A Comparative Study on The Consumer Preference between Nescafe and Bru Coffee Brands with Reference to Coimbatore City

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A B S T R A C T

This paper has investigated the consumers behavior towards coffee brand in Coimbatore city. The objectives of the study are to understand the relationship between brand experience, customer satisfaction and brand loyalty. The main objectives of the study are to investigate the effect between brand experience, customer satisfaction and brand loyalty; to describe the brand experience on consumer; to describe the effect of brand experience and customer satisfaction on brand loyalty. To identify the difference between expectations and preference of consumers in coffee brands; and to understand about the consumer satisfaction in coffee brand. This analysis has identified four parameters in intrinsic factors named brand Awareness, perceived Quality, Taste Perception and sense of Belongingness. Five primary extrinsic factors named Price, Availability, Packing, Brand Communication and Brand Prestige/Reputation as eminent terms which are directly responsible for invocation of a brand preference. These identified nine factors will be varying based on different factors namely Age, Gender, Occupation, Martial status and Monthly income

Keywords: Brand experience, Brand Loyalty, Consumer Behaviour, Consumer Satisfaction, Experience.

1. Introduction

Coffee was introduced to India during the late seventeenth century. The story goes that an Indian pilgrim to Mecca – known as Baba Budan – smuggled seven beans back to India from Yemen in 1670 (it was illegal to take coffee seeds out of Arabia at the time) and planted them in the Chandragiri hills of Karnataka. Coffee is grown in three regions of India with Karnataka, Kerala and Tamil Nadu forming the traditional coffee growing region, followed by the new areas developed in the non-traditional areas of Andhra Pradesh and Odisha in the eastern coast of the country and with a third region comprising the states of Assam, Manipur, Meghalaya, Mizoram, Tripura, Nagaland and Arunachal Pradesh of North-eastern India, popularly known as "Seven Sister States of India".

Processing of coffee in India is accomplished using two methods, dry processing and wet processing. Dry processing is the traditional method of drying in the sun which is retains flavor producing fruit characteristics. In the wet processing method, coffee beans are fermented and washed, which is the preferred method for improved yields. As to the wet processing, the beans are subject to cleaning to segregate defective seeds. The beans of different varieties and sizes are then blended to derive the best flavor. The next procedure is to roast either through roasters or individual roasters. Then the roasted coffee is ground to appropriate sizes.

2. Statement of the problem

The purpose of this research is to identify the difficulties and problems faced by the customers who consume coffee. As it is a comparative study between Nescafe and Bru, the problems are like strong taste, difficult competitor, brand goodwill, price and offers. When we drink four cups of coffee per day, they may side effects such as: headache, insomnia, nervousness, irritability, frequent urination or inability to control urination, fast heart attack.

3. Objectives of the Study

1.To investigate the competitive analysis between Nescafe and Bru.

2.To examine the consumer preference about the taste and availability of product.

3.To analyze the customer satisfaction level of Nescafe and Bru.

4.To study the level of effectiveness of promotional offer.

4. Scope of the Study

The study and analyses through survey in this project is within the boundary of Coimbatore. The respondents are the potential coffee consumer who only consume Nescafe and Bru and its competing product. The product scope is only to comparison of Nescafe and Bru coffee. The sample size is the mere consumer within the range of covered area.

5.Methodology of the study

The study is intended to analyse consumer's preference and comparing both Nescafe and Bru coffee brands in Coimbatore city.

The methodology of the study includes

- ❖ Area of the study
- ❖ Source of data
- ❖ Sample size
- ❖ Statistical tools used

5.1 Area of the study

The area of the study is confined to Coimbatore City.

5.2 Source of data

The study uses only primary data confined questionnaire have been prepared and collected from various consumers. The Primary research is done to gather original data required for the research. The research is focused on both Qualitative and Quantitative issues. The Secondary data are collected from websites, books, journals, etc.

5.3 Sample size

163 samples have been collected with help of 25 questionnaires from different consumers. Convenient Sampling method is applied.

5.4 Statistical tool used

- ❖ Ranking Analysis
- ❖ Weighted Average Score Method

6. Limitations of the study

- ❖ The study was conducted only in Coimbatore City. Hence the result arrived from the study may not be applicable to other items.
- ❖ Attitudes and opinions are subjects to change.
- ❖ The products cannot purchase without pocket. All the products details must not be revealed to others.

7. Review of Literature

- ➢ **Satish Y. Deodar, Vivek Pandey, (2016)[1]**, In their study, the conducted as, Degree of instant competition estimation of Market Power in India's Instant Coffee Market, states that the market practical duopoly of Nestlé and Hindustan Lever for decades. The companies have branded their products and product differentiation exits.

- ➢ **Lukasz Wroblewski & Sylvia Makris – (2017)[2]**, have accomplished tasks to study the consumer preferences, consumption patterns and history of consumption, consumption frequency and knowledge of coffee bean brands and the usage in Poland and finally the preferences towards a particular brand with respect to the types of coffee drunk. The study employed conduction method and the results confirmed that the most popular type of coffee consumption was ground and instant coffee which was drunk by almost half of the respondents. It's also seen

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[1] Satish Y. Deodar, Vivek Pandey, Degree of Instant Competition: Estimation of Market Power in India's Instant Coffee Market, Indian Institute of Management Ahmedabad India (2006)

[2] Lukasz Wroblewski & Sylvia Makris (2017), Consumer preference for Coffee types and Coffee bean brands available on the polish market, Journal of Advances in Social Science and Humanities, DOI: http://dx.doi.org/10.15520/jassh310260

that consumption of coffee has clearly increased though the frequency of instant coffee consumption had seen a decreasing trend in favour of ground coffee and coffee beans. Moreover, the flavours of instant coffee and cappuccinos are the least consumed coffee types in terms of time. LAVAZZA and JACOBS KRONUNG were found to be the leading brands when it comes to a coffee bean which proves the conservative nature of Poland. Often the consumers take caution when it comes to the new products but they show keen interest to try new flavours if only the new product was released by a well-known and tested brand.

- ➤ **Moura, Luiz Rodrigo – (2017)[3]**, has attempted to identify, categorize & evaluate the attributes which affects consumer's decision towards buying coffee. The study also tried to organize the attributes into factors to understand the nuances in consumer's buying decision making process. The outcomes found that brand, label and packaging were considered as important factors by consumers. It also been noticed that consumers do get influenced by the availability status of the coffee, supply of the product as well and equally by environmental aspects.

- ➤ **Arun Jain, Geetesh Shukla, (2017)[4]**, In their study, Branded Coffee market in India, the growth and success of these brands have in turn stimulated the appetite of other international players like Costa, Starbucks, and The Coffee Bean & Tea Leaf to venture into the Indian market. The surge in the number of cafés has strongly contributed towards making India a "coffee loving country". He states that the emergence of cafés has elevated the urbane image of coffee. With approximately 70% of the Indian population living in rural areas, it is vital that players offering packaged brands stress on penetration into the rural market. The encounter lies in generating plea among the rural consumers, who are traditionally tea drinkers, and in creating scope for a shift in their preference. However, with the past, and estimated, growth in this class, the future for packaged coffee brands is promisingly healthy.

- ➤ **Budi Indra Satya, Harmonicon – (2018)[5]** , have conducted research to ascertain the factors which affects the willingness to pay among coffee bean's consumers. The study results found that brand image of coffee bean was the most affecting factor towards the willingness to pay. With correct and efficient product marketing strategy, the brand image of coffee bean will get reach among the people positively and increase customer satisfaction and enhances their desire to pay more. As a result, brand profitability and coffee bean equity get stronger among customers.

7.1 Research Gap

The above research papers were only explained about the Taste and Consumption level of customers. But, in this study, I have briefly explained how to improve the inflation of sales, by improving the promotional offers and marketing strategies. It also mainly focuses or the rural areas of Coimbatore city. This study also analysed how to bring new customers and retain old customers by giving free sample packs of existing products of both Nescafe and Bru.

8. Analysis and Interpretation of Data

Analysis and interpretation of data is the process of assigning meaning to collected information and determining the conclusion, significance and implication of the findings. It is an important and exciting step in the process of research. Analysis of data is a process of inspecting, cleansing, transforming and modelling data with the goal of discovering useful information, informing conclusion and supporting decision-making. Data analysis is a process for obtaining raw data and converting it into information useful for decision making buyers. Data are collected and analysed to answer question, test hypotheses or disprove theories.

Stastician John Tukey defined Data analysis as "Procedure for analysing data, techniques for interpreting the results of such procedures, ways of planning the gathering of data to make its analysis easier, more precise or more accurate, and all the machinery and results of statistics which apply to analysing data".

8.1 Percentage analysis

Table No :1

Table showing the factor of the preference of coffee

Preference	Frequency	Percentage
Affordable price	39	24
Good quality	93	57
Status	16	9

[3] Moura (2017) Attributes considered by Coffee consumers during their buying decision process: A study using factorial analysis, Loganiaceous Ruari's & Agroindustry, June 2015 - Vol. VII - No. 114 – 27 21 Tarun Jain, Geetesh Shukla, (2017) Branded Coffee market in India

[4] Tarun Jain, Geetesh Shukla, (2017) Branded Coffee market in India
[5] Budi Indra Satya, Hartono Soni (2018), The effect of Brand Image and Product on Customer Satisfaction and Willingness to Pay at Coffee Bean Surabaya, RJOAS, 1(73), January 2018, DIO: http://doi.org/10.18551/rjoas.201801.19

Brand name	15	10
Total	**163**	**100**

Source**:** Primary Data

Interpretation**:**

The above table indicates that 24% of the respondents like coffee because they are affordable,57% of the respondents like coffee due to their good quality,9% of the respondents like coffee due to their status,10% of the respondents like coffee because of brand name.
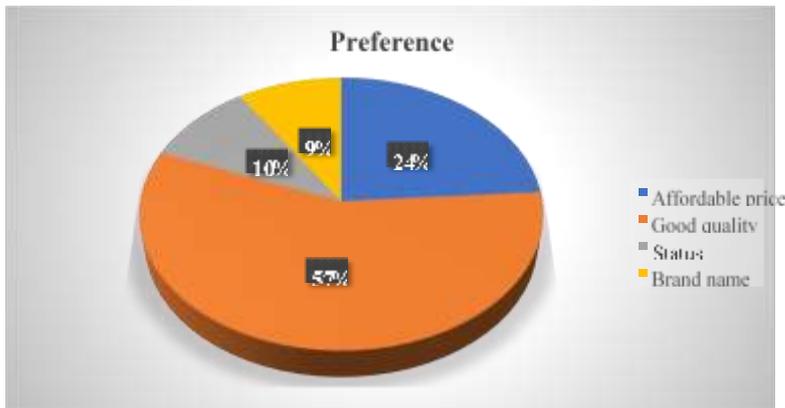
Chart Showing The Factor Of The Preference Of Coffee

 Table No : 2

Table Showing The Loyalty towards usage of the Nescafe by the respondents

Reason	Frequency	Percentage
Price	18	11
Quality	70	43
Quantity	34	21
Packing	19	12
Advertisement	22	13
Total	**163**	**100**

Source: Primary Data

Interpretation:

The above table indicates that 11% of the reason for the loyalty towards Nescafe is due to its price , 43% of the reason for the loyalty towards Nescafe is due to its quality , 21% of the reason for the loyalty towards Nescafe is due to its quantity , 12% of the reason for the loyalty towards Nescafe is due to its packing , 13% of the reason for the loyalty towards Nescafe is due to its advertisement.

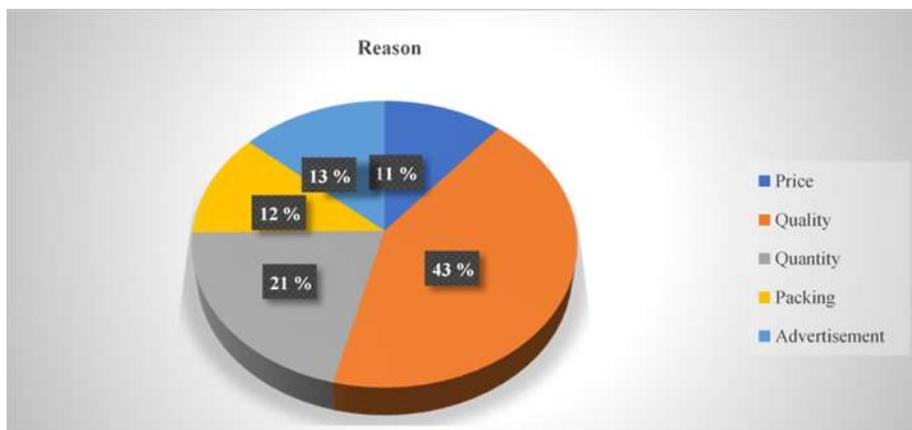 Chart showing the loyalty towards usage of the Nescafe by the respondents

Table No :3

Table showing the reason for addiction towards coffee powders

Reason	Frequency	Percentage
Taste	71	44
Colour	35	21
Smell	47	29
Strength	10	6
Total	**163**	**100**

Source: Primary Data

Interpretation:

         The above table indicates that 44% of the people are addicted to this coffee due to its taste , 21% of the people are addicted to this coffee due to its colour , 29% of the people are addicted to this coffee due to its smell , 6% of the people are addicted to this coffee due to its strength.

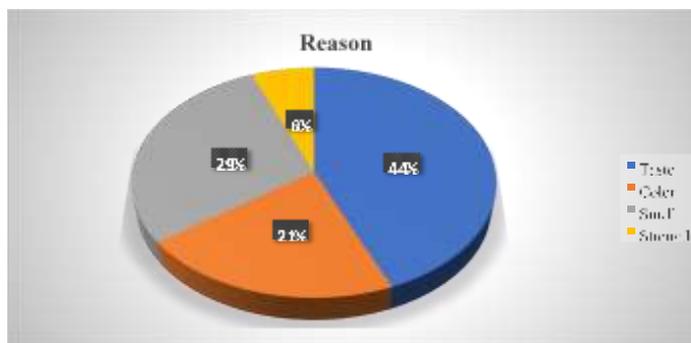Chart showing the reason for addiction towards coffee powders

Table No: 4

Table showing the satisfaction of price towards coffee products

Price satisfaction	Frequency	Percentage
Yes	148	91
No	15	9
Total	**163**	**100**

Source: Primary Data

Interpretation:

The above Table indicates that 91% of the people are satisfied with the price of the products ,9% of the people are not satisfied with the price of the products.

Chart showing the satisfaction of price towards coffee products

8.2 Weighted Average Score Method

A Weighted average is an average in which each observation in the data set is assigned or multiplied by a weight before summing to a single average value. In this process, each quantity to be averaged is assigned a weight that determine the relative importance of each quantity, to be averaged is assigned a weight that determine the relative importance of each quantity. Weighting is the equivalent of having that many like items with the same value involved in the average.

A weighted average score takes different scores, or grades, with assigned weights, or percentages. To calculate a weighted average with percentage, each category value must first be multiplied by its percentage. Then all these new values must be added together.

Table no 5

Table showing the consumers most favourable cup of coffee

Factors	1	2	3	4	Total	Weighted average	Rank
Acidity	48	52	46	17	358	2.19	1. 2
Sweetness	61	64	26	12	315	1.93	2. 4
Bitterness	49	47	47	20	364	2.23	3. 1
Body/Weight	57	57	35	14	332	2.03	4. 3
After taste	59	69	27	8	310	1.90	5. 5
Flavour	80	53	24	6	282	1.73	6. 6

Interpretation :

The above table shows that the Weighted average score of 2.23% for Bitterness and 2.19% for Acidity,2.03% for Body/Weight,1.93% for Sweetness and 1.90% for After taste atleast the Flavour percentage is 1.73%.

8.3 Rank Analysis

A Ranking is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than,' 'ranked lower than' or 'ranked equal to;' the second. In mathematics, this is known as a weak order or total pre order of objects. It is not necessarily a total order of objects because two different objects can have the same ranking. The rankings themselves are totally ordered. For example, materials are totally reordered by hardness, while degrees of hardness are totally ordered.

By reducing detailed measures to a sequence of ordinal numbers, rankings make it possible to evaluate complex information according to certain criteria. Thus, for example, an Internet search engine may rank the pages it finds according to an estimation of their relevance, making it possible for the user quickly to select the pages they are likely to want to see. Analysis of data obtained by ranking commonly requires non-parametric statistics.

Table no. 6

Table showing the consumers preference towards coffee over tea

Factor	5	4	3	2	1	Total	Rank
Price	30	41	29	27	36	491	2
Brand name	32	37	33	22	39	490	3
Taste	28	48	24	20	43	487	4
Discounts and offers	27	52	30	23	31	510	1
Quantity	25	44	35	25	34	490	3

Interpretation :

The above table shows that consumers preference towards coffee over Tea , the Highest rank towards Discounts and offers, Second rank towards the Price, Third rank towards Brand name, Fourth rank towards the taste, Fifth rank towards the Quantity.

9. Findings and Suggestions

The Objective of the study was to know about the customer ideas, preference, attitude towards coffee brands and to list out the problems which consumer face during the use of both Nescafe and Bru coffee brands and also factors including the consumers to buy those products. This study measures the overall satisfaction and preference towards both Nescafe and Bru coffee brands in Coimbatore city. The study has been analysed using technique of Percentage analysis, weighted average score analysis, Rank analysis. The final chapter is an attempt to summarize the findings of the study based on which few suggestions have been made.

9.1 Percentage Analysis

- 57.3% of the respondents are like coffee because of affordable price.

- 42.7% of respondents prefer Quality.

- 90.9% of the respondents are satisfied with the price of the product.

- 43.3% of respondents are addicted to this Taste.

9.2 Weighted Average Score Analysis

The above table shows that the Weighted average score of 2.23% for Bitterness and 2.19% for Acidity,2.03% for Body/Weight,1.93% for Sweetness and 1.90% for After taste atleast the Flavour percentage is 1.73%.

9.3 Rank Analysis

The above table shows that consumers preference towards coffee over Tea , the Highest rank towards Discounts and offers, Second rank towards the Price, Third rank towards Brand name, Fourth rank towards the taste, Fifth rank towards the Quantity.

Suggestions

Social media should be utilized for coffee brand promotion as TV ads are cost effective. On the other hand, social media has wider reach with minimum investment. Need of enabling the coffee products in online platforms like Amazon, Flipkart etc for wider reach. Better approach is to have own website to sell and promote any new coffee brand and products. Extensive efforts need to be taken to have free samples of coffee and hand notices to be distributed in exhibitions and related events. One way to promote and get new market as well as sale lead is approaching event organizers, hotels, restaurants and handles free coffee sample distribution with them.

Conclusion

Coffee is still a hi-fi beverage compared to tea which is a predominantly consumed in India despite the steady increases of its reach among the Indian residents. India is a culturally charged nation where people still perceive coffee as a high-class beverage. Due to the exposure from coffee cafes like Cafe Coffee Day, etc the above notion is still persisting. But current generation is coming out of the perception and slowly amalgamating the coffee in daily life. Various studies and scientific analysis on brand awareness, perceived quality, taste, aroma, sense of belongingness along with extrinsic factors like price, availability, packing, brand communication and brand reputation have invariably endowed the planters, marketers and finally equip the end consumers with their various preferences to meet with respective brands to satiate their palate and needs.

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Annexure

1. Name _____

2. Gender

   a)   Male

   b)   Female

3. Age

   a)   Below 20
   b)   20 to 30
   c)   30 to 40
   d)   Above 40

4. Occupation

   a)   Student
   b)   Employed
   c)   Professional
   d)   Others

5. Monthly income

   a)   Below 5000
   b)   5000-10000
   c)   10000-15000
   d)   Above 15000

6. How you are aware about the coffee brands?
   a)   TV
   b)   Radio
   c)   Newspaper
   d)   Magazine
   e)   Friends and relatives

7. Why do you prefer coffee?

   a)   Affordable price
   b)   Good quality
   c)   Status
   d)   Brand name

8. How many members in your family prefer to have coffee.

   a)   1
   b)   2
   c)   3
   d)   All

9. How frequently do you drink coffee?

   a)   Once in a day

b)   Twice in a day
c)   3-4 times in a week
d)   Rarely

10. State the major reason for your loyalty towards coffee brand?

a)   Price
b)   Quality
c)   Quantity
d)   Packing
e)   Advertisement

11. What is your opinion about the price of the coffee?

a)   Costly
b)   Reasonable
c)   Low

12. When the price increases, will your choice for the brand change?

a)   Same brand
b)   Other brand

13. What type of promotional offer do you expert?

a)   Price offer
b)   Exchange offer
c)   Extra quantity
d)   Free gift

14. How much quantity do you require for a month?

a)   50gms
b)   100gms
c)   250gms
d)   500gms

15. Which type of pack do you prefer to purchase?

a)   Family pack
b)   Economic pack
c)   Sachets
d)   Bottle

16. Why are you addicted to coffee?

a)   Taste
b)   Colour
c)   Smell
d)   Strength

17. Where do you purchase this coffee powders?

a)   Wholesale
b)   Retailer
c)   Agencies
d)   Departmental store

18. Are you satisfied with the price of the products?

a)   Yes

b)   No

19.   In which season, do you consume more amount of coffee?

a)   Summer
b)   Winter
c)   Monsoon

20.Which type of coffee do you prefer?

d)   Hot
e)   Cold
f)   Both

21.How would you describe your most favourite cup of coffee?

Acidity	Often	Sometimes	Rarely	Never
Sweetness				
Bitterness				
Body/Weight				
After taste				
Flavours				

22.   Why do you prefer both Nescafe and Bru coffee over other brands?

Factor	1	2	3	4	5
Quality					
Brand name					
Taste					
Discount & offer					
Quantity					

23.   For what reasons would you drink coffee?

a)   Drinking habit

b)   Release stress

c)   Refreshing

d)   Social occasions

e)   Other