A STUDY ON CONSUMERS’ PERCEPTION OF AERATED DRINKS

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ABSTRACT

The major constituent of our body is filled with liquid fluid and it is a very essential requirement and needs to be fulfilled. In modern life there are different kinds of soft drinks available in market such as carbonated drinks, juices, milk products and fruit drinks. This study will help the company to get extensive knowledge about the consumer’s perception about the aerated drinks and can thus plan out their strategies to influence the customer perception. Aerated drinks segment include all carbonized drinks such as Coca Cola, Pepsi, Sprite, Thumsup etc. The study makes an attempt to understand people’s preference related to drinks. For this research demographic variables have been considered. An in-depth analysis has been made to find out the buying pattern across different age group, income level, and employment. It further attempts to find out the consumers spending on the aerated drinks, their buying behavior, and frequency of purchase. Analysis relating to factors like advertisement, packing, taste, and price has been studied too. Data has been analysis with the help of analytical tools which has helped us to establish relationship with variables. It has also revealed strong relations between the perceived value of consumers and their consumption pattern.

INTRODUCTION

A soft drink (also called soda, pop, coke, soda pop, fizzy drink, tonic, seltzer, mineral, sparkling water, lolly water or carbonated beverage) is a beverage that typically contains water (often, but not always carbonated water), usually a sweetener and usually a flavoring agent. 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, colorings, preservatives and other ingredients. Soft drinks are called "soft" in contrast to "hard drinks". The proliferation of aerated drinks across our country and consumers perception about the aerated drinks. Now a days, people prefer to have aerated drinks to quench their thirst. Today aerated drinks have not only used to reduce thirst but also turned out to be style and fashion statement. Consumption of aerated drinks is independent of gender. It has been also observed that there are more than 20 years of age people consuming aerated drinks. This study attempts to build up a perception of people towards aerated drinks. It also helps us to get a clear idea about the factors which influence people’s perception about aerated drinks. And also helps to understand the consumers’ average spend on aerated drinks.
INDUSTRY GROWTH RATE:

Growth rate of aerated drink in India is around 6%- 7%. Pepsi and Coke have the highest market share in India that is around 95%.

LITERATURE REVIEW

A study by Charles Spence and Maya u. Shankar (2010) has revealed that what we hear (be it music, the sounds we make while eating, or even pure tones or bursts of white noise) can have a dramatic effect on our perceptions of food and drink. Auditory stimuli influence people's consumption rates, their preference ratings and their flavor assessments, and have even been shown to significantly impact on the overall amount that people consume. We highlight a number of explanations, including multisensory integration, attention, associative learning and expectations that have all been put forward in order to account for these cross-modal effects. Thus, it is evident that various other factors too affect consumer purchase decision.

There has been a significant increase in the consumption of carbonized drinks among the children from age group of (2-18) years. A study by D. Hector, A. Rangan, J. Louie, V. M. Flood & T. Gill 2009, Soft drinks, weight status and health: a review, NSW Centre for Public Health Nutrition, Sydney, Australia). As per the report review the largest contributor towards the consumption of aerated soft drinks were from the age group of (2-18) and above 20 years. As per analysis conducted in this report it is found that the consumption of aerated soft drinks is more than fruit juices, fruit drinks, milk based drinks. Analysis conducted by us to show up similar statistics.

A study by Gebra Cuyun Grimm, MPH, RD, Lisa Harnack, DrPH, RD, Mary Story, PhD, RD, (2004). Results suggest that several factors may be associated with soft drink intake in school-aged children, most notably taste preferences, soft drink consumption habits of parents and friends, soft drink availability in the home and school, and television viewing.

A study by Santosh Madheswaran (2009). According to William R. George (1999), reveal purpose of factors responsible for brand preference in soft drink industry. Globalization has led to increase in competition and is motivating many companies to base their strategies entirely on building brand. Brand preference means to compare the other brand and to opt for the best. Brand preference is affected by various factors. These are attribute which are external like advertisement, brand ambassador, packaging, pricing. And internal like the companies brand name and its functioning, taste, health benefits.

A study by Fiona C Taylor, Ambika Satija, Swati Khurana, Gurpreet Singh and Shah Ebrahim South Asia Network for Chronic Disease 2010 revealed that the consumption of aerated drink is due to various versions of aerated drinks coming up this is also influencing up the perception of
aerated soft drinks. If current consumption patterns of regular Pepsi and Coca Cola continue unchecked, they may make a substantial contribution to the growing obesity and diabetes epidemics in India. Low availability of diet versions of Pepsi and Coca Cola in less affluent areas of Delhi is likely to exacerbate obesity and diabetes trends. Price differentials to promote diet versions and other healthier or traditional low-energy drinks may be beneficial.

RESEARCH OBJECTIVE

The primary objective of the research is to understand the consumers perception about the aerated drink segment. Other objectives are as follows:

- To understand the buying behavior across different demographics such as age group, gender, income level.
- To understand the factors which influence the consumers perception like taste, advertisement, packaging, pricing.
- To understand which drink is preferred more among the aerated drinks segment.

RESEARCH METHODOLOGY

This study began with review of literature already available in research papers and articles. The variables identified were as follows:

**Independent variables:** Age, gender, qualification, employment, income level.

**Dependent variables:** Factors influencing buying behavior like packaging, pricing, taste, advertisement, mostly preferred brand, weekly spend on aerated drinks.

Primary research has been undertaken to understand the relationship and interdependency on the factors. A survey was conducted, as a sample few resident in Mumbai city were given online questionnaires. The respondent were of different age groups, gender, income level. A sample of 53 were taken and report was prepared. This helped was to obtain a good data about the consumers’ perception towards aerated drinks. Brand preference, buying pattern, weekly spend, factors affecting their purchase decisions were all analyzed. The analysis was conducted with the help of some analytical tools likes t-test, z-test, p-test, annova and chi-square test was done to find out dependency and relation between various factors. The data obtained helped to make our hypothesis strong and also helped to widen the scope of our research.
DATA ANALYSIS AND INTERPRETATION:

Major Findings:

Factors Affecting The Brand Preference: (FIG 1.1)

Analysis: Factors affecting the purchase of aerated drink is dependent on taste and is considered as most important factor while selecting a brand. Price is the 2nd most important aspect to be looked into. Whereas, advertising and packaging contribute to 12% equally.
Consumption of Aerated Drinks:

Analysis: Consumption of aerated soft drinks in more as compared to the other drinks.

Weekly Spent On Consumption of Aerated Drinks:

Analysis: On an average People spend around Rs.100 on soft drinks.

Fruit juices more healthier than aerated drinks:

Analysis: It is observed that people prefer fruit juice to be healthier than aerated drinks. Since, people today are getting more health conscious.
Coke Is Most Popular Brand In Aerated Drinks:

Analysis: more than 52% people consider to as the most preferred brand amongst the aerated drinks segment. Around 31% people have no such assumption.

Celebrity Endorsement Influence Brand Preference:

Analysis: Around 58% people agree celebrity endorsement affect brand preference. Hence, company should come up with more celebrity endorsement to promote the brand.

PROPOSED HYPOTHESIS

1. Average age of people consuming aerated soft drink is less than 25 years.
2. More than 20% of males spend less than Rs. 100 on aerated soft drinks.
3. Consumption of Aerated drink by employed people is same across gender.
TESTING OF HYPOTHESIS:

1. Average age of people consuming aerated soft drinks is less than 25 years.

Average age of people consuming aerated soft drink is less than 25 years.

3.32 is std

\[ N \quad H_0: \mu \geq 25 \]

\[ A \quad H_a: \mu < 25 \]

T \quad left tail test

T \quad z test

A \quad 0.1

P \quad 0.1

z critical \quad (1.28)

\[ O \quad x' \quad 22.92 \]

meu \quad 25.00

sd \quad 3.32

\[ x' - \text{meu} \quad (2.08) \]

\[ \text{sqrt}(n) \quad 6.16 \]

\[ \text{sd/sqrt}(n) \quad 0.54 \]

\[ z \text{ observed} \quad (3.86) \]

P \quad 0.00

A \quad 0.1

D \quad P-value is less than alpha. reject the null.

\begin{align*}
\text{Observed value lies beyond the acceptance region. Hence accept the alternate} \\
\text{Hence, the average soft drinkers is less than 25 years.}
\end{align*}

Business Decision: Average age of people consuming aerated soft drink is less than 25 years. This may because of the changing life style of the people. Now a days, people are adopting western life style, and hence there is tremendous increase in consumption of aerated drinks. Aerated drinks are mostly preferred during parties, outing, festive seasons etc. Hence, business can target its segment well and increase it consumption.
2. More than 20% of males spend less than Rs. 100 on aerated drinks.

More than 20% of male spend less than rs. 100 on aerated soft drink
confidence level is 95%
Out of 35 male respondence 23 male respondence spent less than 100

<table>
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<tr>
<th>N</th>
<th>Ho: meu is less than = 20%</th>
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<td>A</td>
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T z test

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<th>A</th>
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<tr>
<td>P</td>
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z critical 1.64

O x 23.00

n 35.00

p' 0.66

p 0.20

q 0.80

p'-p 0.46

p*q 0.16

sqrt(n) 5.92

z observed 6.76

p 1

alpha 0.05

decision reject the null
accept the alternate hypothesis.
more than 20% of male spend less than 100 rs. On aerated soft drinks.

Business Decision: More than 20% of males are spending less than Rs. 100 on aerated drinks. This shows that the weekly consumptions of male are limited. This may be due to increase spending on other drinks, or some other factors which affect their consumption pattern. Now a days, people are getting more health conscious so they don’t prefer consuming aerated drinks.
3. Consumption of Aerated drink by employed people is same across gender.

Conduct an ANNOVA TEST Average Consumption of Aerated drink by employed people is same across gender.

cHo: Weekly spent on aerated soft drinks is same across the gender

cHa: Weekly spent on aerated soft drinks is not same across gender

rHo: Different gender respondence weekly spent same across all aerated drinks

rHa: Different gender respondence weekly spent same across all aerated drinks.

Anova: Two-Factor Without Replication

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<td></td>
<td>5.00</td>
<td>890.38</td>
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<td></td>
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<td>85.29</td>
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ANOVA

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<td>0.61</td>
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<tr>
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<td>9.00</td>
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<td></td>
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</table>

Conclusion: Weekly spent by people across different gender is same. 
Thus, amount spent on the aerated drink segment is same across gender.

Business decisions: Amount spent by respondent on aerated segment is same across all the gender. This shows that the amount spend on aerated drinks doesn’t change according to the gender preference. Hence, amount spend is independent of gender. It differs according to customers liking and not according to the gender.
CONCLUSION:

This research has helped us to understand the consumer perception towards the aerated drinks segment. There are various factors which affect the consumption and buying behavior of the consumer. There are many factors like price, packaging, advertisement, brand image, style, taste it depends on the consumer while purchasing the aerated drinks. Through the literature review as well as the data collected we understood that there is more consumption of aerated soft drinks amongst the youth i.e. from age group above 15 and below 30. Average age of people consuming aerated soft drink is less than 25 years. This may be because of the changing life style of the people. Now a days, people are adopting western life style, and hence there is tremendous increase in consumption of aerated drinks. Aerated drinks are mostly preferred during parties, outing, festive seasons etc. Hence, business can target its segment well and increase it consumption.

Drinks are consumed on various occasions like during parties, hangouts, and in India the main reason is influence from the western countries. We also found out that gender has no influence on purchasing of aerated drinks. Amount spent by respondent on aerated segment is same across all the gender. This shows that the amount spend on aerated drinks doesn’t change according to the gender preference. Hence, amount spend is independent of gender. It differs according to customers liking and not according to the gender.

After undertaking various test we also found out that the weekly spent on the consumption of aerated drink by respondent on an average is less than Rs.100. More than 20% of males are spending less than Rs. 100 on aerated drinks. This shows that the weekly consumptions of male are limited. This may be due to increase spending on other drinks, or some other factors which affect their consumption pattern. Now a days, people are getting more health conscious so they don’t prefer consuming aerated drinks.

It has been also analyzed that the consumption of soft drinks is more than any other drink segment which is leading to a very unhealthy lifestyle and problem like obesity and high cholesterol has touched peek amongst the youth. Majority of the people prefer to purchase the aerated drinks depending on taste factor. Perception is mostly depended on taste, and, is considered a major factor influencing buying decisions. Price is the 2nd most important factor which influences consumer buying behavior. Hence, marketers should look out to improve the quality of product as well as work out on price. Through this project we conclude that aerated soft drinks are consumed by majority of the people and are very popular amongst the youth, which is thus, leading the youth to move towards a unhealthy lifestyle. Also, the companies, with the help to this data can build their marketing strategies depending upon the consumers’ perception.
LIMITATIONS:

Data gathered is through online forms due to time constraints; also the sample surveyed is limited. Hence the data obtained may not be universally accepted.

REFERENCE