



A Study Of Consumer Behavior Towards Pepsico Products With Specific Reference To Youth In North Chennai

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Abstract - Need for the study with the economic liberalization in India a number of global companies have been coming forward to invest in India and tapping perhaps and world's biggest growing market. As the floodgates have been opened up for Multinational Companies, the global giant PepsiCo also decided to make an entry into the Indian market. In the peak season, they found themselves short of capacity and having to turn around their trucks faster and faster to slake the greater Indian thirst. With growth rates zooming into the double digits, bottlers have been propelled into expanding capacities. With their big-time plans, the multinationals have changed the face of this business, long dominated by small-time businessmen. If demand continues to increase annually at an average of 20 percent, then volumes could reach one billion cases within ten years. These are ambitious targets and to reach them the cola makers will have to build capacity, infrastructure, make their bottlers more available and more affordable. The study has been conducted to analyses how youth consumers move with PepsiCo products their taste and preference, satisfaction level, promotional strategies used by PepsiCo products to attract youth consumers.

Keywords: Consumer Behaviour, Preference, Satisfaction, Products

I. INTRODUCTION

In the majority of markets, however, buyers differ enormously in terms of their buying dynamics. The task faced by the marketing strategist in terms with these differences is complex. In consumer markets, for example, not only do buyers typically differ in terms of their age, income, education levels and

geographical location, but more fundamentally in terms of their personality, their lifestyles and their expectations. An important reason for studying consumer behavior is evaluation of consumer groups with unsatisfied needs and desires. The essence of modern marketing concept is that all elements of business should be geared for the satisfaction of consumers. Consumer behavior refers to the mental and psychological process that goes in the mind of a buyer so as to choose one product or service and not the other.

“Youth” is best understood as a period of transition from the dependence of childhood to adulthood’s independence and awareness of our interdependence as members of a community. Youth is a more fluid category than a fixed age-group. However, age is the easiest way to define this group, particularly in relation to education and employment. Therefore “youth” is often indicated as a person between the age where he/she may leave compulsory education, and the age at which he/she finds his/her first employment. This latter age limit has been increasing, as higher levels of unemployment and the cost of setting up an independent household puts many young people into a prolonged period of dependency.

II. OBJECTIVE OF THE STUDY

1. To identify the availability of various products in PepsiCo.
2. To study the opinion about the taste, price and preference among the youth consumers.
3. To evaluate the promotional strategy of PepsiCo to retain youth consumers.
4. To determine the satisfaction level of youth consumers towards PepsiCo products.



III. REVIEW OF LITERATURE

Baron, M R & Kenny, A D (1986), reported that the need for effective nutritional education for young consumers has become increasingly apparent, given their general food habits and behaviour, particularly during adolescence and analyzed that the interaction between young consumers' food preferences and their nutritional awareness behaviour, within three environments (home, school and social). While young consumers were aware of healthy eating, their food preference behaviour did not always appear to reflect such knowledge, particularly within the school and social environments.

Barthold, T & Hochman, H (1988), regarded brand awareness as a remarkably durable and sustainable asset. It provided a sense of familiarity, a sense of presence or commitment and substance and it was very important to recall at the time of purchasing process. Apart from the conventional mass media, there were other effective means to create awareness viz., event promotions, publicity, sampling and other attention-getting approaches.

Yee and Young (2001), aimed to create awareness of high fat content of pies, studied consumer and producer awareness about nutrition labeling on packaging. It is possible to produce acceptable lower fat pies and food companies should be encouraged to make small changes to the fat content of food products like pies. Potato topped pies are lower in fat and are widely available. Regular pie eaters could be encouraged to select these as a lower fat option.

Chen (2001) expressed a different thought on brand awareness that it was a necessary asset but not sufficient for building strong brand equity. In his view, a brand could be well known because it had bad quality.

Bellenger et al. (2001) analyzed the level of brand awareness within the New Zealand market for ZESPRI kiwi fruit. The effectiveness of this branding strategy employed by kiwi fruit, New Zealand was studied. It is indicated that brand awareness could be increased through a relationship-making programme involving targeted marketing and supply chain management.

Kumar *et al.* (2014) examined the factors influencing the buying decision making of 200 respondents for various food products. Country of origin and brand of the products were

cross-tabulated against age, gender and income. Results revealed that the considered factors were independent of age, education and income. The brand image seemed to be more important than the origin of the product, since the consumers were attracted by the brands.

Jorin (2009) examined changes in spending power and buying habits of Swiss consumers since the beginning of the 20th century and in the more recent past. The prospects for high quality branded products are seen to be good.

Puri and Sangera (1989) conducted a survey to know the consumption pattern of processed products in Chandigarh and stated that, high quality, price and taste of the product were the major criteria based on which the consumers selected a brand of processed fruits and vegetable products.

Rees (1992), found that development in retailing with concentration of 80% of food sales in supermarkets is also considered to be important. Consumers are responding to messages about safety and health eating. They are concerned about the way in which food is produced and want safe, 'natural', high quality food at an appropriate price.

Ragavan (1994) reported that, quality, regular availability, price, accuracy in weighing and billing, range of vegetables and accessibility as the factors in the order of importance which had influenced purchase of vegetables by respondents from modern retail outlet.

Singh *et al.* (1995) studied factors influencing consumer preferences for milk. They were milk quality, convenient availability, supply in quantity desired, flavour, colour, freshness and mode of payment showed higher levels of consumer satisfaction.

Study of Sundar (1997) revealed that, grocery department of Saravana Bava Cooperative Supermarket, Cuddalore was enjoying favorable images of consumers in the attributes, such as, equality of price, behaviour of sales persons, moving space, location, correctness of weight, packaging of goods, number of sales persons and convenient shopping hours. At the same time, the image is weak in the attributes, such as, quality of goods, availability of range of products, variety of goods, acceptance of returns, credit facility, door delivery and in sales promotional measures.



The study undertaken by Sheeja (1998) in Coimbatore district considered the quality aspects like aroma, taste, freshness and purity as the major factors deciding the preference for a particular brand of processed spices.

Amitha (1998) studied the factors influencing the consumption of selected dairy products in Bangalore city. The results of the study revealed that, income and price significantly influenced the consumption of table butter. Price had a negative impact and income a positive impact on consumption.

Srinivasan (2000) reported that, consumer with higher educational level was found to consume more processed products. The quantities of processed fruit and vegetable products were consumed more in high-income group. The tolerate limit of price increase identified was less than 5%, any price change above this limit, would result in discontinuance of the use processed product. Consumers preferred processed products because of convenience of ready to eat form.

Kamalaveni and Nirmala (2000) reported that, there is complete agreement between ranking given by the housewives and working women regarding the reasons promoting them to buy Instant food products. Age, occupation, education, family size and annual income had much influence on the per capita expenditure of the Instant food products.

Nandagopal and Chinnaiyan (2003) conducted a study on brand preference of soft drinks in rural Tamil Nadu, using Garrets ranking technique, to rank factors influencing the soft drinks preferred by rural consumer. They found that, the product quality was ranked as first, followed by retail price. Good quality and availability were the main factors, which influenced the rural consumers of a particular brand of a product.

The study conducted by Shivkumar (2004) showed that the consumer, irrespective of income groups, was mainly influenced to purchase by the opinions of their family members. Consumers are influenced by the dealers' recommendation, followed by advertisement.

Nagaraja (2004) opined that, The most significant factors influencing buying decisions were accessibility, quality, regular supply, door delivery and the mode of payment.

Mitchell et. al. (1994), studied the perceived risk in consumer decision-making process and said that risk perceptions and risk-reducing strategy usefulness did vary between the two states.

The differences were not large, but were sufficient to allow rejection of the proposed null hypothesis and to cast doubt on the assumptions made in many studies.

Ataman et.al.(2003),studied the relationship between the sales volume of a firm and its brand image. To determine the net effect of image attributes on sales, multiple regression analysis was performed, using the time series data, and all three image factors were found to be significant in the model.

Shoham et.al.(2003), revealed that consumer compulsive buying is an important area of inquiry in consumer behavior research. The findings suggest that these antecedents affect compulsive tendencies.

Ahmed et. al. (2004) suggests that the common description of the bottom-of-pyramid market segment as the disorganised sector can have a psychological impact on marketing strategy formulation, over and above the real effects of absent infrastructures.

Dupre et. al.(2004), revealed that despite massive efforts of suppliers and retailers in the fast-moving-consumer-goods (FMCG) channel to adopt the efficient consumer response (ECR) practices. The study found that how a strategic competitive advantage can be realized through the combination of both supplier and retailer views and expertise in category management practices. suggests ways to overcome barriers to implementation of category management plan.

Fandos et.al.(2006), examine the influence of the perceived quality of a protected designation of origin (PDO) product on consumer loyalty and buying intentions. The study reveals the existence of a positive and significant relationship between the extrinsic attributes of a traditional food product and loyalty expressed by consumers. It also shows that the perceived quality associated with the intrinsic attributes of the product has a positive and significant influence on buying intentions

Teng et al. (2007), conducted research to show how the dual mediation model has been used to explain consumer responses toward an ad and a brand. The study says that an ad affect is an important determinant in the formation of ad attitude and it can be incorporated into the dual mediation model to explain the effects of advertising on consumer behavior

Celebi (2007), conducted a research to examine the credibility of advertising and it is important to note for international



companies that price and quality play a major role on Turkish consumers' shopping decisions of new FMCGs among the other factors including experiments, organizational trust, and word-of-mouth.

Sehrawet et.al.(2007), conducted a study which aims to establish whether the residential background of consumers has a varying influence on their buying decisions. Rrural consumers are more critical about packaging as they strongly consider that it contributes to misleading buyers and is also an environmental hazard

Zokaei et al (2007), studied to further define and explore the demarcation between supply chain effectiveness and supply chain efficiency. It proposed that “Supply Chain Kano-QFD” technique can be deployed to engage the capabilities and enthusiasm of the firms along the chain to enhance the value of the final consumable.

IV. RESEARCH METHODOLOGY

The data collected were all based on their habits and were factual. The primary data in this project is collected through the means of a fully structured questionnaire. The secondary data has been taken from the books, websites, journals, and magazines. The secondary data include material collected from websites and books that gave me an insight into the topic and helped me frame the questionnaire.

The sample size for this study are 200 who were selected in a simple random sampling method. The method of sampling used under the study was non-probability. In this case, samples may be taken based on the judgment or convenience of the researcher. The statistical tools which have been used to analysis the data are Average method, Rank correlation method, Chi sqaure and Simple percentage method.

V. RESULTS AND DISCUSSIONS

The study revealed certain findings. All the respondents have tasted all the products offered by the Pepsi products. While comparing beverage varieties offered by PepsiCo youth consumers prefer old variety of drinks (Pepsi and 7up) than new products (Nimbooz and Mountain dew). Nimbooz and Mountain dew are the products which are newly introduced in

the market but 59% of total response prefer Nimbooz than Mountain dew. 59% of consumers under the age limit of 20-25% and 18.5% of them prefer nimbooz . 47% consumers prefer Pepsi products for taste factor than carbonation, flavor, pack size. 54.5% youth consumers buy the PepsiCo products to satisfy the thirst and hunger. 98% prefer outside snacks rather than homemade snacks. While comparing old and new snacks variety offered by PepsiCo youth consumers prefer new snack varieties such has Lays and Kurkure than Cheetos and Uncle Chips. While consuming Nutritional beverages 87.5% of youth consumers are health conscious and 82.5% prefer Tropicana fruit juice than diet Pepsi. 56.5% youth consumers strongly agree with the statement “ channel of distribution is good and illiterate people are also aware of Pepsi products. Youth consumers select PepsiCo for quality. 45% are satisfy with quality of PepsiCo products. Even though consumers are satisfied with taste, quality only 31.5% consumers are loyal towards the products. 75.5% of consumers are willing to buy other company products if Pepsi products are not available in the market.

Regarding promotional strategy 97% of total respondents gets the information through advertisement only and 61.5% prefer sponsor to games has the best promotional strategy and 78% prefer sports person has a brand ambassador for the Pepsi products. 92% of youth consumers are attracted by advertisement shown by PepsiCo. Only 43% of total response influence others to buy the products. 52% of youth consumers consume Pepsi products due to their inner drive. Youth and childrens are the major target consumers of PepsiCo.

This study provides some based on the above findings. New methods should be adopted to increase the sales of new variety of beverages like Nimbooz and Mountain dew. Promotional strategy for the products of Nimbooz and Mountain dew are less compared to Pepsi and 7up. New method of sales promotion should be adopted to increase the sales. Old varieties of snacks are losing their markets because of many new flavours has been introduced in Lays and Kurkure. So in Cheetos and Uncle chips also new flavours can be introduced to increase their sales. Quantity should be increased in the snack varieties of PepsiCo in order to increase the sales. Youth consumers are aware of products which are offered by PepsiCo through



advertisements. Games and contest can be conducted in order to attract more consumers.

Promotional strategy adopted by Pepsico is good. Youth consumers are attracted by the advertisements shown for the product. Youth consumers are satisfied with taste, quality and price. But steps should adopted to increase the brand preference among the youth consumers. Brand loyalty is less among the youth consumers innovative methods can be taken to retain the young consumers. New techniques of sales promotion can be implement by PepsiCo to increase sales. Marketing mix of PepsiCo should be revised at regular interval in order to make changes according to the changing marketing environment.

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