

Consumer Preference and Perception Chocolates in North Karnataka

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Abstract: The Cadbury Chocolate market is flooded with numerous well-known and recognise Chocolate brands. The consumer attitudes towards different products have a significant impact on the decision whether to purchase the product or not and is GST impacted the consumers OR the consumer is more concerned about their taste and also inclined to maintain quality of life which is reflected through the preferential consumption of those Cadbury chocolate that protects the good state of their health as well as provide maximum satisfaction. Through the descriptive and factor analysis study we tried to analyze the various attribute that consumer seeks while making purchase of chocolate for different purposes, taste, price etc Also, we tried to examine the various degree of relationship that exists between the different attributes of the product that favours and the brand loyalty that consumer have towards his like brand and the prices of the liked brand chocolate .The growth rate of chocolates have consequently being increased since fast few years. Analysis of major impacts on the chocolate industry before and after GST implication.

Keywords: Chocolate, Consumer Preference, Perception, Growth Trend, GST Impact, consumer, attitude, chocolate product, impact, buying process

I. INTRODUCTION

The history of chocolate begins in Mesoamerica. Fermented beverages made from chocolate date back to 1900 BC. The Aztecs believed that cacao seeds were the gift of Quetzalcoatl, the god of wisdom, and the seeds once had so much value that they were used as a form of currency. Originally prepared only as a drink, chocolate was served as a bitter, frothy liquid, mixed with spices or corn puree. It was believed to have aphrodisiac powers and to give the drinker strength. Today, such drinks are also known as "Chilate" and are made by locals in the South of Mexico.

After its arrival to Europe in the sixteenth century, sugar was added to it and it became popular throughout society, first among the ruling classes and then among the common people. In the 20th century, chocolate was considered essential in the rations of United States soldiers at war.

The word "chocolate" comes from the Classical Nahuatl word *chocolātl*, and entered the English language from the Spanish language

The Indian Chocolate Industry has come a long way since long years. Ever since 1947 the Cadbury is in India, Cadbury chocolates have ruled the hearts of Indians with their fabulous

taste. Indian Chocolate Industries Cadbury Company today employs nearly 2000 people across India. The company is one of the oldest and strongest players in the Indian confectionary industry with an estimated 68% value share and 62% volume share of the total chocolate market. It has exhibited continuously strong revenue growth of 34% and net profit growth of 24% throughout the 1990's. The brand of Cadbury is known for its exceptional capabilities in product innovation, distribution and marketing. With brands like Dairy Milk, Gems, 5 Star, Bournvita, Perk, Celebrations, Bytes, Chocki, Silk, Delite and Temptations, there is a Cadbury offering to suit all occasions and moods.

Today, the company reaches millions of loyal customers through a distribution network of 5.5 lakhs outlets across the country and this number is increasing every day. In 1946 the Cadbury's manufacturing operations started in Mumbai, which was subsequently transferred to Thane. In 1964, Induri Farm at Talegaon, near Pune was set up with a view to promote modern methods as well as improve milk yield. In 1981-82, a new chocolate manufacturing unit was set up in the same location in Talegaon. The company, way back in 1964, pioneered cocoa farming in India to reduce dependence on imported cocoa beans. The parent company provided cocoa seeds and clonal materials free of cost for the first 8 years of operations. Cocoa farming is done in Karnataka, Kerala and Tamil Nadu. In 1977, the company also took steps to promote higher production of milk by setting up a subsidiary Induri Farms Ltd., near Pune.

In 1989, the company set up a new plant at Malanpur, MP, to derive benefits available to the backward area. In 1995, Cadbury expanded Malanpur plant in a major way. The Malanpur plant has modernized facilities for Gems, Eclairs, and Perk etc. Cadbury operates as the third party operations at Phalton, Warana and Nashik in Maharashtra. These factories churn out close to 8,000 tonnes of chocolate annually.

In response to rising demand in the chocolate industry and reduce dependency on imports, Indian cocoa producers have planned to increase domestic cocoa production by 60% in the next four years. The Indian market is thought to be worth some 15bn rupee (0.25bn) and has been hailed as offering great potential for Western chocolate manufacturers as the market is still in its early stages.

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. Firms across the country have announced plans to step-up domestic production from 10,000 tonnes to 16,000 tonnes, according to Reuters. To secure good quality raw material in the long term, private players like Cadbury India are encouraging cocoa cultivation, the news agency said. Cocoa requirement is growing around 15% annually and will reach about 30,000 tonnes in the next 5 years.

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, Eclairs, Perk, and 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 and Amul 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. The two companies operating in the segment are Gujarat Co-operative Milk Marketing Federation (GCMMF) and Central Arecanut and Cocoa Manufactures and Processors Co-operation (CAMPCO). Competition in the segment will soon get keener as overseas chocolate giants Hershey's and Mars consolidate to grab a bite of the Indian chocolate pie.

II. OBJECTIVE OF THE STUDY

- ❖ To analyze the consumer preference and perception for Cadbury chocolate with reference to other market players
- ❖ To study the consumer behavior of chocolates
- ❖ Analysis of the product, pricing, availability, quality, taste, advertising and packaging of Cadbury chocolates

III. PURPOSE OF THE STUDY

Consumer preference explains how a consumer ranks a collection of goods or services or prefers one collection over another. This definition assumes that consumers rank goods or services by the amount of satisfaction, or utility afforded by the company.

Consumer Perception is a marketing concept that encompasses a customer's impression, awareness and consciousness about a company or its offerings. Customer perception is typically affected by advertising, reviews, public relations, social media, personal experiences and other channels.

The success of a business depends upon its ability to attract and retain customers that are willing to purchase goods and services at prices that are profitable to the company. Consumer perception describes how customers and potential

customers view a company and its products and services. Consumer perception is important to businesses since it can influence consumer behaviour, which ultimately affects the profitability of a business. Many businesses spend large amounts of resources to influence consumer perceptions.

IV. REASONS FOR RESEARCH

- ❖ The increasing demand for chocolates in today's world
- ❖ To know the consumers preference towards different chocolate brands
- ❖ To know the factors affecting the consumer perception towards Cadbury chocolates
- ❖ It is very feasible to conduct the research

V. LITERATURE REVIEW

- **A study on consumer's preference and perception towards Patanjali product by S. ANUPRIYA**
Conclude that Consumer satisfaction is derived when he compares the actual performance of the product with the performance he expected out of the usage. If the perceived benefits turned out to be almost same as expected, customer is highly satisfied and that is how the company achieves loyalty of the customer towards the product.
- **Nandagopal and Chinnaiyan (2003)** conclude that the mode of purchase of product also effecting buying pattern and so perception of consumer.
- **Syeda Quratulain Kazmi** (P.A.F Karachi institute of Economics And Technology, Karacchi, Sindh, Pakistan) Customer perception is basically an organism which describes an individual's perceived image which he expect from any product or service. Observation can be changed or influenced by numerous factors behaviour, children who are in their teenage prefer food with respect to food nutritious as well as three factors plays very important role, home environment, school and social gatherings .

VI. RESEARCH METHODOLOGY

Sampling Unit : consumer/ End users

Sample Size : 107

Data collection method: Primary data:

Questionnaire was prepared aimed at collecting most essential for ascertaining and analyzing the topic. Primary data collected through personal interview, questionnaire etc. to support the secondary data. The data collected will be analyzed by using suitable statistical tools and the interpretations will be drawn.

Sampling methods: - Statistical-Random sampling method was adopted in this research with respect to achieve the objectives.

Simple random sampling

- Sample selection randomly or purely by chance, without having any preference or favour for that sample at the expense of ease of handling.
- **Statistical surveys** are conducted to collect data systematically and the individuals of the samples are analytically treated to extract the information.

Tools Used: SPSS Software

- ✓ Descriptive Statistics
- ✓ Factor analysis

Assumptions for the entire test used:

- Descriptive Statistics describes some variable or parameter in the set mean. The mean describes the central value of the set
- Factor Analysis, it is the form of data reduction to determine the most important factor for ordinal level data, here the dependent variable at is always ordinal.

VII. RESULT AND DISCUSSION

Out of 110 copies of the questionnaire distributed, 107 (97.27%) were returned as duly filled and usable questionnaire

Table 1: How do you feel about Cadbury Chocolates?

| | | Frequency | Percent |
|-------|-----------|-----------|---------|
| Valid | Very Good | 36 | 34.0 |
| | Neutral | 19 | 17.9 |
| | Good | 43 | 40.6 |
| | Bad | 6 | 5.7 |
| | Very Bad | 2 | 1.9 |
| | Total | 106 | 100.0 |

From the Table 1, it is evidence that the Descriptive statistics i.e. feel about Cadbury chocolate is Good and Very Good at 74.6%

Table 2: Which specific brand do you think of when you buy chocolates?

| | | Frequency | Percent |
|-------|---------|-----------|---------|
| Valid | Cadbury | 62 | 58.5 |
| | Amul | 12 | 11.3 |
| | Nestle | 21 | 19.8 |
| | Others | 11 | 10.4 |
| | Total | 106 | 100.0 |

From the Table 2, it is evidence that the Descriptive (Sum) i.e. Cadbury and Nestle are the most APPRECIATED brands and preferred while buying chocolates.

Table 3: Which chocolate brand you like the most?

| | | Frequency | Percent |
|-------|---------|-----------|---------|
| Valid | Cadbury | 56 | 52.8 |
| | Amul | 12 | 11.3 |
| | Nestle | 25 | 23.6 |
| | Others | 13 | 12.3 |
| | Total | 106 | 100.0 |

From the Table 3, it is evidence that the Descriptive (Sum) i.e. Cadbury and Nestle are the most chocolate brand preferred.

Table 4: Rotated Component Matrix^a

| | Component | |
|------------------|-----------|-------|
| | 1 | 2 |
| Price of Cadbury | .917 | -.066 |
| Price_of_Nestle | .891 | .023 |
| Price_of_Amul | .230 | .903 |
| Price_of_Others | -.311 | .875 |

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.

From the Table 4, it is evidence about the Price by Factor Analysis the Cadbury followed by Nestleare chocolate.

Table 5: Rotated Component Matrix^a

| | Component | |
|-------------------------|-----------|------|
| | 1 | 2 |
| Availability_of_Cadbury | -.751 | .148 |
| Availability_of_Nestle | -.012 | .984 |
| Availability_of_Amul | .771 | .126 |

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations.

From the Table 5, Factor Analysis of chocolate availability is Amul is the first and Nestle is second easily available chocolates

Table 6: Rotated Component Matrix^a

| | Component | |
|------------------|-----------|-------|
| | 1 | 2 |
| Taste_of_Cadbury | .810 | -.263 |
| Taste_of_Nestle | .833 | .223 |
| Taste_of_Amul | -.009 | .966 |

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 3 iterations

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From the Table 6, The Taste of chocolate, Nestle is first tasty chocolates and Cadbury is second tasty chocolates by Factor Analysis.

VIII. CONCLUSION

A significant number of consumers in the study are indeed willing to pay extra money for chocolate products with sustainability. Further in this study we found out that respondents from city areas with healthy lifestyle and positive attitudes towards willing to buy better quality chocolate products. The consumer preference and perception for Cadbury chocolate is with reference to the behavior of respondents towards price, taste etc explored GST haven't impacted significantly. Analysis of the product, pricing, availability, quality, taste, advertising and packaging of Cadbury chocolates show is the leader of the market.

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