

Consumer perception: coca cola in india



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There are a number of factors, which may affect brand success such as brand personality, brand image and brand attributes consumer loyalty, perceived different advantage, and competitive position. However, the underling arguments throughout the literature is that all the above variables should be developed by on the consumer's perception, for example, the consumer's perception of the brand image, the consumer's perceived differential advantage, the consumer's perception of the brand attributes. To achieve brand success it is vital to ensure congruity between brand values purported by the brand management function of an organization and the brand values perceived by the customer.

Empirical work (qualitative), demonstrate the importance of communicating the brand personality and its values to consumers. This encompasses a number of factors such as brand image, brand name and perceived different advantage. Research suggests that whilst coca-cola is overall positively perceived by consumers, there remain potential gaps between certain brand attributes developed by Coca-cola to those attributes perceived by the consumer.

In essence, the brand's full potential is not fully exploited as consumers demonstrated a lack of understanding of certain attributes of the brand, for example its quality accreditation. Whilst the brand possesses a number of positive attributes, it was found that brand communication needs to be more effective and more focused on the consumer so that these attributes are both positively understood and positively perceived by consumers, thus leading to brand loyalty and subsequent achieving strong brand equity.

Chapter 1 – Introduction

Purpose of the Research

The dissertation will evaluate the consumer perception of Coca-cola brands or products in India. In order to ascertain whether the brands are capable of achieving the company's objectives of increasing the brand's equity. The analysis will focus on the consumer perception of the brand in domestic markets and focus on the impact of the brand with in India. The objective of increasing brand equity will be researched from a consumer perspective in terms of evaluating consumer perception of the brand. Consumer perception will be assessed in terms of brand associations, buyer behaviour and brand loyalty.

The importance of branding for the soft drink sector cannot be overemphasized due to current depressed markets as a consequence of the factors such as pesticides in the drinks, and disposed industrial wastes. Therefore, this has a direct impact on the soft drink sector in terms of the importance of a successful branding and marketing and enabling the sector to compete more on quality and less on price.

This dissertation will evaluate existing theory on brand management in terms of the brand environment, theory on brand equity, communication theory and buyer behaviour. Empirical work undertaken will be applied to existing theory. The empirical work will focus on consumer perception of the brands. This will provide an insight into the strengths and weakness of the Coca-cola brands in addition to providing an indication of future opportunities and threats thus enabling the identification possible future brand positioning.

Objective

Determine the present situation of Coca cola products and evaluate the current situation from the perception of the consumer.

The Coca cola brand's short, medium and long term aims will be identified and analysed against its current position and its likely position evaluate current consumer perception of the brand including brand awareness.

An evaluation of the whether the brands or products are capable of achieving coca cola aims and objectives.

Evaluate the brand image and positioning from the consumer perspective and evaluate current and likely future consumer perception of the brands.

To determine the current state of consumer perception about the Coca Cola in India and the allegations against Coca Cola India that it extracted the water irresponsibly from the ground, used pesticides in the drinks, and disposed industrial wastes in undue manner and identify perceived weakness and threats within the current brands and identify whether a future

repositioning may be required and propose possible future developments together with opportunities and strengths facing the brands.

Research Questions

In the consumer satisfaction literature, ‘meeting the expectation of the consumer’ and ‘affecting feeling state’ are two separate constructs (Ross et al. 2008). These two constructs are also related with consumers’ future intention to purchase.

Consumers develop their meet-expectation basing on what perception they already have about a product or service, and what experience they are going to have after purchase, whether or not a perception existed. This is a dynamic cognitive process (Vanhamme and Snelgers 2001). This reflects whether a consumer’s pre-purchase evaluation about the product is same, similar, or different from the post-purchase evaluation. After the purchase of the product, a consumer finally assesses the product and decides whether to buy the product again or not. The disclosure of the events about Coca Cola in India in August 2003 might have most likely affected the perception of Coca Cola in India and Indians elsewhere. Thus the first set of research questions is as follows.

Research Question 1: Have the August 2003 debacle of Coca Cola in India affected the consumers’ intent to buy Coca Cola and Coca Cola products in India?

Research Question 2: Are Coca Cola and Coca Cola products able to meet consumers’ needs in India given the presence of other brands in the market

which have not been affected by facts and events which have been disclosed about the former?

The above two questions have been verified by primary data through survey questions 10, 11, and 12 of the questionnaire (Appendix 1).

The 'affecting feeling state' is consumer's subjective feelings about a product. This develops after the use of the product and service. It is a pure state of mind, about liking and disliking (or, favour and disfavour) of the product and services and is seen as a consequence of future purchase behaviour (Westbrook 1987, Golicic et al. 2003, Armstrong and Kotler 2003).

In both constructs, future purchase behaviour has been viewed as the consequence of consumer satisfaction. The essential difference between these two constructs is that the former is based strictly on the assessment as to how much the product meets the expectation of the buyer. In this case Coca Cola and Coca Cola products are primarily products that quench the thirsts of the consumers. The second construct, affecting-feeling state, is a psychological state of the consumer, which may be independent of the pre-purchase notion about the product or services, but much reinforced after the use. In this affecting feeling state, it is not only the product and the services associated with Coca Cola, but other wider issues including the corporate social responsibility (CSR) may play a vital role in shaping the image and consequent favour and disfavour state of a consumer about its brand.

However, such feelings of favour and disfavour can be understood only though consumers' feelings of having made a purchase decision. Thus to test this state questionnaires addressed 'decision to drink' questions (questions 13, 14, 15, and 16 in Appendix 1).

Research Question 3: Are consumers in India happy to have purchased Coca Cola and Coca Cola products? In other words, what kind of perception do consumers of Coca Cola have after they make a purchase?

The cumulative effect of the two constructs, 'meeting the expectation of the consumer' and 'affecting feeling state' culminate into consumers' future buying intentions. Research question 4 is thus a follow up inquiry of above three questions.

Research Question 4: Basing on consumers' overall perception of Coca Cola as a brand, are consumers in India likely to continue purchase of Coca Cola products? This research question has been answered with questions 16, 17, 18, and 19 in the survey questionnaire (Appendix 1).