IMPACT: International Journal of Research in Humanities, Arts and Literature (IMPACT: IJRHAL)
ISSN (P): 2347-4564; ISSN (E): 2321-8878
Vol. 7, Issue 4, Apr 2019, 181-190

A STUDY ON BRAND AWARENESS AND PREFERENCE OF CONSUMERS REGARDING "PAPER BOAT" IN BANGALORE

Sweta Choudhary, Turya Tejaswita, Vanya Srivastava & Vijaya Abhishek

Research Scholar, Post Graduate Diploma in Management, Xavier Institute of Management & Entrepreneurship, Bangalore, Karnataka, India

Received: 04 Apr 2019 **Accepted: 10 Apr 2019** **Published: 15 Apr 2019**

ABSTRACT

The present study attempted to explore the level of awareness and preference towards 'Paper Boat' products in selected locations in Bangalore city. The empirical research used both primary and secondary sources of data and primary tools of data analysis included Chi-square, Anova, Regression and Reliability tests using SPSS. The sample size was 190 respondents and convenience sampling technique was used. The major findings of the study was : all people by and large are aware of Paper Boat products including Beverages and Ready to eat snacks. We found a significant difference among the respondents based on their gender, age, income and occupation affecting their choice and patronage towards Paper Boat products.

KEYWORDS: *Brand Preference, Brand Awareness, Beverages, and Demographics*

INTRODUCTION

Paper Boat was started in 2011 by four friends Neeraj Kakkar, Suhas Misra, NeerajBiyani, and James Nuttall as Hector Beverages in Gurgaon and launched Tzinga in Delhi and Bangalore for almost one-fifth of the cost of the biggest energy drink Red Bull. Paper Boat is a brand of traditional Indian juices and drinks by Hector Beverages. This young and vibrant brand has made an emotional connect it has made with consumers in a short span of time. In the new era of marketing, Paper Boat has played the game so wisely using engaging content for story-telling that not only it has made brand awareness but also an emotional contact with its target audience.

INDUSTRY OVERVIEW

The Beverage Industry is a mature sector and includes companies that market nonalcoholic and alcoholic items. Since growth opportunities are few compared to existing business, many members of the industry endeavor to diversify their offerings to better compete and gain share. Too, they may pursue lucrative distribution arrangements and/or acquisitions to expand their operations, product portfolios, and geographic reach.

Global Scenario of Beverage

According to TechNavio's analysts, product innovations are one of the major factors which drive the growth of the soft drink markets. Companies mainly focus on enhancing their sales volume by launching new products along with better formulation ingredients and packaging. Companies are also providing additional benefits for customers who are concerned about their health and wellness. New packaging of products will positively influence the growth of the market during the future period. Companies are revamping the packaging sizing as well as the labeling of the products as per the customers of the country where the product is being sold.

The Non-Alcoholic Segment

Historically, two large entities have dominated the nonalcoholic beverage landscape: **Pepsi** and **Coca-Cola**. They distribute their well-known carbonated and noncarbonated drinks internationally via sizeable bottling companies. The bottlers depend on these two industry leaders to create new products, improve existing offerings and maintain sufficient advertising. Related capital spending amounts to several billion dollars each year. The industry titans often boost their results (and those of their subsidiaries) by purchasing smaller market players or by inking promising distribution agreements. In prosperous economic times, consumers usually favor the most famous brand names. Still, when customers are short of disposable income, they can turn to compete, inexpensive private label and lesser-known beverages. Sales are seasonal, not surprising, peaking during warm summer months. Consumer preferences will drive product diversification. Most notably, greater awareness of the causes of common health issues, e.g., obesity and diabetes, has increased demand for bottled water and other low-sugar or sugar-substitute drinks. Soda, including diet options, continues to fall out of favor. In response, beverage companies have capitalized on the popularity of energy drinks and ready-to-drink coffee. However, energy drinks have come under scrutiny due to their high levels of caffeine, as regulators attempt to size up the associated risks.

Healthy Drink Segment

Over the past few years, non-cola aerated drinks, especially those with fruit content has gained traction. Hence, these brands are keen to explore this new market as well. For example,

- Parle has recently introduced Frooti Fizz, a fizzy version of its popular mango drink.
- Earlier this year, Bisleri International launched Bisleri Pop, an aerated fruit-based drink.
- Dabur has also launched a range of fruit juice based aerated drinks under the brand Real Volvo.

However, carbonated drinks are reeling under stagnation and sales have dipped as an increasing number of people are switch- ing to juices and other health drinks. People around the world are becoming health-conscious and understand that carbonated beverages are high in sugar and lack nutritional content.

Size of the Beverage Industry

The beverage industry in India constitutes of around 230 million among USD 65 billion fruit processing industry. Tea and coffee are the major sectors in the beverages industry in India which are not only sold in the domestic market but are also exported to overseas market. Currently, the market size of alcohol beverages amounts to Rs 1,500 billion whereas the non-alcohol beverage market is somewhat close toRs 1,95,000 Crore. The Beverages category contributes 8-9% to total FG market in India. It is expected that the beverages market will grow 3.5 times its present size by 2020.

Growth Rate of Beverage Industry

The global beverage market looks very attractive because of the opportunities for alcoholic and non-alcoholic beverages. This industry is expected to reach an estimated $1.9 trillion by 2021 and is forecasted to grow at a CAGR of 3.0 % from 2016 to 2021. The major factors which affect the growth of this market are growing urbanization and disposable income.

Paper Boat Growth Rate

After the year of slowing sales, ethnic drinks brand is back on the high ground. A new product launch which includes thandai, coconut water, and sugarcane juice this year has played a vital role in the growth of the company. These new flavors are now forming almost 15% of the revenue within 8-10 months since the launch. Paper Boat is available in 9 different flavors and also with 2 additional seasonal drinks. Paper Boat is now planning to move beyond the 6 metros it currently is in and enter small cities and town next year.

COMPETITORS

Table 1

COMPANY NAME	BRAND NAME	FRUIT CONTENT	VARIANTS
Coca Cola	Minute Maid	5-15%	6
Coca Cola	Maaza	19.5%	1
Pepsi Co	Slice	13%	3
Pepsi Co	Nimbooz	5%	2
Pepsi Co	Tropicana	20-45%	12
Parle	Frooti	16.2%	1
Del Monte	Del Monte juice	15-40%	10
Hector Beverages	Paper boat	8-45%	12

Market Leaders in Beverage Industry

- Cygnet India
- Karnataka Plantation Coffee
- Tata Tea
- Coca-Cola
- PepsiCo
- Nestle

Major Types of Fruit Beverages

The fruit-based beverage market can be broadly classified into 2 segments-

Packed fruit-based beverages and Unpacked fruit-based beverages (fresh juice). From the year 2010 contribution of packed fruit-based beverages has increased. The packed fruit-based beverage market can be further classified into 3 segments- fruit drinks, nectars and 100% juices which differ on the basis of pulp content. Dabur, PepsiCo, Coco-Cola, Parle Agro is some of the major players in the packed-fruit based beverages. Dabur's Real Active and PepsiCo's Tropicana 100% are the major brands operating in 100% juices and nectar segments.

Regulatory Frameworks

The food safety and standards authority of India has been created under the FSS act, 2006. This basically lays down science-based standards for goods and beverages to regulate their manufacture, storage, distribution, sales, and import to ensure availability of safe food and beverages for human consumption.

Food Additives Permitted For Beverages

The products may contain food additives as given in. Generally, the additives that are allowed in Beverages are as follows:

- Acidifying Agents like citric acid, fumaric acid, lactic acid, etc.
- Antioxidants like ascorbic acid
- Preservatives like sorbic acid and its sodium, potassium and calcium salts as sorbic acid, sulphurdioxide, benzoic acid
- Artificial Sweeteners (Aspertame, Acesulphame K, Saccharin Sodium, Sucralose)
- Colors (Titanium Oxide, Ponceau, Carmoisine, Erythrosine, Tartrazine, Sunset Yellow, etc)

- Flavour Enhancers, Anticaking Agents in powders like sodium aluminum silicate
- Thickening Agents/Stabilizing/Emulsifying Agents like gums, alginates, pectins, etc
- Antifoaming Agents like dimethylpolysiloxane.

REVIEW OF LITERATURE

Alexandra Jones et al (2017) contend that the availability of less-healthy packaged food and beverage products has been implicated as an important driver of obesity and diet-related disease. An increasing number of packaged foods and beverages are sold in India. Our objective was to evaluate the healthiness of packaged foods sold by India's largest manufacturers. Healthiness was assessed using the Australian Health Star Rating (HSR) system and the World Health Organization's European Regional Office (WHO Euro) Nutrient Profile Model. Sales-value-weighted means healthiness and the proportions of "healthy" products (using a validated HSR cut-off of ≥3.5, and products meeting WHO Euro criteria as healthy enough to market to children) were calculated overall, by the company and by food category. Nutrient information for 943 products sold by the 11 largest Indian manufacturers was obtained from nutrient labels, company websites or directly from the manufacturer. Healthiness was low overall (mean HSR 1.8 out of 5.0 stars) with a low proportion defined as "healthy" by both HSR (17%) and also by WHO Euro criteria (8%). There were marked differences in the healthiness of similar products within food categories. Substantial variation between companies (minimum sales-value-weighted mean HSR 0.5 for Company G, versus maximum HSR 3.0 for Company F) was a result of differences in the types of products sold and the nutritional composition of individual products. There are clear opportunities for India's largest food companies to improve both the nutritional quality of individual products and to improve their product mix to include a greater proportion of healthy products.

Lydia Gordon and Matthew Barry (2017) observed that obesity is a growing concern in many nations in the Middle East, especially in the area surrounding the Persian Gulf. In the countries of the Gulf Cooperation Council (GCC), nearly a third of adults are now obese and diabetes and other weight-related diseases are becoming serious public health issues. While there are a number of reasons for this, including sedentary lifestyles and heavy consumption of fried and fatty foods (fast food spending grew more in the United Arab Emirates from 2010-2015 than in any other country), beverages play a large role. According to Euro Monitor Nutrition data, in 2015 Saudi Arabians received 35% of their sugar from soft drinks, a remarkably high amount. That is nearly double the global average and even above the comparable figure for carbonates-loving countries like the US (29%) or Mexico (32%).

NEED FOR THE STUDY

To study the customers' perceptions and expectations of the brand 'Paper Boat'.

OBJECTIVES

- To understand the factors influencing consumers while buying any beverages.
- To present a brief overview of beverage industry, especially about the brand 'Paper Boat'.
- To understand the consumers' preferences for buying Paper Boat beverages and ready to eat snacks.
- To provide meaningful insights into the brand 'Paper Boat' to the marketers.

SCOPE

The research was done involving individual respondents. Our team floated a questionnaire to individuals within the age of a group of 18 – 70 years. The respondents involved people from various professions and spheres of life like students, business and service sectors and homemakers. The respondents were from different parts of Bangalore. Thus the sample size obtained is well diversified and therefore better analysis is possible.

LIMITATIONS

· Due to less availability of resources and time, the research could not be conducted with a large sample.

· There might be sampling errors and respondent

In spite of many limitations, genuine efforts have been made to validate the findings of the study and an attempt has been made to provide meaningful insights and constructive suggestions to the marketers.

Data Source and Tools

There are two major sources of data collection

- **Primary Data:** The primary data were collected through a structured questionnaire, personal observation of people at supermarkets, personal discussions and in-depth interviews with industry experts, academicians, peers and faculty mentors.
- **Secondary Data:** The secondary data were collected through various reports of beverage industries especially Paper Boat, various journals and books, newspapers as well as the internet.

Tools

The tools used for collecting the data are:

- A structured questionnaire was filled by the general public through personal interaction as well as it was also mailed to some of them.
- People were observed in supermarkets. The observation was regarding various factors like frequency of picking up Paper Boat products, the size and variants of products picked up, etc.

Sampling – Frame, Size, and Techniques

The sampling frame included the general public in Bangalore and was targeted at people who consumed both hot and cold beverages. The areas covered were Electronic City Phase I and II, Koramangla, HSR layout, and Bommasandra.

The sampling size was around 200 of the population covered from the above-mentioned areas.

The sampling technique used is Random Sampling. It helps in reflecting the entire population and provides accurate insights into specific subject matters.

ANALYSIS OF DATA

Major findings of the study

- All the respondents were found to be aware of brand Paper Boat and consumed the products. However, there is no significant association between the gender of the respondents and the level of awareness.
- Similarly, the association between the age group of the respondents and their awareness regarding Paper Boat was found too weak and statistically insignificant. Same is the case with the association between income level of respondents and their brand awareness and preference. It may be understood that important demographic attributes like age, gender and income are not very significant with respect to brand Paper Boat.
- Similarly, demographic attributes do not seem to be affecting the frequency of using paper Boat Products, as Chi-square tests revealed an insignificant association between the variables.
- Level of brand awareness and preference was found to mildly associated with the occupation of the respondents (P value= .062, significant at 90 percent confidence level). Students and employees are more aware and prefer the brand more compared to homemakers. ANOVA test has done further revealed that the respondents' occupation also had a significant association with the perceived taste of Paper Boat Products at a P value of .024, valid at a 95 percent confidence level.
- The researchers were also keen to see if there is any association between various demographic attributes, and it was found that income of the respondents and the perceived price are significantly associated at 95 percent confidence level with P= .016
- The researchers asked respondents to rate Paper Boat products on a scale of 1-10, and whether they would like to recommend the brand to their friends and peers. Then the researchers wanted to see if there is any correlation between the rating given and the likelihood of recommending the brand. Tests revealed a significant correlation between the variables at .843, which is strong and significant at a 99 percent confidence level. The result of the correlation is being shown here under:

Table 1

Correlations			
		How Do You Rate Paper Boat on the Scale of 1-10?	**How Strongly Would You Recommend Paper Boat?**
How Do You Rate Paper Boat on The Scale of 1-10?	Pearson Correlation	1	.843**
	Sig. (2-tailed)		.000
	N	190	190
How Strong Would you Recommend Paper Boat	Pearson Correlation	.843**	1
	Sig. (2-tailed)	.000	
	N	190	190

**. Correlation is significant at the 0.01 level (2-tailed).

As we can see that the **Pearson Correlation is 0.843**, we can conclude **that there exists a positive relationship between the rating and recommendation of the brand Paper Boat.**

Thus, **the higher the rating, more are the chances of recommendations** of the Brand Paper Boat.

Table 1

Reliability Statistics		
Cronbach's Alpha	**Cronbach's Alpha Based on Standardized Items**	**N of Items**
0.761	0.742	26

The scale is considered to be reliable as reliability score is .742

Summary of Findings

- Irrespective of the demographic factors, people are aware of the brand 'Paper Boat'
- The frequency of the consumption of Paper Boat products does not depend on the demographic factors of the people.
- While purchasing any Paper Boat product, the Income of the individuals does influence the Price factor.
- As there was a positive relationship between the rating and recommendation of the Paper Boat products, we can conclude that people who perceive Paper Boat as a good brand would recommend it as well.

RECOMMENDATIONS

- There should be more varieties of beverages and ready to eat snacks.
- The company should focus more on the packaging of the product particularly the color aspect.
- The price and quantity aspect should be looked after in order to avail more customer satisfaction.

- The distribution channels should be wider and should penetrate into smaller markets as well.
- The company could focus more on the healthier segment and adjust the varieties accordingly.
- The taste could be improved.

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