Preference study of Coffee vs Tea of Indian Consumer regards to Bru

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Abstract

This paper presents consumer preference and perception towards coffee this is a finding of descriptive research conducted amongst Indian consumers. Majority of people prefer taste over price of coffee. It can be said that the major population prefer coffee over tea as they find it more refreshing and healthier. The consumption of coffee is done by most of the people on an everyday basis. Preference of people cannot be said by occupation or gender but can be said by the taste preference.

KEYWORD

Coffee Preference, Coffee vs tea. Behavior, brands

INTRODUCTION

Coffee is one of the most widely consumed beverage in India, At least one cup is consumed by every person on a daily basis, coffee production in India is basically done in hilly areas. The production in India is such that Karnataka accounts to 71% and kerela 21% and tamilnadu 5% the total production is around 8,200 tons.

Coffee grown in India is considered the finest coffee grown all over the world, the number of coffee growers accounts to 250,000 coffee growers, small growers in them are 98%. The coffee exported by India is almost 80%.

Coffee, which was brought in India by a Muslim pilgrim, baba budan on his return from mecca, remained as a backyard plant until sometime. later, it was developed into gardens.

Indian coffee grown mostly is in southern areas and also in some places in north they are in Orissa, Assam, Manipur, Mizoram, Tripura, Arunachal Pradesh.

The two best produced coffee in India are called as Arabica & Robusta. Initially, Arabica was mostly popular.as result of serious infestation caused to this species by coffee rust, an alternative robust species of coffee, appropriately named as Robusta and another hybrid between liberica and Arabica, a rust-tolerant hybrid variety of Arabica tree became popular.
Robusta is most common variety of coffee that is grown in the country with Karnataka alone accounting for 70% of production of this variety.

The government of India in 1942 decided to regulate the coffee export and protect the small and marginal farmers by passing the coffee VII Act. Under which the coffee board of India is established.

RESEARCH OBJECTIVE

To Find out the consumer behavior towards different brands of coffee.

In India the production of coffee Is very large, to know the opinion of people for consuming coffee.

Also, India is a well growing Country with many young minds, to know what influences them to prefer coffee over tea how and when they consume is the reason we have taken up this research.

PROPOSED HYPOTHESIS

H₁: More than 45% of Male working population prefer Drinking Coffee at work. (Test of proportion)

H₂: Average age of person consuming coffee is Less than 25 years. (Test Average)

H₃: Consumption of Coffee is not independent of the occupation. (Test of Independence)

H₄: Average Age for consumption of coffee is not same across gender. (Test of anova)

H₅: Regression (Test of dependency)
LITERATURE REVIEW

A study in India hypothesized that, for international consumers, country of origin could be important for making purchasing decisions. The study examined the influence of country of origin of a product relative to other product attributes on preferences for food staples such as bread and coffee. Results revealed, in addition to country of origin, price and brand are important attributes (Ahmed et al. 2004; Chung and Jay 1997).

A study on instant coffee preferences among consumers in India using conjoint analysis concluded that market potential for coffee products improve when important coffee attributes preferred by consumers are considered. The study explored the preferences for instant coffee by regional consumers of India and found that the price was most important followed by brand, packaging material and taste (Shih et al. 2008).

Another study conducted in India on coffee preferences for fair-trade coffee, also using conjoint analysis, explored how consumers trade-off between different coffee attributes and making ethical choices. The key questions raised focused on investigating the relative importance attached to the coffee being fair-trade coffee compared to other coffee attributes such as blend, brand, flavor, and packaging, and determining what was the willingness to pay for fair trade coffee.

Studies exploring socio-demographic influence on coffee preferences in India showed consistent variations in terms of nationality, gender and age, with gender and age showing significant effects on coffee preferences and coffee brands (Nagrajan, T.S 1998).

studies also show that the reputation of the quality of a country’s product varies based on the type of product. In other words, if a country is perceived to have a good reputation for a specific product, consumers are more willing to buy the product from that country (Datta S and M. Chakrabarti 1999).

This is highly applicable in the case of commodities such as coffee. For example, Colombian coffee (Ahmed et al 2004) or Kona coffee has a reputation attached to it mainly due to the perception of high quality associated with coffee from these regions.

So, seeing this all researches we can say that the consumer preference towards coffee is set by the taste a person has.
RESEARCH METHODOLOGY

Type of research: The methods used in this study are primary and quantitative and descriptive in nature.

Source of Data: The primary data have been collected by making use of a questionnaire through a survey. And the secondary data was collected through internet sources.

Sampling Size and Techniques: Total samples used for this study was 51. The method of sampling used for this study is random sampling. The sample tells us about the preference of people towards coffee vs tea.

Mode of data collection: The data are collected through questionnaire survey from e-form and Google docs.

Analysis Methodology: The collected data have been analyzed by making use of hypothesis testing test of average T-Test, Z test of proportion, chi square test and anova test. Excel software was employed to do the analysis.

SAMPLE PROFILE

Gender
51 responses

- Male: 66.7%
- Female: 33.3%
Marital status
51 responses

- Single: 62.7%
- Married: 35.3%
- Divorced: 2.0%

Legend:
- Blue: Single
- Red: Married
- Orange: Divorced
DATA ANALYSIS

HYPOTHESIS TESTING
Hypothesis 1: Test of Proportions

Ho: Less than or equal to 45% of male working population Do not prefer drinking coffee at work.
Ha: More than 45% of Male working population prefer Drinking Coffee at work.

Ho: p ≥ 45%
Ha: p < 45%
Test of Proportions
Right-Tailed Test
Alpha = 0.1
Probability = 0.9
Critical - value = 1.28
Calculating the Observed value
x= 30
n= 50
p' = 60%
p = 45%
q = 55%
p' - p = 15%
Sqrt (p*q)/n = 0.0704
p' - p = 2.13
sqrt (p*q)/n

Observed-value = 2.13
P-Value = 1.65%
P-Value < Alpha

Therefore, reject the null.

Insights:

1) The conclusion is that more than 45% of male working population prefer drinking coffee at work the reasons for this can be as the stress levels in todays working life is increasing people are going towards beverages that help them keep active for better output.

2) Coffee has already been classified as a beverage with more caffeine content that helps person to stay active.
Hypothesis 2: Test of Proportions

| Ho: Average age of person consuming coffee is more than or equal to 25 years. |
| Ha: Average age of person consuming coffee is Less than 25 years. |

Ho: $\mu \leq 25$
Ha: $\mu > 25$
Test of Average
Right-Tailed Test
Alpha = 0.1
Probability = 0.1
**Critical value = 1.670**
Calculating the Observed value
$x' = 27.26$
$\mu = 25$
$x' - \mu = 2.26$
$S = 6.97$
$N = 47$
$s/ \sqrt{n} = 1.02$
$x' - \mu s/\sqrt{n}$
**Observed-value = 2.22**
$2.22 > 1.670,$
Critical-value < observed value
Therefore, **we reject the NULL.**

**Observations:**
We reject the NULL Hypothesis. Hence, we can say that Average age of person consuming coffee is Less than 25 years.

**Insights:**
1) The average age of people consuming coffee is less than 25 years, so this can be because the young people now a days have to much pressure in their head so to revel that stress they prefer coffee.
2) The data for consumption shows much more consumption in young than the older people so there is a good amount of preference for coffee.
Hypothesis 3: Test of Independence

\[ \text{Ho: Consumption of Coffee is independent of the occupation.} \]

\[ \text{Ha: Consumption of Coffee is not independent of the occupation.} \]

<table>
<thead>
<tr>
<th>Financial advisor</th>
<th>fo</th>
<th>fe</th>
<th>fo - fe</th>
<th>(fo - fe)^2</th>
<th>(fo - fe)^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>3</td>
<td>32.80</td>
<td>(29.80)</td>
<td>888.04</td>
<td>27.07</td>
</tr>
<tr>
<td>Homemaker</td>
<td>2</td>
<td>32.80</td>
<td>(30.80)</td>
<td>948.64</td>
<td>28.92</td>
</tr>
<tr>
<td>Professional</td>
<td>20</td>
<td>32.80</td>
<td>(12.80)</td>
<td>163.84</td>
<td>5.00</td>
</tr>
<tr>
<td>Service</td>
<td>11</td>
<td>32.80</td>
<td>(21.80)</td>
<td>475.24</td>
<td>14.49</td>
</tr>
<tr>
<td>Student</td>
<td>14</td>
<td>32.80</td>
<td>(18.80)</td>
<td>353.44</td>
<td>10.78</td>
</tr>
<tr>
<td>Total</td>
<td>164</td>
<td>164</td>
<td></td>
<td>86.26</td>
<td></td>
</tr>
</tbody>
</table>

\[ \text{Chi-squared test}\]

Right-Tailed Test

\[ \text{Alpha = 0.1} \]

\[ \text{Probability = 0.1} \]

\[ \text{Critical Value = 7.78} \]

\[ \text{Observed-value = 86.26} \]

\[ \text{P-Value = 0.00} \]

\[ \text{Alpha = 0.10} \]

\[ 0.00 < 0.10 \]

\[ \text{P-value < Alpha} \]

\[ \text{Therefore, we Reject the Null.} \]

\[ \text{Observation: we had taken a research test to know if Consumption of coffee is not independent of the occupation, we reject the null.} \]

\[ \text{Insight: after the test we see that Consumption of Coffee is not independent of the occupation that means the coffee consumption changes across all occupation that can be because, all work don’t have the same work pressure.} \]
Hypothesis 4: Test of Independence (Anova)

Ho: Average Age for consumption of coffee is same across gender.
Ha: Average Age for consumption of coffee is not same across gender.

<table>
<thead>
<tr>
<th>Consumption</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>29.11</td>
<td>26.81</td>
</tr>
<tr>
<td>Occasionally</td>
<td>32.38</td>
<td>24.64</td>
</tr>
<tr>
<td>Grand Total</td>
<td>30.65</td>
<td>25.80</td>
</tr>
</tbody>
</table>

Anova: Two-Factor Without Replication

<table>
<thead>
<tr>
<th>SUMMARY</th>
<th>Count</th>
<th>Sum</th>
<th>Average</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>2.00</td>
<td>55.92</td>
<td>27.96</td>
<td>2.64</td>
</tr>
<tr>
<td>Occasionally</td>
<td>2.00</td>
<td>57.02</td>
<td>28.51</td>
<td>29.89</td>
</tr>
<tr>
<td>Female</td>
<td>2.00</td>
<td>61.49</td>
<td>30.74</td>
<td>5.33</td>
</tr>
<tr>
<td>Male</td>
<td>2.00</td>
<td>51.46</td>
<td>25.73</td>
<td>2.35</td>
</tr>
</tbody>
</table>

Insight: this can be because now a day’s people of all ages have their own headache so to take some time for self they take coffee as their stress reliever.
Hypothesis 5: Regression

<table>
<thead>
<tr>
<th>Age of people who consume coffee (X)</th>
<th>Income of people consuming coffee (Y)</th>
</tr>
</thead>
</table>

SUMMARY OUTPUT

Regression Statistics

<table>
<thead>
<tr>
<th>Multiple R</th>
<th>0.42</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Square</td>
<td>0.18</td>
</tr>
<tr>
<td>Adjusted R Sq</td>
<td>0.16</td>
</tr>
<tr>
<td>Standard Error</td>
<td>3.08</td>
</tr>
<tr>
<td>Observations</td>
<td>47.00</td>
</tr>
</tbody>
</table>

ANOVA

<table>
<thead>
<tr>
<th>df</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>Significance F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1.00</td>
<td>92.09</td>
<td>92.09</td>
<td>9.74</td>
</tr>
<tr>
<td>Residual</td>
<td>45.00</td>
<td>425.57</td>
<td>9.46</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>46.00</td>
<td>517.66</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coefficients

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standard Error</th>
<th>t Stat</th>
<th>P-value</th>
<th>Lower 95%</th>
<th>Upper 95%</th>
<th>Lower 95.0%</th>
<th>Upper 95.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>(0.93)</td>
<td>1.82</td>
<td>(0.51)</td>
<td>(4.61)</td>
<td>2.74</td>
<td>(4.61)</td>
<td>2.74</td>
</tr>
<tr>
<td>Age of people</td>
<td>0.20</td>
<td>0.06</td>
<td>3.12</td>
<td>0.00</td>
<td>0.07</td>
<td>0.33</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Y = 0.20x + (0.93)

INCOME OF PEOPLE CONSUMING COFFEE (Y)

\[ y = 0.2003x - 0.9335 \]
CONCLUSION

About 51 people were taken as a sample for this research out of that 33 % were female and 66.7% were male. The consumption of coffee is done by most of the people on an everyday basis.

It can be said that the major population prefer coffee over tea as they find it more refreshing and healthier because of the variety which is available in the market and also some have coffee addiction.

The study brought out the fact that the people were well aware of factors which affect their decision while choosing the coffee. The people have also respondent their favorite brand for consumption of coffee. This shows that the peoples taste for coffee depends on brand as all brands provide different tastes.

People prefer drinking coffee while socializing with their friends. And most of the people prefer drinking coffee in a café.

As far as brand is concerned Bru brand is preferred by 51% of people and 76.5% is of Nescafe so this means that Bru has not done their marketing properly and has to come across new ideas to overcome the other brand preference.

LIMITATION

1) Due to time constraint the data collected was limited to 51 respondents.
2) The data collected was mostly from Mumbai suburbs and some from other states so the acceptance level of people may vary from area to area.
3) The response was taken from an online form so there was no personal interaction with the respondent so the real perception cannot be said clearly.
References

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