

Research of Influence of Consumer Behavioral Momentum and Human Factors on Functional Beverage - based on the Coca-Cola Company

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Abstract: With the economic development and the improvement of people's living standards and people's lifestyles, the consumption levels have changed dramatically. Beverage necessities and its increasing demand of consumer goods have become very important, which helped the development of the beverage industry. As the beverage industry matured, the market competition becomes increasingly rapid. How to develop more effective marketing, expand the product's market share have become priority issues of enterprise development.

Coca-Cola's group was founded in 1892, after a long period of development, has now become a big company producing soda, juice drinks, herbal beverages, tea beverages, purified drinking water, mineral water, vitamin drinks and other beverages. The global market share of Coca Cola company is 48%, enterprise marketing strategy also faces many challenges.

The current study is focused on Coca-Cola's Fanta beverage- 'vitamin water' drink. Based on marketing theory and actual situation and development of the drinks market, the SPSS statistical software on consumers ' buying behavior is utilized on regression analysis of brand, marketing strategy, corporate image, price and product attributes on consumers ' purchasing behavior for resolutions.

Keywords: brand awareness, promotion strategies, corporate image, prices, properties, consumer purchase behaviour.

1. INTRODUCTION

1.1 Research Background

The world is in a diversified era, people's consumption values are different and the demands of materials are higher and higher. With the growing competition of economy, the products are more and more competitive. A slight negligence from every factor in each producing line or every link could let the market eliminated. The companies are enhancing wide-accepted producing skills and making more popular products. How to find better and unique characteristics and meet consumers' needs have become critical factors. Beverage products have changed drastically as the explosions of media and advertising information. New products have to cater to the tastes of consumers, so the new preferences of soft beverage have been developed, including tasty, nutrition richness. Thus the consumption idea of health is highly valued and people becomes more reliable on functional beverage to improve health. In western and Asian countries, nutrition diet concept and health actions are popular, thus the beverages of special purpose has now become the mainstream. The sale of special purpose beverage has been increasing internationally. The growth rate from 1998 -2003 has increased to over 60%, and the global output is 10.7 billion litres in 2003. The total sales amount was less than 2 billions US dollars in 1990, and increased dramatically to 15 billions US dollars in 2002. New soft beverage products have led the trend from the traditional type to new trend, combining health, racial integration and leisure. In one aspect, the global environment is getting worse under the pressure from nature and society. And in other aspect, higher quality and healthier life have replaced the demands of primary needs. The sales rate of special purpose beverage is higher and higher. Therefore the

price of special purpose beverage is expensive, such as 'red bull' in Thailand and 'Gatorade' in U.S and the 'vitamin water' of Coca-Cola. The price is between 6-12 dollars. The price is expensive but people are still willing to buy to maintain the so-called health to satisfy the needs of body.

1.2 Research Goals

Soft beverage plays important role on purchase process, and has significant influence on business performance. Based on the related theories and research results, the current study combined the cultural differences of target subjects, focused on 'vitamin water' of Coca-Cola, explored the influence of products factors on consumer behavior by questionnaires. Analyzed collected data and showed the factors which affects beverage. Independent variables are brand awareness, promotion strategies, corporate image, prices and properties, and the interaction of consumer purchase behavior. Correlation of variables are analyzed. The study is :

1. To explore the influence of brand awareness on consumer purchase behavior ;
2. To explore the influence of variables of promotion strategies on consumer purchase behavior ;
3. To explore the influence of inner and outer image of enterprise on consumer purchase behavior ;
4. To explore the influence of prices on consumer purchase behavior ;
5. To explore the influence of properties on consumer purchase behavior.

1.3 Research Meaning

The main theoretically meanings of the current study are:

1. As the rapid development of economical situation and income, people changed their diet. The rate of survival food is decreasing and nutrition food is increasing. People spent more money on drinks. As the idea of consuming varied, new drinks consumption habits formed, the prosper development of drink consumption market formed.

2. Researches focused on beverages studies on consuming habits and preferences are very rare. Most studies were aiming at safety issues about beverages, and beverage consumption studies are not plenty.

Oversea scholars used empirical data to study their variables, but there is no certain results. The current study utilized the collected data of consumer purchase behavior, explore and test the influential factors.

2. LITERATURE

The study is focused on the influences of properties of nutrition beverage on consumer purchase behavior in three aspects: promotion ways, industry image, brand awareness, and prices. The related explanation and theories between them are discussed.

The dependent variable is consumer purchase behavior and the influential factors such as demographic variables and human factors are independent variables.

3. RESEARCH DESIGN

After the literature related to consumer purchase behavior, brand awareness, promotion ways, corporate image, prices, properties and the structures were reviewed, the further exploration of their correlation are studied: first, through the organization of literature, the research framework is built, research hypothesis is proposed and the theoretical research model is made. Second, operational analysis of research model is conducted, and operational definition of variables in the model are defied. Appropriate measures are proposed. And finally the design of questionnaires, collection of samples and the definition of data analysis.

4. EMPIRICAL RESEARCH

The chapter is dealing with data collection and analysis and provides the basis of the conclusions. In chapter 1, collected questionnaire data is collected, analyzed and prganized. In chapter 2, reliability and validity analysis are utilized

to test the feasibility of data analysis. In chapter 3, correlation analysis is used. In chapter 4, after using correlation analysis, regression analysis are used to test the research model and hypothesis. Exploring the factors that affects consumer purchase behavior, delivering questionnaires, and collecting data and samples.

1. Delivering Questionnaires, And Collecting Data and Sample Results.

The study used questionnaires to conduct the study of consumers. 250 questionnaires are issued, 230 were collected. The collection rate is over 92%. Some questionnaires were taken as invalid: 1.the answers are not complete or totally no answers. 2. Unacceptable casual writing on answer sheet. 3. Wrote the unwillingness on the questionnaire. 13 invalid questionnaires were picked out and the total valid questionnaire is 218, the valid rate is over 87%.

2. Reliability and Validity Analysis of the Questionnaires

Considering the current consumer environment and the subject features of the study, the basic analysis of reliability is conducted. Cronbach α value (1951) is used in the study, to measure the reliability. It is the most widely-used reliability index. According to Cronbach's α value, the variable are all >0.8 , the reliability is higher.

From the data above we learned: the KMO value is 0.846 questionnaires, Bartlett sphere test statistics value is 1074.141, degrees of freedom is 36, significant probability is 0.000, < 0.01 , the requirement of the study is conformed, this indicates the the collected data is suitable for factor analysis. The value of KMO is between 0-1. When all simple correlation coefficient of sum of squares is larger than partial correlation coefficient of sum of squares, the KMO value is close to 1, indicates the strong correlation of variables, and the variables are suitable for factor analysis. When the simple correlation coefficient of sum of squares is approaching 0, indicates the weakness of the correlation, and the variables are not suitable for factor analysis. Kaiser defined the KMO level: >0.9 means very suitable, 0.8 means suitable, 0.7 means general, 0.6 means not suitable, and <0.5 means extremely not suitable.

3. Correlation Analysis

The correlation coefficient between factors are bigger, located at 0.3-0.5, the correlation coefficient was big, and only several coefficients were small. The simple correlation coefficient of brand awareness and properties is 0.397, this indicates positive correlation between them. The simple correlation coefficient of promotion and properties is 0.530, this indicates positive correlation between them. The simple correlation coefficients of promotion and business promotion with properties are 0.502 and 0.522, positive correlated. The simple correlation coefficient of inner image and properties is 0.164, not significant correlated. The simple correlation coefficient of outer images and properties is 0.105, not significant correlated.

4. Regression Analysis

The significance probability of constant is $0.000 < 0.05$, which indicates the significant difference of brand awareness, promotion and inner image. The significance probability of brand awareness is $0.029 < 0.05$, which indicates the significant difference between brand awareness and consumer purchase behavior. The significance probability of staff promotion is $0.053 > 0.05$, which indicates no significant difference of staff promotion and consumer purchase behavior. The significance probability of promotion is $0.036 < 0.05$, which indicates the significant difference of promotion and consumer purchase behavior. The significance probability of business promotion is $0.386 > 0.05$, which indicates no significant difference of business promotion and consumer purchase behavior. The significance probability of public relationship is $0.393 > 0.05$, which indicates no significant difference of public relationship and consumer purchase behavior. The significance probability of inner image is $0.029 < 0.05$, which indicates the significant difference of inner image and consumer purchase behavior. The significance probability of outer image is $0.910 > 0.05$, which indicates no significant difference of outer image and consumer purchase behavior. The significance probability of prices is $0.456 > 0.05$, which indicates no significant difference of prices and consumer purchase behavior. Three variables (brand awareness, promotion and inner image) is significantly positive related, therefore the three factors and consumer purchase behavior are positive related. Thus, when the consumers are buying nutrition beverages, they valued the brand popularity of the product. What affects their purchase behaviors is the promotion of products and the industry image, and the prices and packing have no influences on the purchase. Thus the linear regression equation is:

$$y=1.949+.084x_1+0.69x_2+.101x_3+\epsilon$$

5. CONCLUSIONS AND SUGGESTIONS

5.1 Brand Awareness

The domestic beverage industry is the manufacturing industry in food industry. It combines the traits and has different challenges. The competition of beverage industry brands are different and the factors that affect consumer purchase behavior (the Coca-Cola group as example) is as follows:

1. Increase the brand awareness if the enterprise tries to win
2. High quality service is the core
3. The technical innovation and scientific management is the power of development

5.2 Promotion

First, emphasize the strength of advertising language and fully convey the concept. Second, the innovation of advertisement. Third, the advertisement theme meets the needs of consumers and inspires the purchase behaviors. Fourth, focus the target consumers and decide the advertising theme. Fifth, shape the product authority, shape the product brand strategy authority, implement brand strategies. Sixth, proper promotion and effective communication with customers.

5.3 Inner image

Industry image is a concept evaluation, and is from the subjective evaluation of consumers. The industry image reveals in many social welfare activities and promotional activities. Brand image is the epitome of enterprise. The more powerful the enterprise is, the longer it exists. Brand image shaping should be overall. Brand image can fully express the concept and idea of the industry and it stands the spirit of an industry. Brand is the backbone of industry image.

5.4 Limitations of research

The limitations of the current study are listed as follows:

1. The original data is acquired by the design of questionnaires. And the process is very subjective, thus, there might be some bias or preferences. Most of the questionnaires are based on languages description. The misunderstanding might occurred. Therefore full expression might not be conveyed.
2. Due to the limitation of resource conditions, the data obtained are one-sided. It is from curtain regions rather than all regions. This might have some differences in results. Some factors might have different effects on certain areas. It is better to have larger samples all over the countries to ensure the veracity.
3. The study is focused on one company, the Coca-Cola, thus is unable to clear comparing of other similar industry, so the lack of comparability is possible.

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