

Consumer buying
behavior towards
chocolates
consumption
marketing essay



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Through this descriptive study we have tried to analyze the various attribute that different buyer seeks while making purchase of chocolates of different size and quantity for different purposes altogether with significant differences in favorite brand; flavor; price and place of buying etc. Also, we have tried to examine the various degree of relationship that exist between the different attributes of the product that consumer favors and the brand loyalty that consumer have toward his liked brand. Also main emphasis is laid to find out what results in brand loyalty and is this relationship is significant with changing marketplace.

Keywords: Chocolate, Consumer behavior, Consumption

INTRODUCTION:

If people thought that chocolates were just restricted to kids think again. According to a recent study conducted by a major chocolate brand in India the major consumers of chocolates apart from kids are teenagers and people between the ages of 15 - 35. Chocolates which were considered expensive once have now become affordable by one and all. Most of the chocolate brands in India produce chocolates in different sizes that are priced according to their sizes. Chocolates like Dairy Milk and Five Star can be got for just ` 10. Chocolates in India are slowly and steadily substituting the mithai or traditional Indian sweets. Due to the increasing levels of social consciousness people prefer gifting well wrapped chocolate packets rather than sweets on occasions and festivals. Taking advantage of this situation the top chocolate brands in India are now concentrating on the packaging and are introducing well packaged chocolates for specific occasions.

OBJECTIVE:

The objective of this study is to make generalization of consumers buying behavior towards the purchase of chocolates and than to measure the extent of brand loyalty, altogether with knowing what other marketing mix variable affect buyer's decision regarding the purchase of chocolates. This study is a step toward generalizing the consumer purchase pertaining to following major set objectives:

To know the customer behavior and to identify the level of customer satisfaction towards different brands of chocolates.

To know the significant promotion mix that plays role in particular market.

To test the brand loyalty among different gender of different age.

CONSUMPTION OF CHOCOLATES IN INDIA

Chocolate consumption is gaining popularity in India due to increasing prosperity coupled with a shift in food habits, pushing up the country's cocoa imports. Chocolate market in India is pegged at Rs 2, 000 crore and is growing at the rate of 18 - 20 per cent per annum. The global chocolate market is estimated around \$80 billion. The Indian chocolate market is seen growing at a compounded annual growth rate of 15-20%. The Indian chocolate market is thought to be worth some R1, 500 crore and has been hailed as offering great potential for Western chocolate manufacturers as the market is still in its early stages. Over 70% of chocolate consumption takes place in the urban areas. Chocolate consumption in the rural areas is negligible in India. Chocolate market is a highly concentrated market, with

Cadbury having 70 per cent and Nestle around 20 per cent. The two giants have been instrumental in building up the chocolate market in India with huge investments in product development, advertising and brand building. Modern trade constitutes about 10% of the overall chocolate category, or roughly Rs 320 crore, according to Nielsen. Of this, brand Cadbury Dairy Milk has a share of 35%, while Bournville and Silk together account for 18%.

Facts & Figures:

Indian Chocolate Industry as today is dominated by two companies, both multinationals. The market leader is Cadbury with a lion's share of 70%. The company's brands like Five Star, Gems, Éclairs, Perk, Dairy Milk are leaders in their segments. Until early 90's, Cadbury had a market share of over 80 %, but its party was spoiled when Nestle appeared on the scene. The other one has introduced its international brands in the country (Kit Kat, Lions), and now commands approximately 15% market share. Bars or molded chocolates like Dairy Milk, Amul, Nestle Premium, and Truffle account for 35 - 40 per cent of the total market (in terms of volume). The Count chocolates such as Five Star, Kitkat, Perk etc. is the next largest segment, accounting for 30 per cent of the total market. Panned chocolates enjoy 10 per cent of the total market share. In India, chocolates are consumed as excitement / enjoyment and not as snack. Therefore, more than 75 per cent of chocolate purchases are impulse. Chocolate consumption in India has nearly trebled since 2005, which is the reason why leading chocolate companies are investing in bringing premium brands such as Toblerone. Seasonal and boxed assorted chocolates have been experiencing the fastest growth, and sales are expected to expand 13% between 2010 and 2015. Cadbury India, <https://assignbuster.com/consumer-buying-behavior-towards-chocolates-consumption-marketing-essay/>

which has been on an overdrive to promote its premium brands such as Cadbury Dairy Milk Silk and Bournville, is now rolling out Toblerone from parent Kraft Foods' stable. The per capita consumption of chocolates in India, according to Chandramouli Venkatesan, director (snacking & strategy), Cadbury India, has increased from 40gm per person per year in 2005 to 110-120gm.

However, the launch of Toblerone is in line with Cadbury India's business objective of growing the premium-gifting chocolate market. Gifting is a Rs 15, 000-crore category in India, of which branded chocolate gifting is about 6%. Cadbury India's share in branded chocolate gifting is 80%. Despite the fact that Indians have strong affinity for sweets, the size of domestic confectionery market is small on account of traditional consumer tastes and habits. The Chocolate market in India is a niche market penetrated largely in urban areas and per capita consumption is low as compared to those in developed countries of the West. Cadbury India's main source of revenue is its 70% bite of the 23, 000 tonnes Indian chocolate market.

Advertisement Trends (AdEx - division of TAM Media Research)

Regional GEC took the second place with a 21 per cent share ad volumes of chocolates, followed by Hindi movie with 13 per cent share during January-November 2007. Cadbury India Ltd was way ahead of its peers with 66 per cent share followed by Nestle India Ltd and Parle Products Private Ltd during January-November 2007.

As expected chocolate advertising skewed towards kids channels and regional GEC took the second position. Cadbury India Ltd rules chocolate advertising on television.

Chocolate advertising rose by 30 per cent during January-November 2007 compared to January-November 2006. Maximum chocolate advertising was during Raksha Bandhan across 2005 and 2006 and January-November 2007. 17 per cent more advertising during third quarter 2007 (Raksha Bandhan festival) compared to first quarter 2007.

LITERATURE REVIEW

After having detailed study of Principles of marketing management book by Kotler and Keller, we came to know about consumer purchasing behavior and other various attributes of marketing mix like place and product strategy in alignment with promotion and pricing strategies and concept of brand loyalty with all the major attributes of a good brand. Beside this detailed study of various research papers and articles has also been made to know the practical applicability of the concept.

Consumer learnt about chocolate from many sources, mainly from friends and families, through advertisement and from their own experience. Whether a promotion and advertising hurt or help a brand is under-researched (Mela, Gupta & Lehman, 1997). In the long-run, advertisement help brands by making consumer less price sensitive and more loyal. The purchase decision pertaining to particular brand and loyalty is a result of various attributes of the product.

Advertisers must remember that advertising messages are interpreted differently between different genders (Maldonado, Tansuhaj & Muehling, 2003; Hogg & Garrow, 2003; Putrevu, 2001). Previous studies have proven that females were more likely to engage in elaboration than men (Maldonado & Muehling, 2003). Hogg and Garrow (2003) found that women paid more attention about the details of the characters of an ad when asked to analyze advertising messages. They said that this may be explained by the fact that females have a greater tendency than men to consider external information and information related to others. Women are 'comprehensive processors' who try to gather all available information about the product. Advertisement can change consumer's perception of a product in terms of attributes content and proportion and also influence consumer's taste for attributes (Gwin & Gwin, 2003).

Brand preference and product attribute: Attributes are the characteristic or features that an object may or may not have and includes both intrinsic and extrinsic (Mowen & Minor, 1998). Understanding why a consumer choose a product based upon its attributes helps marketers to understand why some consumers have preferences for certain brands (Gwin & Gwin, 2003). Both tangible and intangible attributes of a product are equally important in choosing a product or brand (Myers, 2003). There is no evidence that certain attributes are more related to customer loyalty than others (Romariuk & Sharp, 2003). Romariuk and Sharp (2003) suggested that marketers should focus more on how many attributes the brand should be associated with and not what attributes. For low-involvement products, consumers have more objective view of the nature of the attributes (e. g. food, cosmetics) because

they are constantly being advertised and promoted. Price is another form of attribute used by consumers to evaluate a product. Price can sometimes be an indicator of quality; with a higher price indicating higher quality (Mowen & Minor, 1998; Siu & Wong, 2002). Consumers perceive that a higher price can be attributed to the higher cost of quality control (Siu & Wong, 2002). Some consumers are highly price sensitive (elastic demand), whereby a high prices may shift consumers to competitive brands (Mowen & Minor, 1998).

Therefore price can have a positive or negative influence on customers.

RESEARCH METHODOLOGY

In this study the problem pertains to both State of nature and relationship among the variable i. e.; what is general behavior of consumer and than inferenceing the relationship that exist among the different variables to test the extent of brand loyalty and influence of one variable over the other from the data. As the study is related to the study of consumer behavior toward chocolates that's why the appropriate research design used is Fundamental descriptive with the use of both qualitative and quantitative design with static research approach. Formalized research design is also taken into consideration in order to test the Hypothesis framed. In this cross sectional co-relational field study data related to various independent variables & dependent variables was collected from the stratified sample of 100 individuals, including males and females of different age groups constituting the sample. All the respondents were approached on the basis of simple random sampling in convenient market place to ensure the accuracy & precision of results. Personally administrated questionnaires were used for conducting the survey.

INTERPRETATION AND ANALYSIS OF FINDINGS:

In our study 48% (41) of respondent are males while 52% (45) of respondent were females. In this 57% (49) respondent are student, 16% (14) were professional, 13% (11) were businessman while 14% (12) respondent were females. 33% respondent includes people of age group 10-18, while other includes those of age 19-59.

Q. 1 who do purchase & how frequently and how much they purchase

Out of 86 respondents 13 (15%) respondents buy chocolates daily while 35 (41%) of them buy it weekly compared to 16 (19%) who buy them monthly against 22 (25%) respondents who buys it occasionally. In this 12% of males buy daily while 14% of female buy it daily. While 42% of males buy chocolates in a week against 33% of females, whereas 31% of females like to buy chocolate in a month compared to 22% of males. The result of collected sample reveals that 62% (53) respondent buys less than 5 chocolates a week, while 28% (24) people buys 5-10 chocolates a week. Only 3% of respondent said that they buy more than 15 chocolates an week against 7% who buys 10-15 chocolates a week.

The analysis of sample data results that females buy more chocolates than males in a week as 38% of them buy 6-10 chocolates while only 17% of males do so. 73% of males generally buy chocolate in between 1-5 packs a week compared to 51% of female respondent. It is analyzed that 21% (18) of respondent purchases chocolate costing between 5-10 Rs while 47% (40) buys chocolate that cost 10-20 Rs. Chocolates costing 20-50 Rs is preferred only by 24% (21) of respondent and only 7 (8%) out of 86 respondent buys <https://assignbuster.com/consumer-buying-behavior-towards-chocolates-consumption-marketing-essay/>

chocolates costing more than Rs 50. Price of chocolate significantly affect different gender differently as 22% female purchase chocolates costing 5-10 Rs against 19% males, while 49% of females prefers to buy those costing in between 10-20 Rs as against 44% of males. 32% Males buy chocolates those costing in between 20-50 Rs compared to 18% of female buying the same.

Q. 2 For whom it is purchased

In collected sample 41% (35) respondent buys chocolates for self consumption against 29% (25) who never buys for them-self. Among them 44% (38) respondent purchases for children against 15% (13) who never buys for children's. 28% (24) of respondent buys chocolates only for the gifting. The percentage of those who buys always and never for special occasion is approximately 27% and 24% respectively.

Analysis shows that 42% of females always buy chocolates for self consumption where only 39% of males do same for self consumption. When it comes for buying chocolates for children than insignificant of gender both have same buying behaviour. Males seems to gift chocolate more than female as 20% of them buy it for gifting compared to 12% of females.

Q. 3 what motivate to buy chocolate

In a study of 86 respondent it was found that 17% (15) of the respondent were very tempted by the display ads while 34% (29) respondent are moderately affected by the display ads while it has no affect on purchase decision of 13% (11) of respondent. In the undertaken study visual ads highly affect 41% (35) respondent while only 9% (8) of respondent are not affected by it. 24% (21) of respondent perceives affect of family and friends

on their purchase decision while it has no affect on 5% (4) of respondent.

This shows that family and friends has very high affect on purchase decision of chocolates buyers. Very insignificant numbers of respondent only 2% are affected by sales-man persuasion while it has no affect on 49% (42) of respondent. Also celebrity endorsement has only a moderate influence on purchase decision of respondents. Only 9% respondent are affected by celebrity endorsement compared to no affect on 16% respondents.

42% females are affected by visual advertismet against 39% of males while the display ads affect male more compared to females with 24% and 11% of significant impact on purchase decision respectively. Also family and friend affect females(27%) more against males (22%).

Q. 4 Important Attribute of the chocolate

It can be inferred from study that taste is very important for buying chocolate 95%males & 93% females buy chocolates because of taste. 54% males & 49% females are showing neutral response to availability, while 27% males & 36% females say that availability is most important for buying chocolate. 19% males & 15% females have least impact of availability. Price is most important consideration for 29% males & 33% females. It affects 42% males & 29% females moderately. For 29% males & 38% female price is least important. Packaging seems to impact purchase decision of 49% males & 58% females moderately during purchase of chocolates. For 22% males & 27% females packaging is most important consideration for buying chocolate. 29% males & 15 % females have least impact of packaging.

Q. 5 Advertisement seems to have moderate impact on purchase decision irrespective of gender; however 29% males & 22% females are mostly affected by advertisement. 17% males & 24% females are not affected by advertisement.

Q. 6 Forms of chocolate impact 54% males & 44% females moderately while 24% males & 27% females are mostly affected by form of chocolate. 22% males 29% females are least impacted by form. 80% chocolate buyer seems to buy particular brand against 7% who do not care for the brand name

Q. 7 how advertisements persuade consumers to purchase

Sample in hands results that 20% of people like to buy due to emotion in their advertisement while 43% of respondent love fun in advertisement while only 27% of people like knowledge in the promotion mix against 10% of people who likes music/jingle. So it can be concluded that people watch and are persuaded due to fun content in the advertising of the chocolate more than any other factor. While analysing data on the basis of

gender it can inferred that males (81%) like fun and emotional content in advertisement than females(47%), while female (33%) prefer knowledge content more than males (19%). While 20% of female loves music and jingles in comparison no male like it.

Q. 8 which brand mostly preferred by consumers

In the undertaken study it was found that Cadbury is the most favoured brand with 70% of share as against 21% of Nestle, 4% & 5% respectively for Amul and miscellaneous ones.

It can be inferred from the collected data that females (71%) like Cadbury more than males (68%), while males prefer nestle (24%) more than that of females (18%). While demand for Amul chocolates is found to be very insignificant and equal in both the gender.

Q. 9 effect of increament in rates

The sample analysis say that 82% respondent are highly brand loyal as 18% of them will buy the costly pack of same and 64% of them will not show any change in demand pattern. Only 5% of respondent are in favour of shifting brand against 13% who will reduce the purchase quantity if the rate increases by 2-5 Rs.

The deep gender-wise analyses of result show that both genders are equally brand loyal towards price sensitivity. Results show that around 64% (in both gender) will have no change in their purchase decision while 19% of them show positive relation toward buying as they will buy more thinking quality has improved. Also its seems that Law of demand (increase case) operate on males more than females as 15% & 11% of them will reduce buying chocolate with increase in prices.

Q. 10 from where consumers mostly buy

The sample study results show that 35% (30) respondent buys from local shop against 49% (42), 7% (6) and 9% (8) respondent who buys from store, cafeteria and malls respectively.

In this study, males (42%) prefer to buy more from local shop than compared to females (29%) while female (55%) prefer to buy more from stores against

males (41%). While the ratio of buying from malls and cafeteria reveals there is no significant impact of it on gender as both have almost equal choices in this regard.

Q. 11 what consumers do if preferred brand not available

The analysis of sample data says that 9% of total respondent will buy costly pack of same brand while 56% of them will move to next shop. This shows that 65% of respondent are highly brand loyal against those 30% who will buy another brand or other (6%) will postpone their purchase decision.

The analysis of sample data gives result that females are highly brand loyal than males as 71% of them will buy the costly pack of same brand or move to another shop compared to 59% of males if that particular is not available. While 36% males & 24% female say that they will shift to another brand while 6% of both genders will postpone their purchase decision.

Q. 12 how much customer are loyal to specific brand

To check brand loyalty and competitive affect we has analyzed that 15% of respondent will not buy any other brand while 53% of them may consider the same against 35% who are not sure of taking decision.

Our study 41 male & 45 female respondents were there if another brand of the same product appears in the market then 7% males & 22% females will not buy the new brand. 64% males & 44% females may be considering the new brand. 5% males & 18% females shall not consider new brand. 24% males & 16% females can't say they will buy new brand or not.

CONCLUSION:

In study of 86 respondents it was found that 95% (82) respondents like Cadbury Brand, 68% (59) respondents like Nestle Brand, 24% (21) of respondents like Amul Brand & 1% respondents like Other Brand. So it can be concluded that Cadbury is most famous brand among others.

50% Cadbury buyers like to buy Dairy milk out of 82 respondents

15% Cadbury buyers like to buy 5 Star out of 82 respondents.

10% Cadbury buyers like to buy Perk out of 82 respondents.

So, the findings from study that most preferred chocolate are Dairy Milk out of Cadbury buyers.

36% of Nestle buyers like to buy Kit -Kat out of 59 respondents.

24% of Nestle buyers like to buy Éclairs out of 59 respondents.

20% of Nestle buyers like to buy Munch out of 59 respondents.

52% of Amul buyers like to buy Chocó Mines out of 27 respondents.

48% of Amul buyers like to buy Chocó Zoo out of 27 respondents.

To be concluded that Kit -Kat and Chocó Mines is most preferred chocolate in Nestle and Amul respectively. Also, it was found that 59% (51) of respondents like chocolate flavor, 23% (20) likes coffee flavor & 20% (17) respondents like nuts flavor. So it can be concluded that chocolate is the most profitable flavor & coffee second most profitable.

APPENDIX 1.

Ho = there exist no relationship between the gender who buy chocolate for self consumption, children, gift.

Ha= Gender have significant impact on the purpose of buying chocolates.

Gender

Child

Chi-Square(a, b)

.186

13.000

Df

1

2

Asymp. Sig.

.666

.002

Gender

Gift

Chi-Square(a, b)

. 186

34. 907

Df

1

2

Asymp. Sig.

. 666

. 000

Gender

Self

Chi-Square(a, b)

. 186

2. 116

df

1

2

Asymp. Sig.

. 666

. 347

After applying Chi square test on the data it is found calculated value of test is less than the tabulated one. It means that H_0 is accepted that's prove that there is very insignificant difference in perception of both the gender and thus both gender buy chocolates for self consumption, gifting and children in a equitable amount.

APPENDIX 2.

H_0 = there is no relationship in gender and frequency of buying chocolates

H_a = Gender affect frequency of buying chocolates.

Gender

How Often

Chi-Square(a, b)

. 186

13. 256

Df

1

3

Asymp. Sig.

. 666

. 004

our Ho is selected and Ha is discarded. Thus use of chi square test proves here that both the gender have similar frequency in buying chocolates.

APPENDIX 3.

Ho= Cost do not affect the purchase decision of diferent age group

Ha = different age group have different perception towards cost

Age

Cost

Chi-Square(a, b)

45. 209

26. 279

Df

30

3

Asymp. Sig.

. 037

. 000

Here in this study it is found that the age and cost have significant relationship among them. It means different age group have different reaction towards different price levels. Thus our H_a is accepted and H_o is rejected.

APPENDIX 4.

H_o = Visual ads do not have different on different gender

H_a = Visual ads affect different gender

Gender

Visual Ad

Chi-Square(a, b)

. 186

32. 256

Df

1

4

Asymp. Sig.

. 666

. 000

Here Chi Square test show that tabulated value of Chi square is greater than calculated that's why our H_0 is accepted, which means that there is no relationship between gender and visual ads.

APPENDIX 5.

H_0 = The cost of chocolate do not affect the brand purchase

H_a = The price of chocolate affect the brand purchased

Cost

Brand

Chi-Square(a, b)

26. 279

85. 558

Df

3

2

Asymp. Sig.

. 000

. 000

Here Chi Square test show that tabulated value of Chi square is greater than calculated that's why our H_0 is accepted, which means that there is no relationship between cost and brand purchased.