

Brand Awareness of Coffee Vending Machines in Erode District, Tamil Nadu



Marketing

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ABSTRACT

This comprehensive market study was undertaken to measure the brand awareness among a sample of consumers for the coffee vending machines. It also incorporates the consumer attitudes and behavior regarding the purchase of coffee from vending machines. It aims at the degree of favorable and unfavorable attitude; the consumer may have on the brands. The qualities of final beverage from the vending machines of the brands were also incorporated in the study. This study covers both primary and secondary data; the primary data is collected from 100 respondents and secondary data from various published reports. The collected data is analyzed through the percentage analysis, factor analysis and appropriate charts. The results of the study stresses that improvement is needed to bring awareness of coffee vending machines in Erode District.

1. INTRODUCTION

The coffee industry of India is the sixth largest producer of coffee in the world, accounting for over four percent of world coffee production, with the bulk of all production taking place in its Southern states. India is most noted for its Indian Kathlekhan Superior variety. It is believed that coffee has been cultivated in India longer than anywhere outside of the Arabian Peninsula. Growing at a CAGR of about 20 per cent the non-alcoholic beverages sector is currently poised over Rs 6,000 crore, according to a study on ‘Opportunities in Indian Non-Alcoholic Beverage Market’ by The Associated Chambers of Commerce and Industry of India (ASSOCHAM). “The domestic consumption of non-alcoholic beverage currently stands at about 17,500 crore litres and is likely to cross 35,000 crore mark by 2015,” said Mr D.S. Rawat, secretary general of ASSOCHAM while releasing the findings of the study. “Emerging wellness trends, higher expenditure for healthy lifestyle by India’s rising middle class and overall strong domestic economy are certain key factors driving the non-alcoholic beverage market in India,” said Mr Rawat. Carbonated or the aerated drinks account for about 30 per cent of the total non-alcoholic beverage market and the segment is currently estimated at about Rs 1,800 crore while the fruit drink segment is estimated at about Rs 1,200 crore and the energy drink market is estimated at Rs 600 crore.

2. BACKGROUND OF THE STUDY

Brand Awareness is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of target market, brand awareness is the primary goal of advertising in the early months or years of a product’s introduction. Brand awareness is the extent to which the consumer associates the brand with the product he desires to buy. It is the brand recall and the brand recognition of the company to the consumers. Brand recall is the ability of the consumer to recollect the brand with reference to the product where as brand recognition is the potential of the consumer to retrieve the past knowledge of the brand when enquired about the brand or shown an image of the brand logo. Brand awareness is an essential part of brand development which helps the brand to stand out from the others in this monopolistically competitive market

3. LITERATURE REVIEW

E.Larid (1974) classified the relative importance of self and ideal self image to the purchase intentions of consumers. He concludes that self image and ideal self image tend to be positively correlated in overall subjects, the purchase of some product tend to be more correlated with self image than with ideal self image where as in some other produce the purchase intention tends to the more correlated with ideal self image.

Sengupta explains the brand image as the totality of the impressions about the brand which includes physical, functional

and psychological aspect of the brand (1990).

Mery Paule of brand image and cells ‘Brand thoughts and it constitute the image of the brand’. But not all consumers look at these aspects.

4. OBJECTIVES OF THE STUDY

The present study focus on the following objectives, these are:

- i) To know the factors influencing the awareness of coffee vending machines.
- ii) To measure the level of brand awareness of coffee vending machines in Erode District.
- iii) To measure and establish the comparison of brand with the competing brands in Erode District.

Particulars	Group	Percentage
Gender	Male	71%
	Female	29%
Age	Less than 24 years	23%
	25 – 34 years	34%
	35 – 50 years	27%
	Above 51 years	16%
Education	Uneducated	17%
	Primary education	29%
	6 th - HSC	43%
	Degree/Diploma	11%
Income per annum	Less than 25,000	16%
	25,001 – 50,000	41%
	50,001 – 75,000	32%
	75,000 & above	11%
Employment Profile	Daily Wage (Coolie)	21%
	Contract Labor	44%
	Private Work	32%
	Government Service	3%
Domicile	Rural - Remote Villages	24%
	Rural	28%
	Urban	48%

5. LIMITATIONS OF THE STUDY

This study has various limitations; such as, the sample is collected in Erode District only, the target group is deprived and neglected segments in both rural and urban areas. Time is the key factor that limits to collect 100 samples only. The survey instrument used in this study is questionnaire and it distributed among the selected persons of countless population. The respondent’s hesitation in questionnaire filling may lead for unavoidable error. This study focuses only on Brand Awareness

of Coffee Vending Machines in Erode District.

6. RESEARCH METHODOLOGY

This study covers the entire geographical boundary of Erode. The sample is collected from the various parts of Erode. Qualitative and descriptive research design has been employed to assess brand awareness of coffee vending machines in the target sample area. A cover letter containing the introduction and purpose of the study, the voluntary contribution on the questions has been presented along with the questionnaire. From the mass population, deprived and neglected sections only identified and selected for this study. This study covers 100 samples and collected the data by distributing well-structured questionnaire. Suitable statistical test have been adopted to analyze the data collected from the respondents. Demographic background of respondents is analyzed through percentage analysis.

7. RESULTS AND DISCUSSIONS

Analysis of Demographic Background

The respondent's demographic background such as, gender, age, education, earnings, employment profile, domicile, are presented in Table-1.

Table - 1: Analysis of Demographic Background (Basis: Primary data)

It is ascertained from the table-1, the sample contains 71% of male respondents and 29% female respondents. Age level furnishes that 23% are less than 24 years, 34% are in 25-34 years, 27% are in 35-40 years and rest falls above 51 years. Education clearly informs that 43% are falls in the range of 6th std to HSC, 29% are primary education holders, 17% are uneducated and rest 11% are degree/diploma holders. Income level of respondents shows that 41% respondents earnings falls between 25,001-50,000 per annum, followed by 32% respondents are earning up to 75,000 per annum, 16% are earning less than 25,000 p.a. and rest earnings fall more than 75,000 p.a. Employment profile shows that 21% are daily wage workers, 44% are contract labors, 32% are private work employees and rest 3% employed in Government service. Domicile of the respondents shows that 24% of respondents are dwelling in remote villages having population of less than 5000; 28% are rural inhabitants and rest 48% is urban residents.

Factors Influencing Brand Awareness of Coffee Vending Machines

Table - 2: Factor Analysis on Brand Awareness of Coffee Vending Machines

Factors	Factor Loadings	Eigen Value	% of Variance
PRICE	0.724	10.28	22.42
TASTE / FLAVOUR	0.682	8.79	16.46
BRAND / NAME RECOGNITION	0.835	6.98	12.41
QUALITY / FRESHNESS	0.699	4.12	7.73
EASE OF AVAILABILITY	0.568	3.09	5.24

(Source: Primary Data)

8. FINDINGS AND CONCLUSION

In brief, it was observed that the degree of influence exerted by the brand on the purchase decision of a coffee is low. The choice of the coffee or other hot beverage depends upon the price and ease of availability of the product. The quality of the product and certain attributes of the product like taste, freshness and aroma of the coffee etc., also influence the purchase choice decision. Even though the price of the beverages is one of the factors that govern the choice of the consumer, it is the taste and the aroma of the coffee that still dominates the purchase. In spite of the fact that most of the respondents were aware of a number of brands of coffee vending machines available in the market, they do not actually make a brand choice. The ease of availability of the coffee influences the consumer's choice most of the times.

In this scenario, the brand name of any vending machine coffee does not create a real impact in the consumers mind. But it can be said that "Branded coffee" and vending machines are the in thing tomorrow. The health aspect has got a mixed response from the consumers. A favorable disposition towards Vending machines has been shown by a considerable number of respondents; this can be supported by the findings of the study.

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