

Influence of Strategic Branding in Soft Drink Market in Indian and Malaysian Context: Study on Coca Cola to remain Top of the Mind Brand (TOMB)

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ABSTRACT: The aim of this research was to understand the influence of strategic branding in Soft Drink industry located in specific to India and Malaysia. This was demonstrated by example of various marketing strategies used by Coca-Cola, a very well-known brand all over the world. It operates in more than 200 countries and is listed as one of the most trusted brand for many years. With the presence in the both countries for more than 30 years, the company uses different Segmenting, Targeting, Positioning and Differentiation (STPD) strategy to cater varying needs to the consumers. Through analysis of consumer-buying in Indian and East Asian context is base pillar for success of Coca-Cola in the countries. The objectives of the project includes analysing consumer needs of India and Malaysia regarding beverages-changing trends and the strategies and campaigns undertaken by Coca-Cola to cater vast diversified consumer base over the years. Both primary and secondary data collection were analysed with adequate sampling size of 180 respondents from both countries aided by questionnaire. Based on the analysis, the conclusions were drawn regarding company and recommendations are given for further improvement for company's performance.

Keywords: Brand, Demographic Branding, Innovative Campaigns, Company Strategies, India, Malaysia

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I. INTRODUCTION

The modern world is so much connected by mean of incredible happening technological developments, which in turn makes an organization to be so dynamic in its operations and marketing of its products. Companies operating worldwide need to continually come up with innovative ideas, campaigns for marketing its products. This is much intense in the monopolistic market like soft drinks and beverage market. Though people share lot of common in terms of preferences and tastes as compared to time 30-40 years back, still the cultural and socio- demographic differences challenge the effectiveness of same strategy of company for enabling conversion of potential customer in penetrated market.

The selected company- Coca Cola from US operates in more than 180 countries and specifically focuses Indian and Asian Market as a new growth wheel for its business. Company operates in India as Pvt. Ltd. Company with over 25,000 direct employees while, it operates as Coca-Cola Far East Limited in Malaysia with substantial number of employees. So for Coca Cola to stay at top position in both markets, the strategies need to be effective as well as relevant to different people needs and preferences. Also, increasing awareness of what is happening over the world forces Coca Cola to face even more challenges in its product campaigning. As a powerful player, company often perceived as big source of FDI in developing markets in Asia. But, with this FDI inflow, the company's focus on increase in profit margin in these markets poses great pressure on its sales and marketing department.

With some instances like in 2004 happened in Kerala state of India regarding closure of operations of its plant, company has faced many critics of its operations in countries like India where its ethicality was questioned. This led again to different marketing building of company starting from scratch. So, overall the case company- Coca Cola become a great example to study its marketing strategies from both perspective.

II. OBJECTIVES OF STUDY

In this research study, the objective is primarily on marketing strategies; researcher wanted to look into how company observe the consumer behaviour uses different techniques. Totality of demographics, cultures, traditions, costumes and social attitudes regarding perusing cold drinks and overall Coca Cola brand which would affect the changing consumer perceptions in both market is very important to study for continually being top of the mind (TOM) brand. First of all, Coca Cola's Value Chain analysis was be base pillar of our research study which then followed by analysing company's strategies of STPD i.e. Segmentation, Targeting, Positioning and Differentiation in each market with reference to pricing, packaging place and product of marketing mix 4P's. This can be illustrated with an example of shifting whole marketing strategy from "Open

Happiness” to a commercial slogan that urges one to “Taste the Feeling” in Malaysia calling it as ‘One Brand’ Strategy. With use of digital as well as print platforms, celebrity endorsements, coming up with different supply chain innovations, and positioning of products as per pricing and using ‘Sustainable Growth’ as main marketing focus helping company for current market leading situation.

With this mind, researcher also wanted to focus the research on futuristic strategies that needs to be applied in coming years by Coca Cola in India and Malaysia. So overall, marketing strategies - the company is doing now, and what would be required in future also recommended in this research study project.

Hypothesis of Research:

Here, main hypothesis is as follows:

H₀ = There is no significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia

H₁ = There is significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia

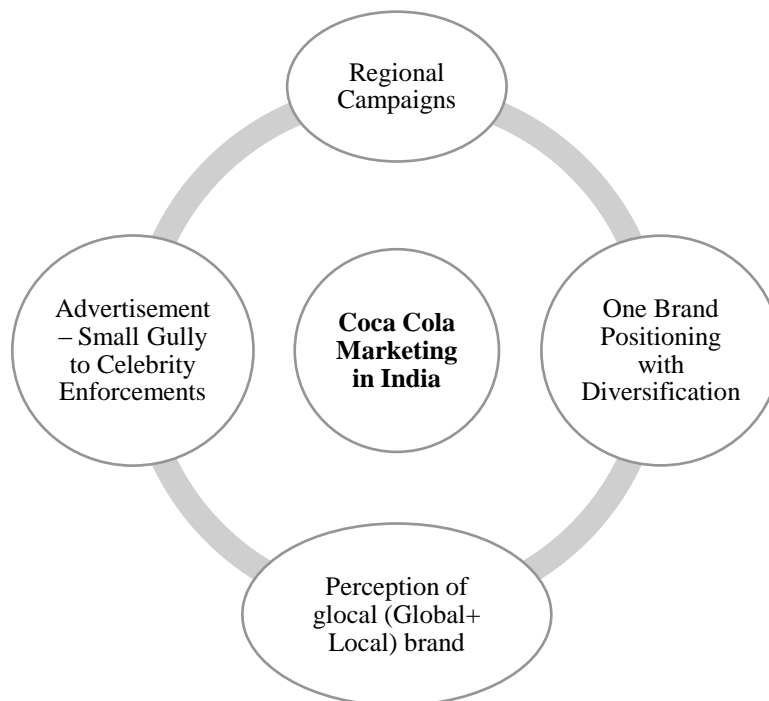
III. LITERATURE REVIEW

In this section, researcher has studied several research papers related to effect of advertising and branding over consumers perception and related to case company- Coca Cola. The secondary research shows that Coca Cola uses 4 point model for the Indian Consumers which is shown in below figure 1.

The concept of STPD is channelized perfectly in India by Coca Cola, through either of following:

- a. Advertisements – from Small Gully to by Celebrity Enforcements
- b. Regional Campaigns
- c. One Brand Positioning with Diversification
- d. Perception of glocal (Global+ Local) brand

Figure1: Coca Cola Marketing Strategies in India



As per findings by Bajrang Lal, et al (2017, p. 37) [3], the findings show that, Brand Name, Colour, Taste and Packaging of Pepsi and Coca-Cola directly influence customer buying behaviour and bring about customer satisfaction. This leads to understand importance of above mentioned factors in tier II city like Jind City (Haryana State, India) for success of any brand in soft drink industry.

The research done by Snehal Galande(2017, p. 1005) [4] tells somewhat same story related to change in Indian consumer consciousness and health awareness. This paper highlights the importance of innovation in product line rather than just being dependent on advertising solely.

The research done by SinghBrajdeep et al (2012, p. 158)[5] states the importance of spending on advertisement (which is almost 35% of total cost) for aerated drink company. The study shows that amid of cut

through competition among Pepsi and Coca Cola in same category, they both agree on advertising as main driving force for their sales.

Findings from research paper by Dr. Mishra Lalita (2017, p.34) [6] shows that, fact that consumers gave the highest rating for the Coca-Cola brand for taste as per their preferences. Also, paper finds that- most of the consumers are judged on the basis of their needs, demands and their preferences in regards to the beverages. The analysis comes with the solution that the company provides an enough amount of money to the marketing communication department for the awareness of the customers. Study shows that customers are also satisfied with the services and products by the Coca Cola.

As per research done by Singaram Rukmani, et al (2018, p. 67) [7], it was concluded that, price wasn't a major factor but the brand image created as an effect of advertisements and mental satisfaction after consumption was the major behavioural factor for purchasing of soft drinks in Indian millennials. Study throws light on facts like are influence of social mediemarketing, festive season offers on millennials. Finds shows the youth favour Coke products while for middle aged and above consumers Coca Cola is unfavourable drink.

As per research done by Ba Banutu-GomezMichael (2012, p. 167) [8], it was found that Coca-Cola's global brand's success is accredited to its "think global, actlocal" campaign. Most of their marketing strategies focus specifically on local culture and customs. Localization is a key element in the effectiveness of Coca-Cola's international strategy plan.

IV. RESEARCH METHODOLOGY

The overall research framework was designed in proper method to help the researcher to have a detailed analysis of marketing strategies of Coca Cola along with Consumer Buying Perceptions in both countries.

Research Design:

The research design used in this project is Descriptive Research design as this form of research doesn't fit neatly into the either side of quantitative or qualitative research methodologies, but instead it can utilize elements of both. It is typically concerned with describing problem and its solution as per the report by Lal and Pankaj (2017)[2].

Sampling Technique:

Here, the convenience sampling technique was used considering time and geographic constraints of the study. The researcher made use of Non-probability sampling technique, in which subjects are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher.

For this research study, total sample of 180 respondents were taken based on quick thumb rule by calculating effect size based on alpha and beta values of type I and II errors respectively. Effect size is known as the difference between the samples statistics divided by the standard error. $1 - \beta$ equal to the power and as the power will increase with different levels of alpha, sample size will also increase. So, with maximum acceptable error values of alpha, small effect size of 0.52, sample size of 180 was considered well enough for study of research project.

Research Questionnaire:

An extensive questionnaire was prepared while conducting the research and was divided into three sections focussing on different aspects to achieve the aim of the study to test the hypothesis. The questions were directed to prove or disprove the hypothesis. As per the research done by Nikam M. et al., (2018, p. 77)[1], the unique feature of strategy of Coca Cola is, they tend to change their tag lines; this ensures that the target audience is interested in the product and they feel that the company is doing some innovation. This also has been considered in framing the questions.

Questionnaire Formulation: Based on various campaigning studies via online and offline media, we have formulated various questions for following:

1. To understand consumer perceptions regarding Coca Cola branding
2. To know consumer awareness of Coca Cola company about its products, segmentation, targeting
3. To know how a century old brand still effectively projects its image as Top of the Mind (TOMB) among consumers of different demographics

Here researcher has used both closed ended and open ended questions. Multiple choices questions were preferred here to give the respondent the options. Also the respondents should answer the questions with no ambiguity and with simple terminology. The online way of Google Form was selected as medium to record responses as the respondents were situated in both countries – India and Malaysia.

V. DATA COLLECTION AND ANALYSIS

In this section, the data collection method and its analysis is discussed which helped researcher to find results and make required recommendations. The data analysis and findings will also include the tabulation and representation of data in forms of graphs and charts in reference to sampling techniques.

Data Collection:

Researcher has used both primary as well as secondary data collection methods for analysing the consumer behaviour and proclivity towards to the Coca Cola. Secondary data collection involved company’s website, Books and journals pertaining to the topic related to brand’s both effective and failed marketing campaigning. The secondary research also involved recent studies on Indian beverage and industry from where researcher collected statistical data. Both primary and secondary research have been used to draw inferences.

Data Analysis:

Here, researcher has analysed the data with the help of SPSS version 23 as statistical tool. Here, the main hypothesis was tested against the relevant questions of which the responses were collected through primary research.

First of all, out of 180 responses 50% responses were from India. So the responses are well balanced for both demographic locations. This leads to increased reliability of hypothesis testing as the demographic equality is an important factor. Then the age group factor which plays a crucial role in analysing consumer behaviour shows that, out of 180 respondents, almost half were of age group 21-30 years.

Coming towards the rating given for Coca Cola Products, it was found that, almost 1/3rd of total respondents were of opinion of very good rating. This is demonstrated in table 2. Here, with median of 4 i.e. Good Rating, researcher concluded that, 59% responses show consumer good-will towards the company. When it came to asking whether the strategies used by company are effective, it was found that, almost 50% respondents were agreed on its effectiveness. But, 1/3rd of total were found to be confused about effectiveness. This is elaborated in table 3.

Age Group in Years

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 10 - 20	41	22.8	22.8	22.8
21 - 30	88	48.9	48.9	71.7
31 - 40	28	15.6	15.6	87.2
41 - 50	16	8.9	8.9	96.1
51 and Above	7	3.9	3.9	100.0
Total	180	100.0	100.0	

Table 1: Age Group in Years

Rating of Individual for products

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bad	13	7.2	7.2	7.2
Not Good	20	11.1	11.1	18.3
Average	42	23.3	23.3	41.7
Good	49	27.2	27.2	68.9
Very Good	56	31.1	31.1	100.0
Total	180	100.0	100.0	

Table 2: Rating for Individual Products of Coca Cola Company

Coca Cola Strategies for Branding itself effective

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	89	49.4	49.4	49.4
No	28	15.6	15.6	65.0
Maybe	63	35.0	35.0	100.0
Total	180	100.0	100.0	

Table 3: Evaluating Effectiveness of Branding Strategies by Coca Cola

With finding of Chi Square test between demographics and branding areas relevancy, it was found that, significance value is less than 0.5, so the H₁ was accepted and H₀ was rejected. This is evident from table 4.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.097 ^a	20	.452
Likelihood Ratio	24.346	20	.228
Linear-by-Linear Association	3.541	1	.060
N of Valid Cases	180		

a. 19 cells (63.3%) have expected count less than 5. The minimum expected count is .16.

Table: 4 Chi Square results for Country of belonging and Relevancy of Areas for Branding of Coca Cola

Now, considering ANOVA test for country of belongingness and places of promotion of Coca Cola, it was found that, significance value is 0.002 which is less than 0.05. So H_0 was rejected and H_1 i.e. there is significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia was accepted. This is evident from table 5.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.000	1	20.000	10.110	.002 ^b
	Residual	352.111	178	1.978		
	Total	372.111	179			

a. Dependent Variable: Areas where Branding of Coca Cola is Relevant

b. Predictors: (Constant), Country of Belongingness

Table: 5 ANOVA results for Country of belonging and Places of Promotion of Coca Cola

Correlations

		Country of Belongingness	Rating of Individual for products
Country of Belongingness	Pearson Correlation	1	-.294**
	Sig. (2-tailed)		.000
	N	180	180
Rating of Individual for products	Pearson Correlation	-.294**	1
	Sig. (2-tailed)	.000	
	N	180	180

** . Correlation is significant at the 0.01 level (2-tailed).

Table: 6 Correlation between Country and Rating given by respondents

From table 6, it was concluded that, as significance level is less than 0.05, so null hypothesis was rejected, which shows low negative correlation (-0.294) between country of respondents and rating given by each individual to products of company. This proves that, irrespective of country demographics, Coca Cola is truly deep rooted TOM brand.

With consideration of areas where respondents find branding of Coca Cola relevant, it was find that Coca Cola largely depend celebrity endorsements followed by regional language use for promotions. It was quiet interesting to note that only 4 respondents considered social media campaigning as relevant. This is shown in table 7.

Areas where Branding of Coca Cola is Relevant

	Frequency	Percent	Valid Percent	Cumulative Percent
Using Regional Language	61	33.9	33.9	33.9
Using Celebrity Figures for Advertisements	69	38.3	38.3	72.2
Use of cultural- festival occasions for branding	21	11.7	11.7	83.9
Valid Use of Songs and Lyrics in Ad	11	6.1	6.1	90.0
Use of Hashtags on Digital Media like Twitter, Instagram, etc.	4	2.2	2.2	92.2
Add on with food items like Pizza, Burger, etc	14	7.8	7.8	100.0
Total	180	100.0	100.0	

Table: 7 Branding Areas Relevancy for Coca Cola

With considering branding places like Shop Outlets, Street Hoardings, Flex, Public Places, Digital Platforms - Facebook, Instagram, YouTube, Etc., TV and Print Media- News Papers, Magazines, Etc., it was found that, there is low positive correlation for country of belonging. With 57.8% respondents agreeing on shop

outlets as main promotion place. The presence of company’s branding over digital platforms seems to be not much effective as only 7% respondents have responded for same. This is shown in table 8 below.

Correlations		Country of Belongingness	Places where we see Coca Cola Branding
Spearman's rho	Country of Belongingness	Correlation Coefficient	1.000
		Sig. (2-tailed)	.158*
		N	.034
		N	180
Spearman's rho	Places where we see Coca Cola Branding	Correlation Coefficient	.158*
		Sig. (2-tailed)	.034
		N	180
		N	180

*. Correlation is significant at the 0.05 level (2-tailed).

Table: 8 Correlation between country and branding places for Coca Cola

VI. RESULTS AND FINDINGS

After analysing the data collected from 180 respondents then doing data analysis, it was concluded that, celebrity endorsement has a positive effect on the perception of the respondents. Also, regular Coca Cola is top rated cold drink amongst all the products. The demographics does not affect much of branding place giving shop outlets as major promotion place. Also, with regional language promotions like Tamil, Hindi, Marathi in India and also in Malaysian regional languages, the company further catches consumer emotions. Here it can be found out that, 42% respondents’ agreed on fact that branding of Coca Cola in all forms affects their purchase decision. And 61.7% respondents think that Products are differentiated well and target specifically like Sprite and Thums-Up products as examples. 55% respondents opting greater customer reach of products as main reason for being number one in soft drink industry. The relationship of age category of more than 30 years related to rating given to product shows that, people become health conscious and company need to focus on such healthy drinks as well as carbonated drinks of current portfolio. It was found that 4P’s (Place, Price, Promotion, Product) as well as STPD affects the strategy used Coca Cola as for different demographic locations.

VII. DISCUSSIONS AND CONCLUSIONS

Through this research paper, researcher has concluded that there is high importance of branding and marketing in success of any multinational company (MNC) in soft drink industry from case of Coca Cola Company. From the results and findings, we can say that almost 2/3rd of total sample size category which has Coca Cola product as primary soft drink is youth category. With the 4 Point strategy implementation by company given earlier, researcher concluded that, any demographic changes can be addressed (as in Indian and Malaysian context) by Coca Cola.

It is also concluded that, company’s focus on digital platform is not well recognised well by consumers, and needs further improvement specifically aggressive approach. Lastly, it was concluded that, there is significant influence of strategic branding in Indian and Malaysian context which is demonstrated by example of Coca Cola. Both primary and secondary data analysis have agreement on this conclusion.

VIII. LIMITATIONS AND RECOMMENDATIONS

The survey was definitely for very specific time of two month starting from September 2019 to November 2019 and limited sample size considering both countries population. Also, possibility of information being incorrect, and inability of recording unconscious responses posed some limitations to the research study. Researcher suggests that future research should include more specific demographics of India (both rural and urban) and also of Malaysia.

With inclusion of people from supply chain of the company, researcher believes that the reliability of study would have been much stronger than the customer alone. A thorough understanding of soft drink buying behaviour with respect to price, priority and preference can be conducted to understand the both countries market better. Also, an unavailability of much secondary data for Malaysia made researcher to be more dependent on primary data.

Lastly, researcher hopes that further work accompanied with audit report/ internal assessment of Coca Cola Company would help the study further.

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