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Perception and purchase behaviour of Velan Kaappi's products in Coimbatore city

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ABSTRACT

The non-carbonated beverages like coffee and tea give more refreshment to Indian people than the carbonated drinks like soda. The study was confined to Velan Kaappi and its products. The data were collected from 120 respondents. A detailed questionnaire was used to collect data from the consumers. For better understanding purchase behavior and percentage analysis were applied. To analyze the perception Likert scale was used. It was found that of the total respondents 80.83 per cent were males; most were in the age group of 20-29 years (37.50%); most of the respondents (42.50%) were undergraduates; self-employed (38.33%) with personal annual income of Rs 2,00,000-5,00,000 (44.17%). The consumers preferred coffee (69.17%) over tea (30.83%); morning and afternoon were their preferred time of taking tea/coffee. This was a daily routine for majority of the respondents (56.67%). It was found that 65.00 per cent respondents were willing to pay premium for the Velan Kaappi products. Most of them were not willing to pay premium (35.00%) followed by 28.33 and 20.00 per cent who were willing to pay 5 and 10 per cent premium respectively. Most of them strongly agreed (69.17%) that they liked the products as they were freshly prepared. On the basis of overall mean score it was found that most preference (mean score 4.68) was given to the perception that the products being freshly prepared followed by cleanliness of the shop (mean score 4.52) and products were prepared in front of the customers (mean score 4.50).

Keywords: Consumer perception; preference; coffee; tea; taste, quality, satisfaction

INTRODUCTION

Recently Indian coffee retail market has gained incredible growth. Indian retail coffee chains market was valued at USD 128.6 million in 2016 and is expected to grow further over the forecast period. Increasing global exposure, western culture and penetration of established coffee brands are anticipated to be the key trend driving growth of India retail coffee chain market. The market is ever growing than ever in India with the entry of international coffee brands such as Starbucks in 2012 with a joint venture with the TATA group. The Indian coffee retail chain industry has a decent mix of international as well as majority Indian brands surging upwards in the market (https://www.grandviewresearch.com/industry-analysis/india-coffee-retail-chains-market). The coffee shops are the primary hangout place for young population of India normally between the age group of 16 to 45 years. Also Indian people have preference towards enjoying the coffee while sitting in the coffee shops rather than take away beverage on the go.

The southern region of India is the largest market of Indian coffee retail chain industry than northern part. The majority of coffee consumption in the southern states has leveraged the market in the region to a greater extent. The youth has established greater preference towards coffee nowadays.

In India the non-carbonated beverages are major energy drinks. The non-carbonated beverages like coffee and tea give more refreshments to Indian people than the carbonated drinks like soda. So each and every street in India includes at least one coffee/tea shop. In recent past the number of independent coffee shops in India has increased due to changing lifestyle, increasing working population and attraction towards western culture. These independent coffee shops offer more customized local Indian menus to fulfill the demand of the local population.

In Coimbatore numerous coffee shops have emerged with a localized taste. These include Velan Kaappi, Kannan Kaappi, Arasan Kaappi etc. Among them Velan Kaappi is the most preferred and fast growing coffee house in Coimbatore city.

The present study was confined to Velan Kaappi and its products. The perception and purchase behavior of a sample of 120 respondents of Coimbatore city were studied.

Perception is the outcome of sensation and is much broader in its nature. Perception involves observing data, selecting and organizing the data based on sensory reflects and interpreting the same as per personality attributes of the perceiver. The awareness of eco-friendly products has impact on consumer behavior. Therefore the companies are growing awareness about eco-friendly products as marketing strategy. At the same time some firms are forced to implement the green marketing strategies. The perception of consumer is influenced by the awareness of green marketing practices.

Asioli et al (2014) explored the sensory experiences and expectations of Italian and German organic consumers while purchasing and eating organic foods. It was found that although sensory attributes were not the main purchase drivers, flavour and odor were the most important in driving consumers' choice. Findings also suggested that training consumers' sensory abilities offers new market opportunities to organic marketers.

Sharma and Chawla (2014) studied the advertising campaign's perception and attitude of consumers. The image used in advertisement significantly influenced the attitude and perception of consumers. While purchasing consumers looked into functional benefits of the product.

Goyal and Singh (2007) conducted the exploratory study on consumer perception about Indian fast food. The young Indian consumers were major purchasers of fast food. They preferred fast food for change and fun with friends. The home-made food was their first priority. The consumer perception was based on three dimensions viz service and delivery, product and quality.

Gupta et al (2004) studied the relationship between channel switching intentions and purchase decisions. Fifty two per cent of the respondents had tendency to switch to on-line from off-line among four product categories including books, airline tickets, wine and finally stereo systems. The level of involvement and intensity of interest for specific product in a specific situation determined the consumer buying behaviour. The involvement level motivated consumers to pursue more information about product which was the trigger of purchasing decisions.

METHODOLOGY

To explore consumers' experiences, perceptions and purchasing behaviour of Velan Kaappi a well-structured questionnaire was used. The study was confined to Coimbatore city, Tamil Nadu on 120 respondents. The five branches of Velan Kaappi were situated at RS Puram, Sai Baba colony, Race Course, Gandhipuram and Ramanathapuram areas.

The sampling technique selected for the study was convenience sampling. The data were collected from 24 respondents from each location by personal interview with the help of well-structured and pre-tested questionnaire. Likert scale was used for analysis.

RESULTS and DISCUSSION

Demographic information of respondents

The general characteristics of the respondents consisted of the basic demographic details such as age, gender, education, occupational status and annual income. The data given in Table 1 show that of the total respondents 80.83 per cent were males; most were in the age group of 20-29 years (37.50%). Most of the respondents (42.50%) were under graduates followed by post graduates (34.17%). Most of them were self-employed (38.33%) followed by 37.50 per cent who served in private sector. The personal annual income of most of them (44.17%) was Rs 2,00,000-5,00,000 followed by 27.50 per cent having annual income of Rs 90,000-2,00,000.

Table 1. Demographic characteristics of the respondents (n= 120)

Component	Category	Respondents	
		Number	Percentage
Gender	Male	97	80.83
	Female	23	19.17
Age (years)	<20	2	1.67
	20-29	45	37.50
	30-39	25	20.84
	40-49	22	18.33
	50-59	16	13.33
	60-69	10	8.33
Education	Primary	1	0.83
	Secondary	14	11.67
	Diploma	10	8.33
	UG	51	42.50
	PG	41	34.17
	PhD	3	2.50
Occupation	Student	13	10.83
	Private sector	45	37.50
	Self-employed	46	38.33
	Public sector	6	5.00
	Retired officer	8	6.67
Personal annual income (Rs)	<90,000	8	6.67
	90,000-2,00,000	33	27.50
	2,00,000-5,00,000	53	44.17
	5,00,000-10,00,000	17	14.17
	>10,00,000	9	7.50

Respondents' preference for tea/coffee, time of purchase and frequency of consumption

The data given in Table 2 depict that the consumers preferred coffee (69.17%) over tea (30.83%). Morning (6-11 AM) and afternoon (11 AM-3 PM) were their preferred time of taking tea/coffee with 32.50 and 31.67 respondents respectively. This was a daily routing for majority of the respondents (56.67%) whereas 27.50 per cent consumed it weekly.

Table 2. Distribution of respondents as per their preference for tea or coffee, time of purchase and frequency of consumption (n= 120)

Component	Respondents	
	Number	Percentage
Preference		
Coffee	83	69.17
Tea	37	30.83
Timing of purchase		
Morning (6-11 AM)	39	32.50
Afternoon (11 AM-3 PM)	38	31.67
Evening (3-6 PM)	24	20.00
Late evening (6-10 PM)	19	15.83
Frequency of consumption		
Daily	68	56.67
Weekly	33	27.50
Fortnightly	3	2.50
Monthly	0	0.00
Occasionally	16	13.33

Willingness and reason of the respondents to pay

It was found that 65.00 per cent respondents were willing to pay premium for the Velan Kaappi products. Most of them were willing to pay due to the quality of the products (40.83%) whereas 37.50 were willing due to their taste (Table 3).

Table 3. Willingness and reason of the respondents to (n= 120)

Component	Category	Respondents	
		Number	Percentage
Premium	Yes	78	65.00
	No	42	35.00
If yes	Taste	45	37.50
	Quality	49	40.83
	Ambience	5	4.17

The data in Table 4 show the premium respondents were ready to pay for the Velan Kaappi products. Most of them were not willing to pay (35.00%) followed by 28.33 and 20.00 per cent who were willing to pay 5 and 10 per cent premium respectively.

Table 5 indicates the perception of the respondents about Velan Kaappi's products. Most of them strongly agreed (69.17%) that they liked the products as they were freshly prepared followed by 63.33 per cent saying that less waiting time was there for getting the item and 62.50 per cent who said that they preferred them as these were prepared in front of the customers.

Table 4. Per cent premium respondents ready to pay (n= 120)

Percentage of willing to pay	Respondents	
	Number	Percentage
0	42	35.00
5	34	28.33
10	24	20.00
15	14	11.67
20	6	5.00

On the basis of overall mean score it was found that most preference (mean score 4.68) was given to the perception the products being freshly prepared followed by cleanliness of the shop (mean score 4.52), prepared in front of the customer (mean score 4.50) and better taste (mean score 4.48). However least score was given to the reason that consuming Velan Kaappi's products was a symbol of rich (mean score 3.23).

According to Kumar et al (2012) when the consumers are satisfied with taste and quality they are ready to pay premium to get the specified taste and quality. For Velan Kaappi products respondents were also willing to pay premium for their unique taste and exceptional quality.

The sample respondents also provided some suggestions with respect to the Velan Kaappi's products. As per them they said that the Velan Kaappi had been providing soft drinks such as coffee and tea and they should also include snacks at their outlets. Running of light music would also give soothing effect to the customers. At the same time displaying of price list, increasing the seating capacity and increase in number of branches were some other suggestions.

Table 5. Perception of consumers about Velan Kaappi's products (n= 120)

Perception	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean score
Better taste	69 (57.50)	40 (33.33)	11 (9.17)	0	0	4.48
Freshly prepared	83 (69.17)	36 (30.00)	1 (0.83)	0	0	4.68
Cleanliness of shop	68 (56.67)	47 (39.17)	4 (3.33)	1 (0.83)	0	4.52
Shop located nearby	61 (50.83)	45 (37.50)	13 (10.83)	0	1 (0.83)	4.38
Prepared in front of customer	75 (62.50)	33 (27.50)	9 (7.50)	3 (2.50)	0	4.50
Reasonable price (value for money)	41 (34.17)	60 (50.00)	8 (6.67)	8 (6.67)	3 (2.50)	4.07
Consuming Velan Kaappi's products being a symbol of rich	17 (14.17)	29 (24.17)	52 (43.33)	8 (6.67)	14 (11.67)	3.23
Better service	47 (39.17)	39 (32.50)	25 (20.83)	4 (3.33)	5 (4.17)	3.99
Strong aroma	37 (30.83)	68 (56.67)	9 (7.50)	4 (3.33)	2 (1.67)	4.12
Less waiting time	76 (63.33)	32 (26.67)	5 (4.17)	5 (4.17)	2 (1.67)	4.46

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