to purchases Slice and 26.4% of the respondents desire to have 7Up because of the offers and discounts. On the other hand, 13.2% of the respondents are influenced by offers and discounts to buy Mountain Dew and 11.2% of t6he respondents wish to buy 7Up Revive on account of offers and discounts.

It is also clear from the Table that 22.4 % of the respondents like to purchase Pepsi, 15.6% of the respondents prefer to purchases Miranda, 18% of the respondents would like to have Slice, 23.6% of the respondents purchases 7Up and only 8.4%% of the respondents prefer to purchases 7Up Revive because of advertisements 12% of them are influenced by advertisement to demand Mountain Dew.

To abridge, majority of the respondents are influenced by the factors ‘*taste, Medical Advice, Discounts and advertisement effectiveness, Part of regular diet, Parties and functions* to purchase 7Up whereas casually, *as a matter of Prestige and influence by others* are the factors which are influencing the maximum respondents to purchase slice.

2. Factors influencing the respondents to purchase Coca-Cola branded soft drinks

The Table 2 describes the factors influencing the respondents to purchase Coca-Cola branded soft drinks viz., “*Thirsty, Taste, Casually, as a matter of prestige, Part of regular diet, Parties & Functions, Medical advice, influence of others, Offers & Discounts, Advertisement effect*”.

Table 2: Factors influencing the respondents to purchase Coca-Cola branded soft drinks

Factors	Coke		Sprite		Fanta		Mazza		T Up		Limca		Total
	N	%	N	%	N	%	N	%	N	%	N	%	
Thirsty	34	13.6	60	24	49	19.6	73	29.2	21	8.4	13	5.2	250
Taste	39	15.6	47	18.8	38	15.2	66	26.4	32	12.8	28	11.2	250
Casually	40	16	63	25.2	40	16	49	19.6	31	12.4	27	10.8	250
As a matter of prestige	39	15.6	54	21.6	44	17.6	56	22.4	30	12	27	10.8	250
Part of regular diet	49	19.6	68	27.2	39	15.6	43	17.2	23	9.2	28	11.2	250
Parties & Functions	39	15.6	68	27.2	35	14	55	22	28	11.2	25	10	250
Medical advice	42	16.8	49	19.6	39	15.6	50	20	39	15.6	31	12.4	250
Influence of others	39	15.6	53	21.2	48	19.2	54	21.6	29	11.6	27	10.8	250
Offers & Discounts	45	18	55	22	42	16.8	44	17.6	33	13.2	31	12.4	250
Advertisement effect	45	18	47	18.8	44	17.6	49	19.6	34	13.6	31	12.4	250

Source: Primary Data

The Table 2 let slips that 13.6 % of the respondents prefer to purchases Coke, 24% of the respondents purchases Sprite and almost 20 % of the respondents are interested to purchase Fanta on account of Thirsty. Further, maximum of 29.2% of the respondents wants to buy Mazza because of the above purpose. Above all, 8.4% of the respondents like to buy Thums up and 5.2 o% of them wants to consume Limca for the purpose of Thirsty.

It is also observed from the above Table that 15.6 % of the respondents prefer to purchase Coke, 18.8% of the respondent's purchases Sprite and 15.2 % of the respondents are interested to purchase Fanta on account of Taste. Further, maximum of 26.4% of the respondents wants to buy Mazza because of the above purpose. Above all, 2.8% of the respondents like to buy Thums up and 5.2 o% of them wants to consume Limca for the purpose of Taste.

Further, it is perceived from the above Table that 16% of the respondents prefer to purchase Coke, 25.2% of the respondent's purchases Sprite and 16 % of the respondents are interested to purchase Fanta casually. Further, maximum of 19.6 % of the respondents wants to buy Mazza because of the above purpose. Above all, 12.4% of the respondents like to buy Thums up and 10.8% of them want to consume Limca casually.

Moreover, it is perceived from the above Table that 16% of the respondents prefer to purchase Coke, 22% of the respondent's purchases Sprite and 18 % of the respondents are interested to purchase Fanta for prestige. Further, maximum of 22% of the respondents wants to buy Mazza because of the above purpose. Above all, 12 % of the respondents like to buy Thumps up and 10.8% of them want to consume Limca for prestige.

The Table also blurts out that 20% of the respondents prefer to purchase Coke, 27% of the respondent's purchases Sprite and 17 % of the respondents are interested to purchase Fanta as a part of regular diet. Further, maximum of 17% of the respondents wants to buy Mazza because of the above purpose. Above all, 9 % of the respondents like to buy Thumps up and 11% of them want to consume Limca as a part of regular diet.

It is apparent from above Table that nearly 16% of the respondents prefer to purchase Coke, 27% of the respondent's purchases Sprite and 14 % of the respondents are interested to purchase Fanta while they are participating in parties and functions. Further, maximum of 22% of the respondents wants to buy Mazza. Above all, 11 % of the respondents like to buy Thumps up and 10% of them want to consume Limca while they are participating in parties and functions.

It is evident from above Table that nearly 16.8% of the respondents prefer to purchase Coke, 19.6% of the respondent's purchases Sprite and 15.6 % of the respondents are interested to purchase Fanta as per the advice given by the physician. Further, maximum of 20% of the respondents wants to buy Mazza. Above all, 15.6 % of the respondents like to buy Thumps up and 12.4% of them want to consume Limca as per the advice given by the physician.

Apart from the above, the Table also exposes that nearly 16% of the respondents prefer to purchase Coke, 21.2% of the respondent's purchases Sprite and 19.2 % of the respondents are interested to purchase Fanta because of the influence of others. Further, maximum of 21.6 % of the respondents wants to buy Mazza. Above all, 11.6 % of the respondents like to buy Thumps up and 10.8 % of them want to consume Limca because of the influence of others.

The above Table also blurts out that nearly 18% of the respondents prefer to purchase Coke, 22% of the respondent's purchases Sprite and 16.8 % of the respondents are interested to purchase Fanta due to offers and discounts available to consumers. Further, maximum of 17.6 % of the respondents wants to buy Mazza. Above all, 13.2 % of the respondents like to buy Thumps up and 12.4 % of them want to consume Limca due to offers and discounts available to consumers.

In addition to the above the Table depicts that nearly 18% of the respondents prefer to purchase Coke, 18.8% of the respondent's purchases Sprite and 17.6 % of the respondents are interested to purchase Fanta due to the effectiveness of advertisements. Further, maximum of 19.6 % of the respondents wants to buy Mazza. Above all, 13.6 % of the respondents like to buy Thumps up and 12.4 % of them want to consume Limca due to the effectiveness of advertisements.

To go over the main points, maximum respondents are found to prefer Mazza for thirsty and Taste whereas most of them buy Sprite casually. In addition, most of the respondents who want to have Mazza as a matter of prestige. As a part of regular diet, Sprite is bought by most of the respondents. In addition, most of the respondents use to prefer to have Sprite only in functions and parties. Maaza is demanded by maximum respondents only because of the influence of others and as per the advice given by the physician. Advertisement effectiveness for Mazza, Offers and discounts make the most of the respondents in the study to purchase Sprite.

CONCLUSION

Based on the overall findings of the study, many people in Salem are influenced by the *factors 'taste, Medical Advice, Discounts and advertisement effectiveness, Part of regular diet, Parties and functions to prefer 7Up* whereas *casually, as a matter of Prestige and influence by others* are the factors which are influencing the maximum respondents to purchase **slice**. In case of the products of Coca-Cola India Ltd., maximum respondents are found to prefer **Mazza** for *thirsty* and *Taste* whereas most of them buy **Sprite** *casually*. In addition, most of the respondents who want to have **Mazza** *as a matter of prestige. As a part of regular diet, Sprite* is bought by most of the respondents. In addition, most of the

respondents use to prefer to have **Sprite** only in *functions and parties*. **Maaza** is demanded by maximum respondents only because of the *influence of others and as per the advice given by the physician*. Advertisement effectiveness for **Mazza**, *Offers and discounts* make the most of the respondents in the study to purchase Sprite.

REFERENCES

- [1] Akansha Agarwal, “*Use of Soft Drinks Multinational Positioning Strategy*”, Economic Times, April 2009.
- [2] Boddewyn and Kozlowski “*Soft Drinks Marketing and Aggregate Consumption in US*”, British Journal of Addiction, Vol. 84(11), 2001, pp.1255-1261.
- [3] Dhandhapani. K, (1997), “*A Study on the Acceptance of Fountain Pepsi in Madurai City*”, MBA Project Work, Department of Management Studies, The American College, Affiliated to Madurai Kamaraj University Madurai 1997, April.
- [4] Keller, K.L. (1998), *Strategic Brand Management: Building, Measuring and management of Brand equity*, Prentice hall Upper Saddle River, new Jersey.
- [5] Mccracken, G (1989) *who is the celebrity endorser? Cultural foundations of the endorsement process*, Journal of consumer Research, 16 December, 310-321.
- [6] Susana Garrido Azevedo, Madalena Pereira, Joao Ferreira and Vilma Pedroso (2010) “*Consumer Buying Behaviour in Fashion Retailing: Empirical Evidences*” University of Beira Interior, Polo I - Rua Marques Ávila Bolama, 6201-001 Covilha, Portugal.
- [7] Tepper, J., and Amy, C, “*Consumer Acceptance of Coco-cola Drinks in Rural Area (Taste (or) health)*”, Trail Journal of Food Science and Technology, 15, Sept 1998.
- [8] G. Vani, M. Ganesh Babu and N. Panchanatham (2010) in his article “*Toothpaste Brands –A Study of Consumer Behavior in Bangalore City*” Journal of Economics and Behavioral Studies Vol. 1, No. 1, pp. 27-39, Dec 2010.
- [9] Vimal, P, “*Competitive Analysis of Soft Drinks in Tourist Spot - (Kodaikanal, Palani, Madurai, Rameswaram and Kanyakumari)*, M.B.A Project Work, Department of Managment Studies, The American College, Affiliated to Madurai Kamaraj University, Madurai, April 1998.
