A Study on Brand Loyalty for Coffee and Tea Beverages in Tirupur City

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Abstract: *Food and beverage industry are one of the major revenues producing departments in hospitality industry. The beverages industry customer base is probably widestand deepest base in the world.The beverages sector in India has undergone significant transformation in the past 15 years. The central thrust of the marketing activities of a firm is often viewed in terms of development, maintenance, or enhancement of customers' loyalty toward its products or services. Brand loyalty, is a measure of the attachment that a customer has to a brand. Essentially, brand loyalty refers to a consumer's constant repurchase of a favored brand.The main aim of the study is to know the brand loyalty among the respondents for beverages. Descriptive statistics research is used for the study. The sample size of 300 respondents was selected based on convenience sampling method. The statistical tools used in this study are Simple percentage analysis, Rank analysis, ANOVA and T – Test. The major findings of the study is the most preferred brand of Tea is 3 Roses and Coffee is Bru and Reasonably priced and quality of the beverages are considered most important factors while purchasing the same brand of beverages.*

Keywords: Beverages, Brand Loyalty, Brand Loyalty Factors, Tea, Coffee

1. Introduction

Fast Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) is products that are sold quickly and at relatively low price. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities; the cumulative profit on such product can be substantial. FMCG have a short shelf life, either as a result of high consumer demand or because of the product deteriorate rapidly. Consumer keep limited inventory of these products and prefer to purchase them frequently, as and when required. Consumers spend little time on the purchase decision. FMCG companies in India have always enjoyed a vast potential market because of the large population of the country. The improved economic situation of both the rural and urban consumers has helped FMCG companies to further expand their market to the hinterlands of the country. The Indian FMCG companies enjoy a diverse industrial base and offer a variety of products to consumers, namely toiletries, personal care products, soaps, detergents, oral hygiene, packaged foods, beverages, grooming products, healthcare products, plastic products, bulbs, batteries, glassware etc.

Beverage industry is perhaps broader and deeper base in the world in particular among the younger generation. The beverage industry in India constitutes of around USD 230 million among the USD 65 billion food processing industry. The major sectors in beverage industry in India are tea and coffee which are not only sold heavily in the domestic market but are also exported to a range of leading overseas markets. Half of the tea and coffee products are available in unpacked or loose form. Among the hot beverages manufactured in India, tea is the most dominant beverage that is ruling both the domestic and international market even today. The supply of tea and coffee is insurmountable in the Indian beverage industry.Brand loyalty, is a measure of the attachment that a customer has to a brand. Essentially,

brand loyalty refers to a consumer's consistent repurchase of a favored brand. Brand loyalty reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or product features. Brand loyalty refers to a biased behavioral response to choose one brand out of a set of alternative brands. Now this study is fully related with non – alcoholic beverages such as Tea and Coffee.

In India, chai (Tea) is more than just a cup of tea to start the day. It is an integral part of the rhythm of life. In addition tea also includes herbs, flavors and types. There are numerous types of tea such as green tea, black tea, tapal tea, mint tea, white tea etc. Many health benefits are said to be gained due to tea. One such is tea with strong anti-oxidants properties. It also contains other health benefits such as weight loss, better digestion problem, concentration, relaxation and many more, depending upon the type the health benefits also varies. Coffee is the world's second most traded commodity, with about half a trillion cups drank per year. It has been used not only for brewing cups of coffee, but also it provides caffeine for beverages, pharmaceuticals, and cosmetics. There are two main commercially grown beans which are Arabica, accounting for 70% of coffee, and Robusta beans, being far cheaper and easier to grow. While Brazil is perceived as the World leading exporter of coffee, the country also recognized as the largest coffee producing Nation in the world. Furthermore, Brazil has been the highest global producer of coffee beans for over 150 years. This study will focus on the brand of coffee and tea preferred by the respondents and the level of importance given for the factors considered in selection of a particular brand of beverages.

2. Literature Review

1) (Mise et al., 2013)This study sought to establish and compare the loyalty characteristics among the soft drink's consumers in Kenya and India.1312 respondents

were sampled comprising of 434 Kenyans and 878 Indians from selected public universities in India and Kenya. It can be established thatmajority of the Kenyan soft drink's consumers are indifferent buyers as compared to their Indian counterparts who are mostly truly loyal to their brands

2) (Habib & Aslam, 2014)conducted a study on influence of brand loyalty on consumer repurchase intentions of Coca-Cola. The purpose of the study was to find out the factors affecting brand loyalty and repurchase intentions of consumers. The study showed that the customer satisfaction and brand image are the major factors that affect the brand loyalty of the consumers and also indicated that positive relationship between brand loyalty influence and repurchase intentions of consumer.

3) (Suhud et al., 2017)conducted a study on measuring brand loyalty of coffee shop visitors in Jakarta. The main objectives of the study were to investigate the impact of brand trust, brand affect, self-image congruity and functional congruity towards brand loyalty of coffee shop visitors. The study suggested that growing their coffee shop brands as an important aspect to develop the brand trust, band affect, self-image congruity and functional congruity and also the selected variables leads to customer satisfaction and brand loyalty.Coffee shop managements should consider brand trust and functional congruity as two important factors in maintaining brand loyalty.

4) (Chatterjee, 2017)conducted a study on brand loyalty of the basis of olfactory techniques using discriminant analysis: A case of café coffee day store in Kolkata, India.The aim of the study was to assess the relationship of likability of fragrance with strength of aroma in purchase of coffee day and also investigated the brand tries to enhance the overall experience of consumers with implementation of olfactory branding. The study indicated that there was an influence of fragrance with consumer's choice and subsequent purchase decision of café coffee day was satisfied with the customers.

5) (Kim et al., 2018) conducted a study on how customer personality traits influence brand loyalty in the coffee shop industry. The study examines how perceptions associated with customer personality traits can affect customer satisfaction, customer brand identification and involvement as well as the brand development of brand loyalty and also investigate the relationships between customers and a brand. The study revealed that the customer personality traits have significant effects on customer satisfaction and customer brand identification, involvement and brand loyalty. It is positively associated with brand loyalty.

6) (Han et al., 2018) made an analysis about drivers of brand loyalty in the chain coffee shop industry. The study aims to examines patron's loyalty generation process for a chain coffee shop brand by considering the role of cognitive drivers, affective drivers, brand satisfaction and relationship commitment. The study indicated that cognitive and affective factors were in general significantly interrelated such association along with brand satisfaction and relationship commitment significantly influenced brand loyalty and the brand

satisfaction was the most important contributor to building brand loyalty.

7) (Lee et al., 2018)) The purpose of this study is to investigate the antecedent attributes of customer satisfaction in the coffee shop business domain. A total of 277 observations were obtained from data collected using Amazon Mechanical Turk. The results showed that the hypothesized antecedent variables were statistically significant to account for satisfaction. In particular, taste was identified as the most influential attribute accounting for satisfaction. Moreover, a significant relationship between "satisfaction" and "loyalty" was identified. Above all, the results demonstrateda positive association between atmosphere and satisfaction, indicating that coffee shops with better atmospheres achieve higher levels of customer satisfaction.

8) (Douglas et al., 2018)investigating the success of independent coffee shops and cafes in the UK. The main purpose of the study was to investigate the factors that UK independent coffee shop and café owners perceived as being critical to the success of their business as well as factors that they perceived as being barriers to running a successful business. The study indicated that the top three critical success factors were friendly staff, good quality food and high standards of hygiene. The top three barriers to success were high rents for premises, high local government business rates and high business taxes.

9) (Fortes et al., 2019)made an analysis of brand loyalty determinants in the context of a soft drink brand. The main purpose of the study was developed and validate a theoretical model concerning customers brand loyalty and also analyzed the perceived quality, brand awareness, brand personality and brand love as brand loyalty determinants. The study revealed that there is a positive relation between the constructs brand awareness and perceived quality and positive influence of brand personality over brand awareness as well as perceived quality over brand.

10) (Chiu et al., 2019)) impact of eight dimensions on the business of specialty coffee shops. The purpose of the study was to impact of eight dimensions, including customer communication, customer relationship management, customer satisfaction, customer loyalty, strategy management, customer trust and service quality, on the business of specialty coffee shops were investigated. The study revealed that customer satisfaction did not contribute to customer loyalty may be due to the fact that customers visiting a specialty coffee shop may easily be attracted to other coffee shops providing new flavors and fashionable atmospheres.

Objectives of the Study
1) To know the brand loyalty among the respondents for purchase of beverages (Coffee and Tea).
2) To compare the demographic variables with brand loyalty score.

Research Methodology
The main objectives of the studyis to know the brand loyalty among the respondents for the purchase of beverages. The

study was conducted among beverage users in Tiruppur city. The primary data was collected from 300 respondents were selected based on convenience sampling and the data was collected with the help of well-structured questionnaire. Descriptive statistics is used for the study. The data collected was analyzed and interpreted by applying the statistical tools simple percentage analysis, Rank analysis, ANOVA and T – Test.

3. Data Analysis and Results

Table 1: Demographic Profile Of The Respondents

Personal Details		No. of Respondents	Percentage
Age in years	18 – 27 Years	127	42.3
	28 – 37 Years	77	25.7
	38 – 47 Years	71	23.7
	48 – 57 Years	25	8.3
Gender	Male	130	43.3
	Female	170	56.7
Marital status	Married	179	59.7
	Unmarried	121	40.3
Highest educational qualification	School level	70	23.3
	UG	115	38.3
	PG	72	24.0
	Diploma	26	8.7
	Professional	17	5.7
Occupational status	Student	55	18.3
	House wife	63	21.0
	Employed	124	41.3
	Business	26	8.7
	Professional	32	10.7
Size of the family	2 Members	12	4.0
	3 Members	75	25.0
	4 Members	143	47.7
	5 Members	50	16.7
	Above 5 Members	20	6.7
Family income per month	Less than Rs.20000	136	45.3
	Rs.20001 To 30000	54	18.0
	Rs.30001 To 40000	57	19.0
	Rs.40001 To 50000	53	17.7
Total		300	100

42.3% of the respondents age is between 18 – 27 years. 56.7% of the respondents are female. 59.7% of the respondents are married. 38.3% of the respondents are having educational qualification at UG level. 41.3% of the respondents are employed. 47.7% of the respondents are having 4 members in their family. 45.3% of the respondent's family income per month is less than Rs.20, 000.

Table 2: Brand Related Information

Brand Related Information		No of Respondents	Percentage
Brand purchased – Tea	3 Roses	194	64.7
	AVT	63	21.0
	Tata	21	7.0
	Taj	22	7.3
Brand purchased- Coffee	AVT	6	2.0
	Bru	168	56.0
	Levista	13	4.3
	Nescafe Sunrise	81	27.0
	Narasus	32	10.7
Total		300	100

64.7% of the respondents like to purchase 3 Roses brand of tea and 56% of the respondents like to purchase Bru coffee.

Table 3: Brand Loyalty Factors

Brand Loyalty Factors	N	Minimum	Maximum	Mean	SD	Rank
Reasonable price	300	1.00	5.00	4.4267	.70684	1
Quality	300	2.00	5.00	4.3433	.66854	2
Taste	300	1.00	5.00	4.1967	.86824	3
Satisfaction	300	1.00	5.00	3.9833	.95188	4
Empathy	300	1.00	5.00	3.7867	1.03185	9
Trust	300	1.00	5.00	3.8500	1.04137	6
Reputation	300	1.00	5.00	3.8500	1.02192	7
Easy availability	300	1.00	5.00	3.8033	1.14120	8
Brand image	300	1.00	5.00	3.7400	1.08458	10
Value for money	300	1.00	5.00	3.9033	.93644	5

Ten factors were identified as factors that have an influence over Brand Loyalty of consumers. The respondents were asked to rate them on a five-point scale ranging from Strongly Disagree to Strongly Agree. For 3 statements, Reasonable price, Quality and Taste, the average ratings fall between four and five ie, Agree to Strongly agree. For next 7 statement, namely Satisfaction, Value for money, Trust, Reputation, Easy availability, Empathy and Brand image, the average ratings fall between three and four which indicates that the respondent's decision was Neutral to Agree level. Among these factors respondents agrees that reasonable price is an important factor considered more when it related to Brand Loyalty with mean rating of 4.4267 and followed by brand quality with mean rating of 4.3433. The least mean score is for brand image factor with mean rating of 3.7400.

Table 4: ANOVA for Brand Loyalty Score – Demographic Factors

Brand Loyalty Score		Sum Of Square	DF	Mean Square	F	SIG
Age	Between groups	81.421	3	27.140	1.173	NS
	With in groups	6849.495	296	23.140		
Highest educational qualification	Between groups	164.492	4	41.123	1.793	NS
	With in groups	6766.425	295	22.937		
Occupational status	Between groups	303.765	4	75.941	3.380	**
	With in groups	6627.152	295	22.465		
Size of the family	Between groups	88.546	4	22.137	.954	NS
	With in groups	6842.370	295	23.194		
Family income per month	Between groups	115.814	3	38.605	1.677	NS
	With in groups	6815.102	296	23.024		

NS – Not Significant   ** - Significant at 1%

HO: The brand loyalty factor score do not differ significantly among the group based on demographic variables, namely Age, Highest educational qualification, Occupational status, Size of the family and Family income per month of the respondents.

The results shows that the F – values of Age, Highest educational qualification, Size of the family and Family income per month are found to be not significant. Hence the hypothesis is accepted. The F – value comparing the mean scores of Occupational status of the respondents was found to be significant at 1% level. Hence it is inferred that the brand loyalty scores differ significantly between the groups based on Occupational status of the respondents and hence the hypothesis is rejected.

Table 5: ANOVA for Brand Loyalty Score – Brand Purchased

Brand Loyalty Score		Sum Of Square	DF	Mean Square	F	SIG
Brand purchased - Tea	Between groups	95.923	3	31.974	1.385	NS
	With in groups	6834.994	296	23.091		
Brand purchased - Coffee	Between groups	65.371	4	16.343	.702	NS
	With in groups	6865.545	295	23.273		

NS – Not Significant

H0: The brand loyalty score do not differ significantly among the group based on brand purchased for Tea and Coffee.

The results shows that the F – values for Tea brand and Coffee brand are found to be not significant. Hence the hypothesis is accepted.

Table No: 6 T - Test for Brand Loyalty Score – Gender and Marital Status

Brand Loyalty Score		Mean	SD	NO	T – Test Value	Sig
Gender	Male	40.22	4.59	130		
	Female	39.63	4.98	170	1.045	NS
	Total	39.88	4.81	300		
Marital status	Married	39.26	4.51	179		
	Unmarried	40.81	5.11	121	2.771	**
	Total	39.88	4.81	300		

NS – Not Significant   ** - Significant at 1%

H0: The brand loyalty means score do not differ significantly between the groups based on Gender and Marital status.

The T – Test values are 1.045 which shows that there is no significant difference between male and female in the brand loyalty score. Hence the hypothesis is accepted. For Marital status of the respondents it was found to be significant at 1% level. Hence it is inferred that the brand loyalty score differs significantly among the group based on Marital status of the respondents and hence the hypothesis is rejected.

4. Conclusion

Understanding of consumers' choice and make them to buy the same brand again and again in today's competitive arena is not easy, hence this paper helps to understand the preference of attributes towards coffee and tea beverages and also to know the importance of loyalty dimensions.The purpose of the study was to investigate how demographic variables have an effect on brand loyalty of consumers while choosing a Tea or Coffee brand. Ten factors were included as factor affecting brand loyalty of consumers to purchase the beverages Tea and Coffee. Five point scaling techniques was followed rating from strongly agree to strongly disagree. Based on the above analysis it is found that the most preferred brand of Tea is 3 Roses and Coffee is Bru. The findings of the study show that the most influencing factor that have an effect on consumers brand loyalty are reasonable price followed by quality of the beverages. ANOVA results show that there was significant difference in the brand loyalty score among the groups based on marital status and occupational status. Reasonable price and quality of the beverages are considered most influencing factors while purchasing the same brand of beverages. Hence the producers have to concentrate in these factors to sustain in the market and to retain consumers brand loyalty for beverages.

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