

**THE PROMOTION OF HEALTH DRINKS AND ITS
IMPACT ON CONSUMER BRAND PREFERENCE; A
SPECIAL REFERENCE OF MARATHWADA REGION OF
MAHARASHTRA STATE**

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ABSTRACT

The explosion of various brands of health drinks in the country has led to aggressive competition for major market share being observed among the machinist in the food drink industry. When rivalry is intense and the consumers are faced with brand preference in the market, it becomes essential for the manufacturers to comprehend the major aspects that can attract the attention of buyers to his own brand. These then form the foundation for marketing and action. This study, which was based on a survey of 315 randomly selected consumers of food drinks in Nanded, Parbhani and Jalna, districts of Marathwada region of Maharashtra state, examined the role played by advertisement in persuading consumer's preference for Bournvita, which is one of the foremost food drinks in the Food and Beverage industry.

The objective of the study was to analyze the impact of advertisement of food drinks on consumer behavior. Results revealed that both male and female of different age groups were equally influenced by advertising in their preference for the brand. 38.73% of the consumers' demonstrated fondness for Bournvita out of a variety of brands of the food drink studied. The foremost motives advanced for the preference are its appealing advertising (42.62%) and rich quality (40.16%). TV advertising was most preferred by 71.43% of the respondents of all the media used in advertising Bournvita. The need for high predilection to advertising is therefore tinted for companies that want to not only keep hold of their market but take positive steps to augment their market share. Study is useful to the corporate professional, advertisers, distributors and consumers.

KEYWORDS Advertisement; consumer loyalty; brand; television; food drink;

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1. INTRODUCTION

The essence of being in business by any business outfits is to produce for sales and profits. In order to remain in business an organization must generate enough sales from its products to cover operating costs and post reasonable profits. For many organizations, sales estimate is the starting point in budgeting or profit planning. It is so because it must be determined, in most cases, before production units could be arrived at while production units will in turn affect material purchases. However, taking decision on sales is the most difficult tasks facing many business executives. This is because it is difficult to predict, estimate or determine with accuracy, potential customers' demands as they are uncontrollable factors external to an organization. Considering, therefore, the importance of sales on business survival and the connection between customers and sales, it is expedient for organizations to engage in programs that can influence consumers' decision to purchase its products. This is where advertising and brand management are relevant. Advertising is a subset of promotion mix which is one of the 4ps in the marketing mix i.e. product, price, place and promotion. As a promotional strategy, advertising serve as a major tool in creating product awareness and condition the mind of a potential consumer to take eventual purchase decision.

2. LITERATURE REVIEW

2.1. Definition of Advertising

Advertising, sales promotion and public relations are mass-communication tools available to marketers. As its name suggests, mass communication uses the same message for everyone in an audience. The mass communication tools trade off the advantages of personal selling, the opportunity to tailor the message to each prospect, for the advantage of reaching many people at a lower cost per person (Etzel et al., 1997). Today, definitions of advertising proliferate; we might define it as communication process, a marketing process, an economic and social process, a public relations process or information and persuasion process (Arens, 1996). Dunn et al. (1978) viewed advertising from its functional perspectives, hence they define it as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience. Morden (1991) is of the opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it. Kotler (1988) sees advertising as one of the four

major tools companies use to direct persuasive communications to target buyers and public noting that “it consists of non-personal forms of communication conducted through paid media under clear sponsorship”. According to him, the purpose of advertising is to enhance potential buyers’ responses to the organization and its offering, emphasizing that “it seeks to do this providing information, by channeling desire, and by supplying reasons for preferring a particular organization’s offer. While writing on advertising nature and scope, Etzel et al. (1997) succinctly capture all advertising as having four features:

- (i) A verbal and or visual message
- (ii) A sponsor who is identified
- (iii) Delivery through one or more media
- (iv) Payment by the sponsor to the media carrying the message.

Summarizing the above, they conclude that “advertising consist of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization”. Those views of Etzel et al. (1997) coincide with the simple but all-embracing definitions of Davies (1998) and Arens (1996). For instance, while Davies states that advertising is any paid form of non-personal media presentation promoting ideas/concepts, goods or services by an identified sponsor. Arens expressing almost the same view describes advertising as “the personal communication of information usually paid for and usually persuasive in nature about products (goods and services) or ideas by identified sponsors through various media”. From the foregoing, it could be concluded that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop brand loyalty. Consequently, many organizations expend a huge amount of money on advertising and brand management. A brand is a name given by a manufacturer to one (or a number) of its products or services. Brands are used to differentiate products from their competitors. They facilitate recognition and where customers have built up favorable attitude towards the product, may speed the individual buyers through the purchase decision process. Individual purchasers will filter out unfavorable or un-known brands and the continued purchase of the branded product will reinforce the brand loyal behavior. Without brands, consumer couldn’t tell one product from another and advertising then would be nearly impossible.

2.2 Advertising and Consumer Behavior

Advertiser's primary mission is to reach prospective customers and influence their awareness, attitudes and buying behavior. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand what makes potential customers behave the way they do. The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communications this involves the study of consumers behaviour: the mental and emotional processes and the physical activities of people who purchase and use goods and services to satisfy particular needs and wants (Arens, 1996). Proctor et al. (1982) noted that the principal aim of consumer behaviour analysis is to explain why consumers act in particular ways under certain circumstances. It tries to determine the factors that influence consumer behaviour, especially the economic, social and psychological aspects which can indicate the most favored marketing mix that management should select. Consumer behaviour analysis helps to determine the direction that consumer behaviour is likely to make and to give preferred trends in product development, attributes of the alternative communication method etc. consumer behaviors analysis views the consumer as another variable in the marketing sequence, a variable that cannot be controlled and that will interpret the product or service not only in terms of the physical characteristics, but in the context of this image according to the social and psychological makeup of that individual consumer (or group of consumers). Economic theory has sought to establish relationships between selling prices, sales achieved and consumer's income; similarly, advertising expenditure is frequently compared with sales. On other occasion's financial accounting principles maybe applied to analyze profit and losses. Management ratios, net profit before tax, liquidity and solvency ratios can all be investigated. Under the situations the importance of the consumer's motivations, perceptions, attitudes and beliefs are largely ignored. The consumer is assumed to be "rational" that is, to react in the direction that would be suggested by economic theory and financial principles. However, it is often apparent that consumer behaviors do not fall neatly into these expected patterns. It is for these reasons that consumer behaviour analysis is conducted as yet another tool to assess the complexities of marketing operations. The proliferation of assorted brands of food drinks in the country has led to the cut-throat competition for increased market share being witnessed currently among the operations in the food drink industry. Today, in India, there exists more than twenty brands of food drink both local and foreign, out of which two,

namely Bournvita and Boost keenly compete for market leadership. There are quite a host of up-coming and low-price localized brands in small sachets with “Vita” suffixes springing up in every nook and cranny of the country. Existing and popular brands, therefore, face intense competition with the “affordable” localized “Vitas” with high sugar content targeted at the low-income groups. It is, therefore, imperative for the more established brands like Bournvita to employ brilliant advertising and branding strategies to influence consumers’ behaviors in order to continue to enjoy and maintain market leadership. Given the competitive environment in the food and beverages sub sector of the economy and the high potential of advertising in helping companies realize and retain their position this paper examine the influence of advertising on a leading company in the food and beverages sub sector as a case study.

3. Objectives of the Study

The purpose of this study is to examine activities of Cadbury India with respect to branding and advertising of Bournvita which is the flagship of its products. This research work is also designed to achieve the following specific

Objectives.

- (i) To examine the influence of advertising on consumer buying behaviors
- (ii) To determine the influence of age on advertising
- (iii) To Make recommendation for further improvement in advertising and brand management so as to assist Cadbury India in particular and other firms in the Food and Beverage industry in general in their marketing efforts to increase their market shares. The paper tested the hypothesis that the age group of consumers does not determine the reception of advertising efforts by Cadbury India.

4. THE COMPANY –CADBURY INDIA

Cadbury India, the subject of this study, is the leading company in India in confectionary, food drinks, and foods whose quality brands and products are available and enjoyed in all 36 states of the nation and Federal Capital Territory as well as in export market around the world. Cadbury India was incorporated on 9th January. 1965 and it has since grown to become a leading manufacturing concern in the Food and Beverage sector maintaining its leader-ship role in the business community and the society at large. In 1976, the company went public and this has significantly increased its scope of operations. Listed in the elite First tier securities of the Indian

Stock Exchange (NSE), Cadbury India shares are actively traded in the stock market and it is one of the fast moving stocks and price gainers in the Food/Beverages sector in particular and in the equities market of the NSE in general. Cadbury India engages in the food processing business, its major product lines consist of food drinks, sugar confectionery chocolate and seasoning cubes. The company is presently partly owned by the India Public and the foreign technical partner the Cadbury Schweppes Group of United Kingdom, which provides the company with technical services under a Technical services Agreement, and holds 40% of the issued share capital while the balance is held by the India Public (Cadbury India Annual Report). However, Cadbury's flagship brand, Bournvita is, no doubt, in a competitive environment with other brands such as Complian, Boost, Horlicks, Nescafe, Amul, Lipton and other local brands all of them striving to increase their market share through varying marketing strategies such as sales promotion, personal selling and provision of point-of-sale materials such as T-shirts, Cups, Posters, Shelf strips etc to stir, attract and retain more consumers of their products. In view of this, effective communication between the firm and the market place through advertising stressing product benefits and brilliant brand management are sure ways of increasing market share, maintaining market leadership and creating brand-loyal behaviour in their consumers.

5. Data Source

The data used for this study were obtained from basically two sources. Primary and Secondary. However, the major data for the work were collected by means of structured questionnaire. Three hundred and fifty (350) copies of questionnaire were administered on the members of the public through trained personnel in three major cities namely: Nanded, Parbhani and Jalna at 150, 100, and 100 copies, respectively. The respondents were selected randomly at each of the locations while the distribution was aimed at reflecting the population of each of these cities. However, three hundred and fifteen (315) of the questionnaire representing 90% of the total was responded to. In 138 representing 92% from Nanded, 77(77%) from Parbhani while the entire 100 questionnaire were responded to in Jalna. Of the total of 315 respondents, 158(50.16%) were male 157(49.84%) were female. The secondary data that were also of great assistance were extracted from the company's annual reports and other in-house publications for the period under study.

6. Analysis of Data

Both descriptive and inferential statistics were used in analyzing the data collected. The responses by the consumers to some items of the questionnaire were compiled into tables according to the main variables being examined. Percentage analysis was used in examining variables such as consumer brand preference, media preference awareness sources, etc while inferential statistical model, χ^2 (Chi-Square) was used in testing the hypothesis generated from the study. The χ^2 values calculated was compared with the tabulated values of χ^2 using 5% significance level and 2 degrees of freedom.

7. RESULTS

Vital socioeconomic parameters of interest were investigated to bring to the fore salient characteristics of the respondents.

Table 1: Distribution of consumers by sex

Sex	Frequency	Percentage
Male	158	50.16
Female	157	49.84
Total	315	100

Source: Analysis of Field Survey 2014

Table 1 above revealed that consumers of the products are almost evenly distributed among both sexes, with the number of males marginally higher than that of female. This may suggest gender neutrality in the consumption of the products.

Table 2: Consumer's age distribution

Age In years	Frequency	Percentage
<10	21	6.67
11- 15	27	8.57
16-20	29	9.21
21-25	42	13.33
26-30	35	11.11
31-35	49	15.56
36-40	46	14.6

41-45	24	7.62
46-50	10	6.03
51-55	12	3.81
56-60	11	3.49
Total	315	100.00

Source : Analysis of Field Survey 2014

As presented above, the Table 2 showed the consumers' age range between 10 and 60 years. It's could be seen from the distribution that the modal age group is between 31-35 with about 15 percent of the total sample. Over 30 percent of the respondents are within the age range of between 31-40 years. The obvious implication of this finding is the dominance of youths in the market for the products of this company. Elderly people may not be too eager to consumer the product for reasons ranging from health to finance.

Table 3 shows that the three brands (Bournvita, Boost and Horlicks) made up more than 75% of the brand preference of consumers. The large number of brands highlights the high competitiveness of the industry and the need for concerted efforts by the various companies not only to maintain their market but to increase their market share.

Table 3: Consumer Brand Preference

Brands	Frequency	Percentage
Bournvita	122	38.83
Boost	70	22.22
Horlicks	59	18.73
Complan	34	10.8
MegaMass	7	2.22
Amul	5	1.5
Others	18	5.7
	315	100

Source: Analysis of Field Survey 2014

Table 4: Customer reasons for brand preference

Reasons	Frequency	Percentage
Advertisement	159	50.48
Quality	124	39.37
Availability	19	6.03
Price	6	1.9
Packaging	3	0.95
No response	4	1.27
	315	100

Source : Analysis of Field Survey 2014

The reasons for brand preference by the consumers depicted by the Table 4 above range from Advertising (50.48%) to Packaging (0.95%). The importance role of advertising in retaining and increasing the company's market is obvious from the result and instructive to the management of the company. Advertising and Quality difference made up about 90% of the reason for the observed brand preference.

The Table 5 highlights the reasons advanced for preferring Bournvita by the respondents. Most 42.62% of the consumers gave advertising as the reason for their preference, while 2.46% of the consumers gave the packaging of the brand as their reasons for preference. Tables 6 and 7 show the prevailing role of advertising in promotion of Bournvita. Obviously Bournvita is the most advertised product of the company, no wonder that it is the most preferred of the company's products.

Table 5: Motives for selecting the Brand

Reasons	Frequency	Percentage
Advertisement	52	42.62
Quality	49	40.16
Availability	13	10.66
Price	5	4.1
Packaging	3	2.46
	122	100

Source : Analysis of Field Survey 2014.

Table 6 shows that the most (59.05%) consumers were aware of Bournvita through advertising. However, 2.86% could not remember how they came know about the brand.

Table 6: medium of Awareness of the brand.

Source	Frequency	Percentage
Advertisement	186	59.05
Word of Mouth	97	30.79
Sales Promotion	23	7.3
Can't Remember	9	2.86
	315	100

Source: Analysis of Field Survey 2014.

Table 7 shows the number of years consumers have been aware of Bournvita. Analysis from the Table showed that 47.94% of the consumers have known the brand for over 20 years while 14.92% of them have known it over 5 years. This product does not seem to follow the product lifecycle model going by the experience and increased demand for it in spite of long years of its introduction into the market. The assertion that some products may not follow the product lifecycle model may be true in this case.

Table 7: Brand loyalty

No of Years	Frequency	Percentage
Over 20 years	151	47.94
Over 15 Years	75	23.81
Over 10 Years	42	13.33
Over 5 Years	47	14.92
	315	100

Source: Analysis of Field Survey 2014.

Table 8 reveals five different media used in advertising Bournvita and how consumers viewed them in order of preference. The results showed that most consumers (71.43%) expressed their preference for TV advertising of Bournvita while Newspaper and Magazine advertising shared 4.44% consumers each. The powerful combination of sound and vision in the TV advertisements might be reason behind the expressed preference for this media.

Table 8: Different media used in Promotion

Media	Frequency	Percentage
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Television	225	71.43
Radio	45	14.29
Outdoor Display	17	5.4
News paper	14	4.44
Magazine	14	4.44
	315	100

Source: Analysis of Field Survey 2014

Table 9 presented the perception by age group of the influence of advertising on Cadburys product in an attempt to test the formulated hypothesis. From the results in the Table 9, 54.17% children and 51.61% youths agreed to the fact that advertising had influence on the sales of Bournvita. The results was used to draw up a

Contingency X^2 table to obtain the X^2 calculated. At 2 df and 5% significance level, the X^2 tabulated is 5.991 while the calculated X^2 value was 0.559 which is lower. We therefore do not reject the null hypothesis and conclude that age group of consumers does not determine the reception of advertising efforts of Cadbury India.

Table 9: Consumer Perception according to age

Response	Children (6-15 Years)	Percentage	Youth (16 - 35 Years)	Percentage	Adults (36-60 Years)	Percentage	Total
Yes	26	54.17	80	51.61	54	48.21	160
NO	22	45.83	75	48.39	58	51.79	155
	48	100	155	100	112	100	315

Source: Field Survey Analysis (2014)

8. DISCUSSION

The study on consumer purchase in the food drink industry was based on a survey of 315 consumers and sought to examine the influence of advertising on consumers' purchase of Bournvita, one of the products manufactured by Cadbury India. It was also designed, among other things, to investigate the relationship between age group and advertising influence seeking to know specifically whether reception of advertising efforts of Cadbury India is dependent on consumers' age bracket. The obtained data from the survey supported the motion that brand

preference exists in the food drink industry and that advertising efforts can affect product preferences. Of more than 12 different food drinks brands which featured in this study, Bournvita topped the brand preference table both in the food drink industry in general and in Cadbury's food drink brands in particular implying that it still remains the favorite food drink consumers and enjoys undisputed loyalty among the largest percentage of the respondents. According to the respondents, advertising and quality are the major factors responsible for the success of Bournvita. Very few subjects cited other reasons such as price, packaging and availability for their choice of the brand. The implication of this is that price and other variables seem not to count much to the consumers as long as the quality of a product is maintained and the brand is also supported by heavy advertising reminding and persuading consumers to continue to buy. Considering the number of years this product has been in existence vis-à-vis the time it has been known by the respondents, majority of the consumers claimed to have known Bournvita for between 10 and 20 years. And for Bournvita to have been in existence for more than 20 years and still remain the delight of many consumers of food drinks, it is evident that the brand has enjoyed a relatively prolonged life cycle. The results of the study also showed that advertising of various kinds served as the respondents' major source of awareness of Bournvita. Combinations of different media, both electronic and print, are employed in advertising Bournvita. Of these, however, Television is seen as the most potent and effective medium which most consumers (71.43%) cited. This implies that Television, as a medium of advertising a product, has more impact on the respondents when compared with any other media being used for the same purpose. In the final analysis, the null hypothesis stated for the study was not rejected as the chi-square test revealed that age group of consumers does not determine the reception of advertising efforts of Cadbury India. The implication of this is that whether male or female, the advertising impact affects the respondents alike. The purpose of advertising in creating awareness and influencing purchasing decision in consumers can be achieved through effective campaign aimed at a well-selected target market irrespective of the age group in the chosen market segment.

9. CONCLUSION AND IMPLICATIONS

Quite a number of important conclusions can be drawn from the findings of this study which have policy implications for the company under study and others in the industry. Brand preference does exist in the food drink industry. Many consumers do not buy whatever is

available or affordable if a product is good value for its price, it will command brand loyalty. However, advertising helps in projecting product quality and value before the consumers. This is what is applicable to Bournvita presently. Advertising has a major influence on consumers' preference for Bournvita and it has, in no small measure, contributed to its success. The same thing goes for its quality. Having been known for more than between 10 and 20 years by majority of the respondents and still remain their favorite food drink, the brand has definitely enjoyed a prolonged life cycle apparently being regenerated by advertising. The stage a product is in its life cycle is very important to a marketer as it help in determining the type of marketing strategies to be embarked upon in respect of the said product. From this study, Bournvita is apparently a mature product and the company's management must ensure that it does not slip to decline stage as this may mark the beginning of its demise. Towards this end, the management is advised to carry out the following:

- (i) Research continuously into quality improvement that will make consumers enjoy good value for money paid to purchase the brand.
- (ii) Develop more effective advertising campaign that attracts consumer's attention and capture their interest. At this stage the company's advertising messages should both be persuasive and reminder-oriented. The messages must be strong and appealing enough to persuade and build brand preferences, encourage switching to the company's brand by changing the perception of the consumers of rival brands the product. Comparative advertising, a variant of persuasive advertising, could be useful in this regard as it seeks to establish the superiority of one brand through specific comparison with one or more other brands in their product class. With regards to the advertising media, this study revealed that Television is currently the most potent of all media used in advertising a product. In view of this, more consideration should be given to television as a medium of advertising. This may be because Television combines motion, sound, and special visual effects. The product can be demonstrated and described on T.V. it also offers wide geographic coverage and flexibility as to when the message can be presented (Arens, 1996). However, this is not saying that other media should be used. In fact, the company should continue to employ integrated advertising of their product. More budgets could be devoted to TV adverts in view of the consumers' preference on it. Moreover, advertising campaign should not be selective or age-oriented, as it has been shown from the study that advertising does not have varying impact on age group.

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