

## **A STUDY ON INFLUENCE OF ADVERTISEMENT IN CONSUMER BRAND PREFERENCE (Special Reference to Soft Drinks Market in Hosur Town)**

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### **Introduction**

Marketers' survival depends on consumer satisfaction. Consumer satisfaction depends on their perception and brand preference of the particular brand. In brand preference, advertising plays a major role. Nearly everyone in the modern world influence to some degree by advertising. Organizations in both public and private sectors have learned that the ability to communicate effectively and efficiently with their target audiences is important to their success.

Soft drinks become essential in lifestyle of the people in the society. There are number of soft drink brands are available in the market. In those brands, some brands are very famous not only in Hosur but also globally. For the research purpose researcher has taken Pepsi, Coca-Cola, Fanta and sprite are selected. These are the most preferred brand of the consumers in Hosur. For these brands, different advertisements are available in advertisement media. Some brands' advertisements are more attractive than others and some are new creative advertisements. There is no advertisement regarding Bovento during the research period. Therefore, Bovento was not taken into consideration.

Not lacking behind, Soft Drink companies are also advertising their product through various media and spending huge amount on celebrities to endorse their product. In this heavy competition they use various techniques. Using celebrities is one of among them. Marketers acknowledge the power of celebrity in influencing consumer's purchase decision. Huge amounts are spent as the celebrity endorsement can bestow unique features upon a product that it may have lacked otherwise. Around 35% of the total cost is spent by the Soft Drink Company especially in Advertising. Various Movie Actors and Sports Players are hired to endorse the Soft drink Brand.

### **Soft Drinks Industry in India-An Overview**

#### **Soft Drinks**

Carbonated drinks are dominated by artificial flavours based on cola, orange and limes with Pepsi and Coca-Cola dominating the market. The entire part of the drink is based on its artificial flavours and sweetening agents as no natural juice is used.

#### **Market**

Cola products account for nearly 61-62% of the total soft drinks market.

1. Two global majors' Pepsi and Coke dominate the soft drink market.
2. NCAER survey says 91% of soft drink in the country is in the lower, lower middle and upper middle class people.
3. The market is worth around Rs.5000 cores with growth rate of around 10-15%.
4. The production as soft drinks has increased from 5670 million bottles in 1998-99 to 9783 million bottles in 2000-2008 industry sources.
5. Growth market this year is expected to be 10-15% in value terms and 20-22% in volume of terms

The present Indian soft drink market can be at best described as a duopoly, with two major players viz. Coke and Pepsi, both having sufficient monopoly power over the consumer. However, soft drinks have a fairly high price elasticity of demand, and as such producers must strike a fine balance between prices and sales volumes. Both companies have decided to price their products similar to other's products and try to gain market share through various promotional activities.

However, the market for carbonated drinks is stagnating and not growing as expected. The total soft drink (carbonated beverages and juices) market is estimated at 284 million per year. The market is highly seasonal in nature with consumption varying from 25 million crates per month during peak season to 15 million during off-season. The market is predominantly urban with 25 per cent contribution from rural areas. Coca cola and Pepsi dominate the Indian soft drinks market. Mineral water market in India is 65 million crates. On an average, the monthly consumption is estimated at 4.9 million crates, which increase to 5.2 million during peak season.

### **Problem of Statement**

The project has been undertaken with an objective, to understand the influences of advertisement, in consumer brand preference, towards soft drinks product in Hosur town. It also identifies the influence of communication, in the advertisement. The existing positioning of prominent brands and the perceptions among different segments were also covered under the study. The brand loyalty and switching were also studied. It also studies the essential for a marketer to find out the extent to which the advertisement creates positive change in preparing the brand of the company.

### **Objectives**

1. To study the impact of the Advertisements on the brand preference of consumers.
2. To study the consumer perception regarding the most effective media for Advertisements
3. Identifying the influence of Communication in the Advertisement in deciding consumer brand preference

### **Need and Scope of the Study**

As we know these days soft drink companies are advertising their product so much on televisions and are spending so much money on the Advertisements of their products.

In soft drink industry the cost of advertising is nearly 35 % of the total cost. For increasing the sale of their product they are taking film stars, cricket stars in their advertisements of their products which are again very costly.

The soft drink companies are spending so much on the sponsorship of events like cricket match etc. so this study deals with these aspects that whether Advertising is having any effect on consumers or not.

### **Hypothesis**

The present study is carried out with the following hypothesis.

**H0:** There is no significant relationship between brand choice of the respondents and frequency of consumption.

**H1:** There is a significant relationship between brand choice of the respondents and frequency of consumption.

**H0:** There is no significant relationship between qualification of the respondents and Influence of advertisement towards their buying decisions.

**H1:** There is a significant relationship between qualification of the respondents and influence of advertisement towards their buying decisions.

**Research Methodology****Research Design**

A research design is a framework or blueprint for conducting the marketing research project. It specifies the details of the procedures necessary for obtaining the information needed to structure and/or solve marketing research problem. The research design used in this project is Descriptive research design.

**Sample Design****1. Sampling Technique Used.**

In this research the researcher used Convenience Sampling.

**2. Sample size.**

For this study, a sample of 150 has been taken.

**3. Data collection instrument.**

Questionnaire

**Sources of Data Collection****1. primary data:**

It is the first hand information collected through questionnaire. The primary data collected through the field surveys were analyzed with the help of computer software-SPSS. Suitable mathematical and statistical techniques like average, standard deviation, chi-square test, T-test, and ANOVA have been employed for data analysis.

**2. Secondary Data**

Secondary data was collected from the following sources:

1. Books
2. Newspapers
3. Journals
4. Magazines
5. Research paper

**Analysis and Interpretation of Data**

This chapter deals with analysis and interpretation of the data collected by the researcher. The analysis and interpretation of data was mainly done by based on the objectives of the study. This study analyses the age wise distribution, gender, education, nature of the family, marital status, family income and expenditure.

**Age Profile**

Composition of age group is an important factor in determining the various stages of human development as well as the capacities of the respondents.

**Table 1 Age Profile**

Age Group	No. of .Respondent	Percentage
Below 20	22	18.3
21-30	80	66.7
31-40	11	9.2
Above 40	7	5.8
<b>Total</b>	<b>120</b>	<b>100.0</b>

Sources: Survey data

The table 1 clearly explained that the majority 66.7% of frequent soft drinks consumers. They fall under 21 – 30 years age group of the people.

**Table 2, Sex-Wise Distribution of the Respondents**

Particulars	No. of Respondent	Percentage
Male	83	69.2
Female	37	30.8
<b>Total</b>	<b>120</b>	<b>100.0</b>

The table 2 depicts that there are many number of female respondents is there but they hesitated to be a response of this study so the researcher collected data from male respondents and concluded that male consumers are greater in number in purchase soft drinks.

**Table 3, Brand Choice**

A marketer should understand brand preference of the consumers because there are number of soft drink brands available in market. It is useful to modify the product according to taste and preference of the consumers.

Particulars	Frequency	Percentage
Pepsi	17	14.2
Coco-cola	28	23.3
Fanta	42	35.8
Sprite	32	26.7
<b>Total</b>	<b>120</b>	<b>100</b>

Sources: Survey Data

The above table 3 exhibits that majority 35.8% of the respondents are brands choice Fanta, and 26.7% of the respondents are brands choice Sprite, and 23.3% of the respondents are brands choice Coca-Cola, and remaining 14.2% of the respondents brands choice are Pepsi. From the data the researcher derived majority 35.8% of the respondent's brand choice of soft drinks product is Fanta.

**Table 4, Reason for Consuming Soft Drinks**

Particulars	Frequency	Percentage
Feeling of thirst	21	17.5
Parties and Celebration	50	41.7
With fast food and dinners	29	24.2
Without any reason	20	16.7
<b>Total</b>	<b>120</b>	<b>100.0</b>

Sources: Survey Data

The above table 4 it is clear that majority 41.7% of the respondent's reason for consuming soft drinks is parties and celebration.

**Table 5, Factors Induces to Buy Soft Drinks**

Particulars	Frequency	Percentage
Price	16	13.3
Quality	35	29.2
Taste	39	32.5
Brand Image	15	12.5
Good Flavor	15	12.5
<b>Total</b>	<b>120</b>	<b>100.0</b>

Sources: Survey data

From the above table indicates 32.5% of the respondent's factor induces to buy the soft drink is taste, and 29.2% of the respondent's factor induces to buy soft drinks is quality, and 13.3% of the respondent's factor induces to buy soft drinks is price, and 12.5% of the respondents factors induces to buy soft drinks is brand image, and remaining 12.5% of the respondents factor induces to buy soft drinks is good flavor.

The researcher clearly found out from the table that majority 32.5% of the respondent's factors induces to buy soft drinks is taste of the product.

**Table – 6, Indicating Sources about Soft Drinks**

Particulars	Frequency	Percentage
Media advertisement	69	57.5
Friends	42	35.0
Salesman	9	7.5
Total	120	100.0

Sources: Survey Data

The above table 6 indicates 57.5% of the respondents indicating source about soft drink is media advertisement, and 35% of the respondents indicating source about soft drink is friends, and 7.5% of the respondents indicating source about soft drink is salesman.

It is found that more than half (57.5%) of the respondent's factor induces to buy soft drinks product is media advertisement.

**Table-7, Most Attractive Factor in Advertisement**

Particulars	Frequency	Percentage
Picture	41	34.2
Symbol	27	22.5
Message	30	25.0
Slogan	22	18.3
Total	120	100.0

Sources: Survey Data

From the above table indicates 34.2% of the respondent picture is most attractive factor in advertisement, and 25% of the respondent message is most attractive factor in advertisement, and 22.5% of the respondent symbol is most attractive factor in advertisement, and 18.3% of the respondent slogan is most attractive factor in advertisement.

From the above finding the researcher found that more than one third (34.2%) of the respondents felt picture is most attractive factors in advertisement.

### **Newspaper Advertisement**

There is no doubt that the newspapers are the best and popular medium for advertising. It reaches every nook of the country. It is the most powerful selling force. In India, there are many languages. Newspapers are being published in 91 languages. Different types of newspapers are existing. They are National Dailies, Regional Dailies Evening Dailies, and National Weeklies etc.

**Table-8, Newspaper Advertisement**

Particulars	Frequency	Percentage
Never	40	33.3
Occasionally	43	35.8
Very often	19	15.8
Always	18	15.0
Total	120	100.0

Sources: Survey Data

According to the above table 8 the researcher wants to highlight that there is only 15.8% of the respondents very often show their interest to read the newspaper advertisement of the soft drinks.

### Television Advertisement

Television advertisement is the latest media of mass communication and is widely used for advertisement. Advertisement through T.V is one of the good sources to reach people. People give importance to the visual media than the reading magazines or listening to the radio. Therefore a marketer should understand the tactics to mobilize the product among the consumers.

**Table-9, Television Advertisement**

Particulars	Frequency	Percentage
Never	18	15.0
Occasionally	20	16.7
Very often	30	25.0
Always	52	43.3
Total	120	100.0

Sources: Survey Data

As per the above table 43.3% of the respondents always watch television advertisement of the soft drinks, and 25% of the respondents very often saw television advertisement and 16.7% of the respondents occasionally give importance to it and 15% of the respondents skip the television advertisement of the soft drinks.

According to the above statistics the researcher found out that there is only 15% of the respondents never saw the television advertisement of the soft drinks.

### Internet Advertisement

Contemporary world caught up in the world of web. Internet shrinks the world into global village. The people of techno generation are much benefitted by the web advertisement.

**Table-10, Internet Advertisement**

Internet	Frequency	Percentage
Never	37	30.8
Occasionally	33	27.5
Very often	29	24.2
Always	21	17.5
Total	120	100.0

Sources: Survey Data

It is found out from the above table that 30.8% of the respondents never give importance to internet advertisement of the soft drinks and 27.5% of the respondents occasionally watch internet advertisement and 24.2% of the respondents very often visit internet advertisement of the soft drinks and remaining 17.5% of the respondents are always capture by the internet advertisement.

The researcher found out that majority 30.8% of the respondents never visits the internet advertisement of the soft drinks.

### **Findings of the Study**

1. More than half (66.7%) of the respondents age group between 21 years to 30 years.
2. More than one third (35.8%) of the respondents are farmers.
3. Majority (81.7%) of the respondents are unmarried.
4. More than half (52.5%) of the respondents family is joint family.
5. More than (40%) of the respondents are earning below Rs.10000
6. More than one third (35.8%) of the respondents brand preference is Fanta.
7. More than half (60%) of the respondent's view of the soft drinks is as an aid to put off thirst.
8. Majority (30%) of the respondents are usually preferred 500 ml bottle of the soft drinks.
9. Little more than half (48.3%) of the respondents frequency of consumption is once in a week.
10. Majority (41.7%) of the respondent's reason for consuming soft drinks is parties and celebration.
11. More than one third (32.5%) of the respondent's factors induce to buy soft drinks is taste of the product.
12. Majority (41.7%) of the respondents go to another place to buy the same brand while desired brand of soft drinks is not available in their place.
13. More than half (50%) of the respondents behavior sometimes switch over to another brand of soft drinks.
14. More than half (57.5%) of the respondents indicating sources above soft drinks is media advertisement.
15. Majority (77.5%) of the respondents feel better advertisement media for soft drinks are visual media.
16. More than half (56.7%) of the respondents strongly agreed with advertisement are very useful to popularize the brand.
17. Majority (48.3%) of the respondents strongly agreed with advertisement enable to buy soft drinks product.
18. Majority (45.8%) of the respondents agreed with soft drinks advertisement is highly influence in purchase decision.
19. More than one third (35.8%) of the respondents agreed with different concept of advertisement influences in purchase decision of soft drinks.
20. More than one third (39.2%) of the respondents are agree to purchase decision of the soft drinks only after seeing the advertisement.
21. Majority (34.2%) of the respondents reply that picture is the most attractive factors in the advertisement.
22. Majority (35.8%) of the respondents occasionally read the newspaper advertisement of the soft drinks.
23. More than one third (32.5%) of the respondents occasionally read the magazine advertisement.

24. Majority (43.3%) of the respondents reply that always watch the television advertisement of the soft drinks.
25. More than one third (32.5%) of the respondents very often adopt with the cinema advertisement of soft drinks.
26. Majority (34.2%) of the respondents never listen to the radio advertisement of the soft drinks.
27. More than one third (30.8%) of the respondents never give importance to internet advertisement of the soft drinks.

### 5.3 Suggestion

This study is concluded with a number of recommendations:

1. Processors and producers of soft drinks products should implement modern marketing concepts that focuses on the consumers' needs and wants
2. Soft drinks product marketing should understand (and implement accordingly) how changing consumer preference and promotional programs have altered the demand for various soft drinks products.
3. Processors and producers of soft drinks products should pay more attention to promotional activities that creates awareness about the nutritional value of different soft drinks types, thus increasing the demand for new innovative products.
4. Soft drinks products processors and companies should focus on strong implementation of the marketing mix in ways that serve both the customers and the company.
5. More interest should be laid upon implementing market research directed towards studying various aspects affecting consumer preference and consumption.
6. Companies should well understand the effect of competition to produce new, innovative competitive products, and marketing strategies for soft drinks products should emphasize upon the functionality of certain products to attract the customers.
7. Marketers should devise marketing activities and assemble fully integrated marketing programs to create, communicate, and deliver value of the consumers.

### 5.4 Conclusion

As there is cut throat competition in the soft drink industry mainly between the two big giant's i.e. Coca Cola and Pepsi and both are striving very hard for their market share. Therefore it becomes very hard for the companies to retain their customers. It is also evident that 35 % of the total costs, these companies spend on Advertisements. Therefore Advertisements are the backbone for this Industry, they act as a glue to retain their consumers and target the prospectus.

Also the consumer's preferences and the attitudes change with the passage of the time and age Mediums of Advertisements also play an important role in promoting the products among the masses.