

Consumer preference on branded fruit drinks at BoP market: an empirical analysis

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ABSTRACT

In India fruit drink consumption has been increasing day by day and the production is accounted for about 9 MT every year. It is growing at the rate of 12 per cent per annum. This study aims at analysing the factors influencing buying behaviour of branded fruit drinks (BFDs). The primary data were collected from 30 rural bottom of pyramid (BoP) sample respondents through well-structured and pre-tested interview schedule in Coimbatore district of Tamil Nadu. Most of the sample respondents were above 30 years of age (43.33%) and males (86.67%). For majority of the respondents the distance of the source of BFDs was 2-3 km from their home (36.67%), consumed BFDs once a week (50.00%), quantity consumed per take was 500 ml (30.00%), visited small grocery shops for taking BFDs (43.33%) and Brand A was the attraction of advertisement (50.00%). The store loyalty (0.0885) was the most preferred under loyalty whereas offers given by the company (0.733) under offer factor. Most influencing factor in food quality was quality/value for money (0.798) and under promotion, packing size (0.900) was the main factor. Friends (0.786), sales promotion (0.677), additional benefits (0.873) and price (0.884) factors were more important among availability, need, awareness and value for money factors respectively.

Keywords: Branded fruit drinks (BFDs); consumer behavior; rural consumers; decision making

INTRODUCTION

India has enormous uncaptured rural market. In rural areas the consumers are mostly brand loyal consumers. They won't change their brands easily and they go to another retailer and do not change their brands. Consumers in the rural areas listen to the marketers (Sulekha and Mor 2013). The retailer's recommendation has high effect on rural consumption. The total market of fruit juice is about 230 million liters which includes both packed and fresh juices. Most of the packed juice market is being governed by Dabur, PepsiCo, Parle Agro, Coca-Cola, Godrej and many other small players (Gahlawat et al 2014).

The rural consumers are mostly homogeneous with similar economic conditions and groups. If the rural market is properly covered the product's profit will be more. The companies are also trying to fix their market in the rural areas. The economic status of the

rural consumer is also increased. The brand advertisement (in mass media), price and quality of the product influences the purchase of the branded fruit drinks (BFDs). To sustain in the rural market the quality should be maintained (Kumar and Joseph 2014).

The preference for road side unorganized fruit juice is more as most people consider that it is fresh and cheaper (Chauhan and Singh 2016). Due to poor infrastructure facilities the handling of the product will be rough thus the packaging should be strong enough to withstand proper handling (Chandrasekhar 2012). The BFDs are highly organized and hygienic and also easily available in the market. The shelf-life of normal fruit drinks is very low as compared to BFDs. It is estimated that BFD market in India is worth Rs 500 crore by organized fruit beverage market and it is also growing at the rate of 12 per cent per annum (Gahlawat et al 2014). There is a wide scope and opportunities for BFD market. The present study was conducted to

analyse the purchasing behaviour and factors influencing the buying behaviour of BFDs of rural consumers at bottom of pyramid (BoP).

METHODOLOGY

The primary data were collected from 30 rural sample respondents through well-structured and pre-tested interview schedule in Coimbatore district of Tamil Nadu. The statistical tools like Kruskal-Wallis test, factor analysis, Garrett rank technique and percentage analysis were used for the analyses and interpretation of data.

RESULTS and DISCUSSION

The data were collected from the 30 respondents in the rural sample population. Table 1 depicts that most of the sample respondents were above 30 years of age (43.33%) and males (86.67%). Majority had four family members (36.67%) and were graduates (66.67%). The monthly income of majority (33.33%) of them was between Rs 20001-30000.

Data given in Table 2 depict that for majority of the respondents the distance of the source of BFD was 2-3 km from their home (36.67%) followed by more than 3 km (33.33%). Half of them (50.00%) consumed BFD once a week and the quantity consumed per take was 500 ml for most of them

(30.00%). Majority of them (43.33%) visited small grocery shops for taking BFD and for half of the respondents (50.00%) Brand A was the attraction of advertisement.

Factors influencing consumers purchase of BFDs

Twenty four factors were considered for analyzing consumers purchase of BFDs. The factors were selected based on the suggestions of retail store managers, horticulture experts and faculties of corporate retailing and screening the literature. The data given in Table 3 exhibit that store loyalty (0.0885) was the most preferred under loyalty whereas offers given by the company (0.733) under offer factor. Most influencing factor in food quality was quality/value for money (0.798) and under promotion packing size (0.900) was the main factor. Friends (0.786), sales promotion (0.677), additional benefits (0.873) and price (0.884) factors were more important among availability, need, awareness and value for money factors respectively.

The KMO and Bartlett's test of significant values showed that the results were highly significant at Kaiser-Meyer-Olkin measure of sampling adequacy (0.84) level of adequacy (Table 4).

CONCLUSION

The study showed that consumers in the study area required high quality products with considerable

Table 1. Demographic information of the sample respondents

Component	Category	Number of respondents
Age (years)	< 25	6 (20.00)
	25 to 30	11 (36.67)
	>30	13 (43.33)
Gender	Male	26 (86.67)
	Female	4 (13.33)
Family members	<3	2 (6.67)
	4	11 (36.67)
	5	9 (30.00)
	6 and above	8 (26.67)
	SSLC	6 (20.00)
Educational status	Graduate	20 (66.67)
	PG	3 (10.00)
	Professional or higher	1 (3.33)
	<20000	7 (23.33)
Monthly family income (Rs)	20001-30000	10 (33.33)
	30001-40000	8 (26.67)
	>40000	5 (16.67)

Figures in parentheses indicate percentage values

Table 2. Branded fruit drink (BFD) consumption behavior of the sample respondents

Component	Category	Number of respondents
Distance of the source of BFD (km)	<1	9 (30.00)
	2-3	11 (36.67)
	>3	10 (33.33)
Frequency of consumption	Once a week	15 (50.00)
	Once a fortnight	7 (23.33)
	Once a month	5 (16.67)
	Occasionally	3 (10.00)
Quantity consumed (ml)	200	8 (26.67)
	500	9 (30.00)
	1000	6 (20.00)
	1500	3 (10.00)
	2000	4 (13.33)
Source of BFD	Supermarket	6 (20.00)
	Small grocery shop	13 (43.33)
	Prevalent store in the locality	3 (10.00)
	Bakery	8 (26.67)
Attraction of advertisement	Brand A	15 (50.00)
	Brand B	2 (6.66)
	Brand C	6 (20.00)
	Brand D	6 (20.00)

Figures in parentheses indicate percentage values

Table 3. Rotated component matrix^a

Variable	Factor							
	Loyalty	Offer	Food quality	Promotion	Availability	Need	Awareness	Value for money
Store loyalty	0.885	-	-	-	-	-	-	-
Loyalty	0.720	-	-	-	-	-	-	-
Retailer recommendation	0.649	-	-	-	-	-	-	-
Brand loyalty	0.624	-	-	-	-	-	-	-
Packing good	-	0.777	-	-	-	-	-	-
Offers	-	0.733	-	-	-	-	-	-
Taste	-	0.722	-	-	-	-	-	-
Quality/value for money	-	-	0.798	-	-	-	-	-
Thickness	-	-	0.770	-	-	-	-	-
Aroma	-	-	0.600	-	-	-	-	-
Packing size	-	-	-	0.900	-	-	-	-
Advertisement	-	-	-	0.732	-	-	-	-
Friends	-	-	-	-	0.786	-	-	-
Availability	-	-	-	-	0.757	-	-	-
Need	-	-	-	-	-	0.804	-	-
Sales promotion	-	-	-	-	-	0.677	-	-
Additional benefits	-	-	-	-	-	-	0.873	-
Awareness	-	-	-	-	-	-	0.732	-
Price	-	-	-	-	-	-	-	0.884

Extraction method: Principal component analysis, Rotation method: Varimax with Kaiser normalization, a: Rotation converged in 13 iterations

Table 4. KMO and Bartlett's test

Kaiser-Meyer-Olkin measure of sampling adequacy	0.84
Bartlett's test of sphericity	
Approx chi-square	490.519
df	276
Significance	0.000

price and they were highly loyal to their brands. They compared the products price, quality, offers etc while purchasing the BFDs.

Therefore the companies must watch their competitors. Companies must concentrate on these advertisements to attract consumers and also involve in additional promotional activities with affordable price.

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