

A STUDY ON CONSUMERS' BRAND PREFERENCE TOWARDS COFFEE IN COIMBATORE DISTRICT

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Abstract:

The prime focus of this article is to analyse intrinsic and extrinsic factors that predominantly influence the brand preference especially on Coffee. Professionally prepared questionnaire was used to avail the valuable inputs from respondents through direct interviews and online process among 400 members. The simple percentage, Garrett Ranking method was used to interpret the data. 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, Marital Status and Monthly Income.

Key Words: Coffee, Brands, Brand Preference, Intrinsic factors and Extrinsic factors.

Introduction:

The majestic rise of global coffee consumption is resulted in exemplary demand among the coffee consumers. The health base benefits of coffee is started to flourish in considerable amount, along with other existing attributes leading to the demand of coffee. Naturally the coffee has its own flavourful characters, in addition, to many special elements brought by varying factors based on its growing land. Coffee grows in certain climatically apt countries which are normally called as coffee producing countries. Altitude along with rainfall patterns critically impacts the possibility and efficiency of growing coffee. The coffee processing and its preparation methods have resulted in various outcomes in terms of tastes and benefits. Processing methods and preparation of coffee people come across, is the form of coffee at zenith since it's been savoured by mankind.

Coffee tastes are getting its due importance and focus as the expectations of consumers are becoming gourmets enormously. Every part of the world consumes coffee in different forms based on their climate related factors and lifestyles. The world's most important trading commodity, coffee has played an eminent role on its consumption and consumer holds various reasons for their preferences.

The cultivation processing and marketing coffee are handled by farmers, producers and marketers respectively, which make every brands being presented in the market. The consumers are identifying the brands for their consumption based on the factors they prefer which differ from one consumer to another.

The brand preference of consumer is an important aspect to analyse, since the competitive market with its various manufacturers are dominating with their individual specifications. The prompt awareness of each brand will definitely benefit them and it leads to fulfil their satisfaction over their dream choice of coffee. The entire attributes for preferring a coffee brand involves plentiful parameters and this attempt was to analysed each parameters scientifically.

Statement of the problem:

In this modern world, the companies are subjected to run their business in a highly volatile competitive and constantly evolving market. In accordance with the consumers' life style, their taste and preference are also changing day by day. Hence, every organization has to make efforts to retain their consumers. Because, they are the kings in the market. If marketers want to succeed in all areas, they need to compete with their competitors' brands. Survivals of brands in the market were highly difficult especially when they have symmetry syndrome.

Every marketer has to make themselves strong willed and differentiate their own brand and service offers with respect to their competitors. This willingness or determination to do comparison with their competitors would not only help them to keep themselves updated about the competition but also enable them to come up with

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better offer and solution than their rivals. In an effect, to cater their consumers through their brand's unique features and help themselves to promote the brands efficiently and effectively.

Coffee companies are launching varieties of coffee in different brand names in India. Hence, launching Coffee companies are in a position to understand the factors which influence the consumers to prefer the brand there by the companies may take necessary steps to supply products of consumers expected quality. In this perspective, the researchers undertake a study on consumers brand preference towards coffee in Coimbatore District. This study would provide a better perception and opportunity for the manufacturers to recognize the perception of consumers, their taste and their beliefs and together with their buying and consumption behaviour. Consequently aiding them to come with better strategies to improvise their marketing, promotion and thereby to have a top-notch quality increase in their sales.

Review of Literature

Sonia Bookman - 2014, has done analysis on the effect of the Third Place towards the brand interface and brand value creation. The analysis also considered the characterization of "Urban Café Sociality" due to specific forms of togetherness & modes of belonging and strived to prove whether the togetherness and belonging have a productive effect for the interactive interplay in the midst of brands and consumers in day to day urban lifestyle. The work was conducted through the interviews. Lastly, the work has considered the ways the brands had any effect on urban life in daily activities and shaping up of cultures in tuned with concerned city infrastructures. The study found that consumers were not only receivers or readers but also interactants, informants and co-creators. The analysis has clearly shown that brands do not displace real urban cultures with inauthentic commercialized corporate entities. Brands often constitute a platform which provides opportunities for urban forms of life to spread particularly in unpredictable ways. **Lukasz Wroblewski & Sylwia Mokrysz – 2017**, 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 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. **Janet DevinaKoapaha, Johan Tumiwa – 2016**, have studied to find out whether the quality perceived by the customer, association over the brand, the awareness on the brand and the brand loyalty influences certain parameters pertaining to the consumer buying behaviour in Starbucks at Manado Town Square partially. The study utilised the Multiple Regression analysis as analytic tool. The results clearly illustrate that buying behavior of consumers in Starbucks at Manado Town Square indeed get impacted by the quality they perceived or experienced, by the brand awareness as well as brand association and finally brand loyalty. While the perception of quality, brand loyalty and brand awareness had significant and positive influence partly, brand association had negative influence on consumer consuming behaviour in Starbucks Manado Town Square. **Moura, Luiz Rodrigo – 2017**, has attempted to identify, categorise & 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. **Pongsiri.K. – 2013**, had made a study to analyse the market feasibility of new coffee brand and café in Thailand. The study shows that the consumers who were younger than 25 years were prioritizing the measurement of coffee house and its services measurement more than the brand measurement and the product measurement. Elder groups are giving importance to coffee house, branding, and its services followed by product. For hi-end coffee consumption, origin of the coffee and beans were the most important influencer. **Budi Indra Setya, HarsonoSoni – 2018**, have conducted a 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. **SigalTifferet, Neta Shani, Haim Cohen – 2013**, have tried to investigate the difference in consumption of coffee with respect to gender. The result clearly shows that men consider high quality of coffee to rise their state of alertness. The study ruminates that sensory factors motivates males preference over high quality brand to non-brand coffee. Other speculation was that men were more responsive to caffeine stimulant effect than female and hence their preference over high quality coffee. The

study suggests that gender differences do occur when it comes to perceive the consumption as a status in some forms and also people could signal their status through the products like coffee even if they are inexpensive. **K. Thangaraja and R. Sasikala – 2015**, have attempted a study to formulate best marketing strategy in order to enrich the coffee products marketing. Conjoint analysis was utilized for analysing the collected data. The results show that Arabica and Robusta mixed variety, 70:30 coffee, chicory ratio variant, quality consistency of up to six months, taste or aroma of at least at medium level, size of the filtered powder and roasting time up to 15 min per 10kg's of beans were seemed to be the best practices and promotions leading to better results. **Janaki.S – 2014**, has done a research to investigate whether the consumption of filter and instant coffee have any impact over the fasting plasma homocysteine levels among volunteers. Importantly, the female volunteers who were healthy as well as non-coffee drinkers were considered for the study. Descriptive analysis was used to analyse the collected data for the research. The results had found that two weeks of filter and instant coffee consumption had a significant effect on the fasting plasma homocysteine levels among the women considered for the study. There were no differences seen among the two groups as a result of equal amount of caffeine intake. The report clearly shows that elevation in plasma homocysteine levels were prone to be positive risk factors for CHD. It's noted from the literature reviews that, no considerable amount of studies have been carried out to analyse the factors and parameters considered by the consumers when choosing a brand in coffee. To fill this realised vacuum, this study has been done.

Limitation of the study

The study was conducted among consumers brand preference for coffee in Coimbatore District only.

Objectives of the study

1. To know the consumers brand preference towards coffee in Coimbatore District.
2. To study the factors influencing consumers brand preference towards coffee.

Methodology

Data

The primary data were collected through the questionnaire with the consumers of coffee. Secondary data was collected through various reports from journals, websites, magazines, etc.

Area of study

To study the consumers' brand preference towards coffee, the researcher has selected Coimbatore District as an area of study.

Research Design

The present study is descriptive in nature.

Sample Design

Convenient sampling method was used in this research. 400 consumers have been selected in Coimbatore District for this research. By employing Krejcie, R. V., & Morgan, D. W. (1970) table, the sample size required for the study was finalised as 400.

Framework of Analysis

The researcher used simple percentage and Structural Equation Model to analyze and to interpret data.

ANALYSIS AND INTERPRETATION

Table No. : 1

Demographic Profile

S.NO	Factor	Classification	No. of Respondents	Percentage
1	Age	Up to 30 years	200	50
		31-40 years	150	37.5
		Above 40 years	50	12.5
2	Gender	Male	256	64
		Female	144	36
3	Occupation	Business	120	30
		Professionals	54	13.5
		Employed	136	34
		Others	90	22.5
4	Marital status	Married	246	61.5
		Unmarried	154	38.5
5	Monthly income	Up to Rs 15000	120	30

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	Rs 15001-25000	114	28.5
	Rs 25001-35000	126	31.5
	Above Rs 35000	40	10

Source: Primary data

It can be inferred from the above table (Table No. 1) that 50% of the respondents belongs to the age group up to 30 years of age and 256 of the respondents are male. 34 per cent of the respondents belong to employed category. 246 of the respondents are married and 31.5 per cent of the respondents have a monthly income Rs 25001-35000.

Consumers Brand Preference Towards Coffee

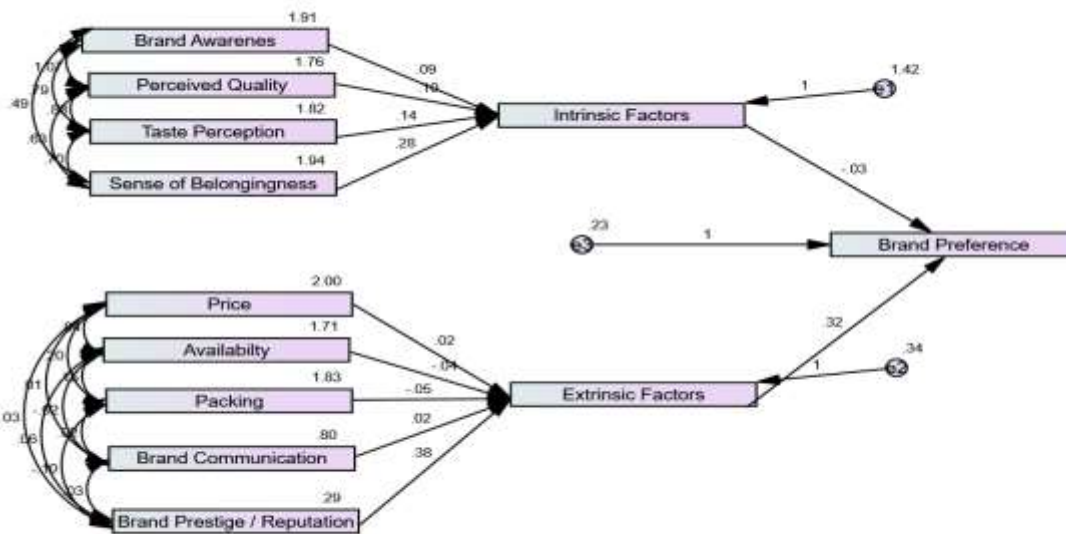
S.NO	Factor	Classification	No. of Respondents	Percentage
1	Coffee Brand	Nescafé	91	22.75
		BRU	123	30.75
		Tata coffee	24	6
		Lavazza	5	1.25
		Cafe coffee day	9	2.25
		Davidoff	4	1
		Narasu's coffee	52	13
		Continental coffee	3	0.75
		Levista coffee	41	10.25
		Kannan Coffee	48	12
2	Motivated to purchase the Coffee brand	Parents	28	7
		Friends	20	5
		Relatives	36	9
		Social Media	192	48
		Children	24	6
		Dealer	52	13
		Colleagues	48	12
3	Buy the Coffee products	Small shops	48	12
		Grocery stores	172	43
		Departmental stores	52	13
		Weekly market	24	6
		Door purchase	48	12
		Showroom	56	14
4	Size of Coffee package prefer	Sample size	40	10
		25grams	132	33
		50 grams	152	38
		100 grams	52	13
		200 grams and above	24	6
5	Frequency of purchasing Coffee	Daily	36	9
		Weekly	156	39

	Fortnightly	136	34
	Once in a month	72	18

From the table, it is clear that majority of the respondents 30.75 per cent prefer BRU Coffee; 192 respondents are motivated by social media to buy coffee. 43 per cent of the respondents buying their coffee powder in grocery stores. Most of the respondents are buying the Size of Coffee package is 50 grams and 34 per cent of the respondents are purchasing coffee powder is weekly.

STRUCTURAL EQUATION MODEL ON BRAND PREFERENCE

The diagram given below shows the direct relationship between Intrinsic, Extrinsic factors and Brand preference. The path coefficients are standardized regression coefficients. The regression estimates produced by AMOS for un-standardized regression is given below.



Model - Fit Summary

CMIN

Model	N PAR	CMIN	DF	P	CMIN / DF
Default model	39	421.874	39	.000	10.817
Saturated model	78	.000	0		
Independence model	12	1462.628	66	.000	22.161

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.237	.909	.917	.454
Saturated model	.000	1.000		
Independence model	.364	.624	.555	.528

Baseline Comparisons

Model	NFI Delta	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.712	.512	.731	.536	.926
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

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Model	PRATIO	PNFI	PCFI
Default model	.591	.420	.429
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	382.874	320.569	452.635
Saturated model	.000	.000	.000
Independence model	1396.628	1275.897	1524.750

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.704	.639	.535	.756
Saturated model	.000	.000	.000	.000
Independence model	2.442	2.332	2.130	2.545

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.128	.117	.139	.000
Independence model	.188	.180	.196	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	499.874	501.605	671.355	710.355
Saturated model	156.000	159.461	498.961	576.961
Independence model	1486.628	1487.161	1539.392	1551.392

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	.835	.730	.951	.837
Saturated model	.260	.260	.260	.266
Independence model	2.482	2.280	2.696	2.483

HOELTER

Model	HOELTER-.05	HOELTER-.01
Default model	78	89
Independence model	36	40

Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
Intrinsic factors	<---	Brand awareness	.085	.044	1.924	.054
Intrinsic factors	<---	Perceived quality	.100	.048	2.078	.038
Intrinsic factors	<---	Taste perception	.142	.043	3.308	***
Intrinsic factors	<---	Sense of belongingness	.283	.038	7.364	***
Extrinsic factors	<---	Price	.023	.019	1.213	.225
Extrinsic factors	<---	Availability	-.038	.020	-1.855	.064
Extrinsic factors	<---	Packing	-.051	.018	-2.891	.004
Extrinsic factors	<---	Brand communication	.020	.026	.743	.457
Extrinsic factors	<---	Brand prestige / reputation	.379	.044	8.554	***
Brand preference	<---	Intrinsic factors	-.033	.015	-2.284	.022

			Estimate	S.E.	C.R.	P
Brand preference	<---	Extrinsic factors	.318	.031	10.122	***

Covariances: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P
Brand awareness	<-->	Sense of belongingness	.487	.081	6.003	***
Sense of belongingness	<-->	Perceived quality	.630	.080	7.910	***
Sense of belongingness	<-->	Taste perception	.703	.082	8.574	***
Perceived quality	<-->	Taste perception	.826	.080	10.265	***
Brand awareness	<-->	Perceived quality	1.072	.087	12.361	***
Brand communication	<-->	Brand prestige / reputation	.027	.020	1.338	.181
Brand prestige / reputation	<-->	Packing	-.104	.030	-3.425	***
Brand prestige / reputation	<-->	Availability	.055	.029	1.899	.058
Brand prestige / reputation	<-->	Price	.028	.031	.892	.372
Brand communication	<-->	Packing	.022	.049	.445	.656
Brand communication	<-->	Availability	-.025	.048	-.517	.605
Brand communication	<-->	Price	.013	.052	.249	.803
Packing	<-->	Availability	.146	.073	2.016	.044
Packing	<-->	Price	.197	.079	2.505	.012
Availability	<-->	Price	.837	.083	10.080	***
Brand awareness	<-->	Taste perception	.795	.083	9.589	***

Variances: (Group number 1 - Default model)

	Estimate	S.E.	C.R.	P
Brand awareness	1.914	.111	17.306	***
Sense of belongingness	1.939	.112	17.306	***
Perceived quality	1.755	.101	17.306	***
Taste perception	1.820	.105	17.306	***
Brand communication	.801	.046	17.306	***
Brand prestige / reputation	.294	.017	17.306	***
Packing	1.832	.106	17.306	***
Availability	1.713	.099	17.306	***
Price	2.003	.116	17.306	***
Intrinsic factors	1.415	.082	17.306	***
Extrinsic factors	.335	.019	17.306	***
Brand preference	.229	.013	17.306	***

Iteration		Negative eigenvalues	Condition #	Smallest eigenvalue	Diameter	F	NTries	Ratio
0	e	2		-.128	9999.000	1346.584	0	9999.000
1	e	0	11.567		.763	606.752	18	.944
2	e	0	14.299		.529	461.628	1	.931
3	e	0	20.527		.305	425.320	1	1.155
4	e	0	28.008		.142	421.950	1	1.088
5	e	0	30.529		.027	421.874	1	1.019
6	e	0	30.474		.001	421.874	1	1.001

Minimum was achieved
 Chi-square = 421.874
 Degrees of freedom = 39
[Probability level = .000](#)

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The regression estimates for un-standardized regression were given by AMOS. SEM analysis results indicate that the model was an apt fit for the data. Chi-Square/degrees of freedom, GFI, AGFI, CFI, RMSEA, TLI which are commonly used in SEM for testing of the model fit. Chi-square P value is less than 3 (0.000) while the values of GFI, CFI and AGFI are greater than 0.90 (0.909, 0.926, 0.917). Likewise, the value of RMSEA is less than 0.08 (0.000) while TLI is greater than 0.095 (0.536), thereby the result shows that the goodness of fit statistics is within the acceptable ranges.

Findings

1. Most of the respondents are preferring BRU Coffee.
2. Social Media influences majority of the consumers to buy coffee.
3. Majority of the respondents buy their coffee powder from departmental store.
4. Most of the respondents prefer 50 grams of coffee powder.
5. Majority of the respondents purchase coffee powder weekly.
6. Result of the Structural Equation Model discloses that both Intrinsic and Extrinsic factors significantly influence consumer brand preference.

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 endows 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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