A Study on Consumer Attitude Towards Café Coffee Day

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Abstract

Café industry is the biggest and fastest growing sector in India. The café industry has grown tremendously in India. There are about 70% of the people prefer CCD has a coffee shop. Café coffee day is India’s favorite coffee shop, for the young and the young at heart. It is a part of India’s largest coffee conglomerate, the amalgamated bean coffee trading company. CCD is a more popular coffee shops that Starbucks. This maybe because of its lower pricing, wider presences of outlets, and longer presence in the market. The method used for data collection was primary as well as secondary. That major things regarding service marketing is that customers give top priority to the quality of service /product and ambience. The major competitor of café coffee day is undoubtedly barista as both of the service provides cater to same market segment India as they find India new target market.

Key words: Marketing, Consumer Behaviour


Introduction

Café industry is currently one of the biggest and fastest growing sectors in India. Industry consist of :

- Individual Café
- Hotel Café
- Retail Café

Growth of Cafe industry in India

Coffee- first seat in south India. In order to spread, coffee house emerged at various place. Served in places for lawyers and the educated class to hold discussions. Raayars mess, Chennai established in 1940, oldest coffee houses in South India which serves first class filter coffee. Five star hotels started opening coffee shops which carted high end
customers. The drinks have now become more of concept than merely a drink. Over a decade number of café owners tried to westernize the taste of coffee in contrast to the filter coffee. Large retail chains like Barista, Starbucks, Café coffee Day etc. opened, concept in not merely selling coffee but about developing the national brand.

Coffee Markets in India:

- Branded coffee 53%
- Unbranded 40%
- Café 7%

Major Players of the Café Industry in India

- Café Coffee Day- CCD pioneered the café concept in India in 1996. The largest café retail chain in India, with 1000 cafes in 1414 cities and many in its base, Bangalore.
- Barista- Established in India in 1999. The chain has 200 stores In india
- Mocha- Opened in Mumbai in 2001. 20 units out of which 12 are franchised.

Research Objectives

“Customer perception and attitude towards retail coffee shop”

Objective:

70% of the consumers prefer CCD as a coffee shop:

CCD is a more popular coffee shops that Starbucks. This maybe because of its lower pricing, wider presences of outlets, and longer presence in the market.

Number of visits per month is independent of Gender:

The number of visits to coffee shops is not independent of gender. Men and women have different habits with regards to visiting coffee shops. The survey reveals that men make more visits per month than women. So, if coffee shops have to increase their revenue, they should target more men.

Amount spent in coffee shops is independent of gender:

The amount spent by men and women in coffee shops is not very different. This could be because of the type of products sold in the coffee shop. Most customers would order a coffee or a drink, and a snack. The menu items are standardized. For e.g. a man or a woman orders one Latte, the spend will be the same.
Methodology

- The method used for data collection was primary as well as secondary.

- Primary data collection:
  Quantitative analysis- Stratified Random sampling from different age groups and different occupation.

- Secondary Data Collection- Websites and even articles from newspapers available on internet.

Sample Design and Sample Size

- Sample Size: Quantitative data collected through survey varied from
  - Different in Customer preference
  - Different Gender
  - Different Amount Spend

- Sample size: 30 were drawn on the basis of those who avail the services of coffee shops.

- All the respondents were from Mumbai.
Descriptive Statistics

Income & gender

In the above chart we can see more amount of people are of the group of less than 2 lacs of about 47%. and in the gender chart we can see there are more amount of male that visit coffee shops of about 60%.

About 87% of the people visit coffee shops and only 13% people who do not visit coffee shops so comparatively there are more of the people visit coffee shops.
**Survey Findings**

**Hypothesis 1:**
70% of the consumers prefer CCD as a coffee shop

**Data Set**

<table>
<thead>
<tr>
<th>Preference for CCD</th>
<th># of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCD is first choice</td>
<td>7</td>
</tr>
<tr>
<td>CCD is second choice</td>
<td>11</td>
</tr>
<tr>
<td>Rank 3</td>
<td>4</td>
</tr>
<tr>
<td>Rank 4</td>
<td>1</td>
</tr>
<tr>
<td>Rank 5</td>
<td>1</td>
</tr>
<tr>
<td>Grand Total</td>
<td>24</td>
</tr>
</tbody>
</table>

27% of respondents prefer CCD as their first choice  
42% prefer CCD as their second choice

<table>
<thead>
<tr>
<th></th>
<th>p'</th>
<th>p</th>
<th>q</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>70%</td>
<td>30%</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>

**Null Hypothesis**  
Ho: p = 70%  

**Alternative Hypothesis**  
HA: p ≠ 70%

**Test**  
p-test  

**Tails**  
Left tail test

**Alpha**  
10%

**Probability**  
10%

**Critical t-values**  
(1.28)  
zc

**Observed t-values =**  
p' - p = (0.01)  
sqrt(p.q/n)  
0.94

**P-value**  
0.50

**Alpha**  
0.10

**Decision**  
p value is more than alpha accept the null

CCD is a more popular coffee shops that Starbucks. This maybe because of its lower pricing, wider presences of outlets, and longer presence in the market.
Hypothesis 2:

Number of visits per month is independent of Gender

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 2 visits per month</td>
<td>7</td>
<td>8</td>
<td>15</td>
<td>58%</td>
</tr>
<tr>
<td>3 to 5 visits per month</td>
<td>3</td>
<td>6</td>
<td>9</td>
<td>35%</td>
</tr>
<tr>
<td>more than 5 visits per month</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>8%</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>16</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 2 visits per month</td>
<td>5.77</td>
<td>9.23</td>
<td>15</td>
</tr>
<tr>
<td>3 to 5 visits per month</td>
<td>3.46</td>
<td>5.54</td>
<td>9</td>
</tr>
<tr>
<td>more than 5 visits per month</td>
<td>0.77</td>
<td>0.15</td>
<td>0.92</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>14.92</td>
<td>24.923</td>
</tr>
</tbody>
</table>

The number of visits to coffee shops is not independent of gender. Men and women have different habits with regards to visiting coffee shops. The survey reveals that men make more visits per month than women. So, if coffee shops have to increase their revenue, they should target more men.
Hypothesis 3:
Amount spent in coffee shops is independent of gender

<table>
<thead>
<tr>
<th>fo</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th>proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-200</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>25%</td>
</tr>
<tr>
<td>250-500</td>
<td>7</td>
<td>12</td>
<td>19</td>
<td>68%</td>
</tr>
<tr>
<td>more than 1000</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>17</td>
<td>28</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>fo</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>100-200</td>
<td>2.75</td>
<td>4.25</td>
<td>7.00</td>
<td></td>
</tr>
<tr>
<td>250-500</td>
<td>7.46</td>
<td>11.54</td>
<td>19.00</td>
<td></td>
</tr>
<tr>
<td>more than 1000</td>
<td>0.79</td>
<td>1.21</td>
<td>26.00</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11.00</td>
<td>17.00</td>
<td>52.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(fo-Fe)^2/Fe</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-200</td>
<td>0.20</td>
<td>0.13</td>
<td>0.34</td>
</tr>
<tr>
<td>250-500</td>
<td>0.03</td>
<td>0.02</td>
<td>0.05</td>
</tr>
<tr>
<td>more than 1000</td>
<td>1.88</td>
<td>1.21</td>
<td>3.09</td>
</tr>
<tr>
<td>Total</td>
<td>2.11</td>
<td>1.37</td>
<td>3.48</td>
</tr>
</tbody>
</table>

null Ho Amount spend is independent of gender
Alternative Ha Amount spend is NOT independent of gender
Test CHII SQUARE TEST

DF 2
Tail Right tail Test
alpha 1% 1- Confidence level (99%)
probability - 99%
Critical - 9.21
Observed - 3.48
p-value - 0.18

Alpha - 0.01
Decision - p is greater than alpha so accept the null

The amount spent by men and women in coffee shops is not very different. This could be because of the type of products sold in the coffee shop. Most customers would order a coffee or a drink, and a snack. The menu items are standardized. For e.g. a man or a woman orders one Latte, the spend will be the same.
Limitation of the study.

The questionnaire was mailed to more than 50 people but we got only 30 responses.
Out of the people who responded around 6 people did not answer all the questions.
While making this we faced a problem of coping the data from the excel to word doc
Even there was a error in opening the word doc due to some computer issue.

Conclusion

From the project we can conclude the following:-

- That major things regarding service marketing is that customers give top priority to the quality of service /product and ambience.
- The major competitor of café coffee day is undoubtedly barista as both of the service provides cater to same market segment India as they find India new target market.

Café coffee Day: - This has been positioned for younger generation usually college and younger people. With outlets strategically positioned near college, software companies and places where they can target customers. On analysis it can be seen that majority of the customers are of 18-30 age group. People prefer coffee day location for treats.

Bibliography

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