Customers' Behavior in Health Food Drink Product Category

DHARMESH MOTWANI*, KHUSHBU AGARWAL**

Over the last decade the health consciousness of consumers has become an important factor driving the agri-food market. Healthier food products have entered the global markets with force in the past years and rapidly gained market share. Various studies have concluded that better understanding of consumer perception of healthy foods and its determinants are key success factors for market orientation and development and for successfully negotiating market opportunities.

The basic purpose of this research paper is to identify the influence of various factors on the buying decision of customers. Paper also attempts to determine the awareness level & loyalty status of consumers.

To develop the conclusions exploratory & descriptive research designs are used. Primary data is collected with the help of questionnaire method & data is analyzed with the help of various statistical techniques. Conclusions of this paper help in clarifying the changing customer behavior in health food drink product industry.

Keywords : Customer Behavior, Satisfaction, Health Food Drink.

Introduction

This paper deals with the customers' behavior towards the Health Food Drinks category. So it is better to understand the market scenario and the major players of this market i.e. what they are offering to their customers which can influence their behavior.

Background

India, the world's largest malt-based drinks market, accounts for 22% of the world's retail volume sales. These drinks are traditionally consumed as milk substitutes and marketed as a nutritious drink, mainly consumed by the old, the young and the sick.

The Health Food Drinks category consists of white drinks and brown drinks. South and East India are large markets for these drinks, accounting for the largest proportion of all India sales. The total market is placed at about 90,000 ton and is estimated to be growing at about 4%. These Malt beverages, though, are still an urban phenomenon.

White drinks account for almost two-thirds of the market. GSK Consumer Healthcare is the market leader in the white malt beverages category with a 60.7% overall market share. Heinz's Complan comes in second (in this segment, third overall) with a market share of 12-13%. Market leader GSK also owns other brands such as Boost, Maltova and Viva.

Currently, brown drinks (which are cocoa-based) continue to grow at the expense of white drinks like Horlicks and Complan. The share of brown drinks has increased from about 32% to 35% over the last five years. Cadbury's Bournvita is the leader in the brown drink segment with a market share of around 17%. Other significant players are Nestlé's Milo and GCMMF's Nutramul.

Major players in the market

- Cadbury Bournvita
- Boost
- Nestle Milo
- Complan
- Horlicks

*Asst. Professor, Faculty of Management Studies, Pacific University, Udaipur.

**Asst. Professor, Faculty of Management Studies, Pacific University, Udaipur

Literature Review
Nutrition In India

After 4 years of age, a child's energy needs per kilogram of bodyweight are decreasing but the actual amount of energy (calories) required increases, as the child gets older. From 5 years to adolescence, there is a period of slow but steady growth. Dietary intakes of some children may be less than recommended for iron, calcium, vitamins A and D and vitamin C, although in most cases -as long as the energy and protein intakes are adequate and a variety of foods, including fruit and vegetables, are eaten- deficiencies are unlikely.

Regular meals and healthy snacks that include carbohydrate -rich foods, fruits and vegetables, dairy products, lean meats, fish, poultry, eggs, legumes and nuts should contribute to proper growth and development without supplying energy to the diet.

Children need to drink plenty of fluids, especially if it is hot or they are physically active. Water is obviously a good source of liquid and supplies fluid without calories. Variety is important in children's diets and other sources of fluid such as milk and milk drinks, fruit juices can also be chosen to provide needed fluids.

In India, each State is practically equivalent to a country with its specific socio-economic level, different ethnic groups, food habits, health infrastructures and communication facilities. Thus, the nutritional status of the population shows significant variation between states since it results from a varying combination of factors.

In the last 20 years, there has been an improvement in the nutritional status of the Indian population. This improvement results from not only changes in food intake but also socio-economic factors, increased availability of potable water, lower morbidity and improvement of health facilities. In children under five years of age, the marked improvement in nutritional status is shown by the reduction of the prevalence of underweight from 63%, in the 1975-79 period to 53% in the 1988-90 period. The under-five mortality rate (U5MR), an important indicator of the socio-economic development, and health and nutritional status of a society, declined from 282% in 1962 to 115‰ in 1994. However, a multitude of infectious diseases such as respiratory and intestinal infections as well as malaria remain the main cause of death in children under five, with malnutrition being an aggravating factor. Measles, tetanus, typhoid and hepatitis are also frequent causes of death during infancy and childhood.

In the last 20 years, there have been no significant changes in patterns of dietary intake.

Adolescents who are undergoing rapid growth and development are one of the nutritionally vulnerable groups who have not received the attention they deserve. In under-nourished children rapid growth during adolescence may increase the severity of under-nutrition. Early marriage and pregnancy will perpetuate both maternal and child under-nutrition. At the other end of spectrum among the affluent segment of population, adolescent obesity is increasingly becoming a problem.

Pre-school children constitute the most nutritionally vulnerable segment of the population and their nutritional status is considered to be a sensitive indicator of community health and nutrition. Over the last two decades there has been some improvement in energy intake and substantial reduction in moderate and severe under- nutrition in pre- school children.

India has enormous under-nutrition and over-nutrition problems

Asia has the largest number of malnourished children in the world. The Double Burden of Malnutrition in

Asia was inspired by the massive challenge that this situation currently poses for Asia. It describes the main driving forces behind the groundswell of under-nutrition, while shedding light on the emerging double burden of co-existing underweight and overweight, and the linkages between these two different forms of malnutrition.

There are two types of nutritional problems - one is under-nutrition and another is over-nutrition. Many developing countries have under-nutrition and those in Europe and North America have over- nutrition problems. There is this in-between category with countries like India that still have an enormous amount of under-nutrition and significant over-nutrition problems. In India, for instance, around 50 per cent of its children under the age of five are undernourished or malnourished. But in urban areas, the over-nutrition problem is shooting up, thanks to the change in lifestyle and food habits. As a result, health systems are under huge stress.

Brand Loyalty

Selling to brand loyal customers is far less costly than converting new customers (Reichheld 1996, Rosenberg and Czepiel 1983). In addition, brand loyalty provides firms with tremendous competitive weapons. Brand loyal consumers are less price sensitive (Krishnamurthi and Raj 1991) A strong consumer franchise gives manufacturers leverage with retailers (Aaker 1991). And, loyalty reduces the sensitivity of consumers to marketplace offerings, which gives the firm time to respond to competitive moves (Aaker 1991). In general, brand loyalty is a reflection of brand equity, which for many businesses is the largest single asset.

Perhaps the most cited conceptual definition of brand loyalty comes from Jacoby and Chestnut (1978, p. 80): "The biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes." Consistent with this definition are two broad categories of operational definitions. The first stresses the "behavioral response, expressed over time"-typically a series of purchases. As Day (1979) observed, however, the major limitation of behavioral measures is the failure to identify motive and the resulting confusion between brand loyalty and other forms of repeat buying. The major alternative operational definition is based on consumer attitudes, preferences, and purchase intentions. These measures stress the cognitive "bias," and the "psychological (decision-making evaluative) processes" underlying loyalty.

Health Related Expenses

KSA TECHNOPAK has conceived an innovative product called Health Outlook 2003, which provides strategic insights to consumer shopping and buying behavior. Apart from the consumer insights, complete health profiling is also done for providing derived disease incidence and prevalence in the country.

This Pan Indian research model provides large research depths by covering about 10,000 households across cities like Chandigarh, Delhi, Jaipur, Lucknow, Ludhiana, Calcutta, Patna, Bangalore, Chennai, Cochin, Hyderabad, Madurai, Ahmedabad, Indore, Mumbai, Nagpur, Pune and Surat.

Health Outlook shows that health enjoys about 9.4 per cent share of the wallet of Indian consumer and is on the rise for the last three years. This spend includes health supplements, health drinks, doctors and consultants fees, medicines, medical insurance, regular check ups etc.

Consumer attitudes to health drinks are mainly influenced by quality attributes. Ethical factors are

important in some cases, but they may be overstated. The relationships between consumers' awareness of health drink, price and perceived quality of food were investigated by tests involving series of consumer panels and sensory evaluation. Sensory responses were also matched to instrumental analysis data. Results indicated that overall there was no relation between panelist's views about health drinks and their sensory perceptions. Eighty percent of the panelists felt that organic products were too expensive, but would buy them if they were cheaper. However the study showed that most of the people would not be likely to change their preference once they had made a product choice based upon sensory attributes. This has important implications, indicating that not only price, but also sensory quality of health drink must be considered in order to maintain repeated purchases by most consumers.

It is widely accepted that consumer acceptance of drinks is mainly determined by their sensory perception, while choice is strongly influenced by the perceived value for money. The study was conducted aimed to investigate the relationship of objective quality measurements including sensory attributes and consumer perception of organically and conventionally produced health drink products.

About two thirds of the consumers that participated in the survey believed that health drink is good for the environment, and 55% thought that it is healthier. However there was some confusion relating to the use of pesticides and chemicals in that. Few consumers' distinguished health drinks by appearance or taste. Buyers of health drinks were more likely to indicate that the appearance and taste are better, but environmental protection was still the dominant perceived benefit. Buyers who believe that health drink is better also think that it is expensive ($p < 0.05$). In this study, 80% of the consumers perceived health drinks to be too expensive (49% were non-buyers and 31% buyers)

Objective

The purposes of this research paper are as follow:-

- To study the brand preferences of consumers from the five brands of Health Food Drinks i.e. Boost, Bournvita, Complan, Horlicks, and Milo available in the market.
- To find the extent of brand loyalty of consumers that exists among different Health Food Drink brands.
- To study the influence of various aspects on buying behavior. These factors are:-
  - Nourishment
  - Economy
  - Brand name & color
  - Packaging
- To study the awareness about manufacturing & expiry date of Health Food Drinks among consumers.

Research Methodology

(a) Research Design: - To analyze the buying behavior of customers descriptive research design was used. Primary data was collected with the help of close ended questionnaire.

(b) Sample Design: - Our target population involves the users, deciders and buyers of Health Food Drinks. The users include the old and the young population. The deciders and the buyers mostly include the house wives who buy the product from the market, out of those 100 respondents were selected through convenience sampling with care being taken to get responses from customers of different age groups and different family sizes

(c) Analysis: - The data collected was analyzed with the help of various statistical tools like Chi-square test, Correlation, etc.

Analysis & Interpretations

1. 58% of the respondents were male & rests were female.

2. The maximum market share is hold by Bournvita with 42% market share, Horlicks is at second position with 40% market Share, and least share is hold by Milo. The result is obtained from the response of customers towards Questionnaire filled by them for the consumption of Health Food Drink.

3. More than 75% of respondents admitted that they purchase the same health food drink every time, which shows their loyalty towards brand

4. Most of the customer (58%) of Health Food Drink says that the most considering factor, on the basis of which they purchase a particular brand of Health Food Drink is Nourishment, Economy comes on second position while least interested factor is Packaging of product.

5. About 52% of customers are strongly agreed with the fact that they consider the manufacturing and expiry date of Health Food Drink. 25% of respondents were agreed that they consider manufacturing and expiry date while 10% of respondents were strongly disagree on the statement that they consider manufacturing and expiry date while purchasing any Health Food Drink.

6. 53% of the respondents are highly satisfied and 28% are satisfied with the present Health Food Drink i.e. most of the customers are satisfied with the present brand. Customers who are dissatisfied with the present brand of Health Food Drink are only 11%

(c) Hypothesis Testing: -

H_{01} = Customers are loyal towards their brand or customers have the high extent of brand loyalty among different Health Food Drinks..

H_{11} = Customers are not loyal towards their brand customers don't have the brand loyalty among different Health Food Drinks.

Health Food Drink Brand	Purchasing of same Health Food Drink every time					Total
	Strongly Agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**	
Boost	**1**	**3**	**1**	**0**	**1**	**6**
Bournvita	26	12	1	2	1	42
Complan	2	4	0	1	1	8
Horlicks	24	8	1	4	3	40
Milo	2	1	0	1	0	4
Total	55	28	3	8	6	100

$\chi 2$ test			
Calculated Value	**Degree of Freedom**	**Level of Significance**	**Tabulated Value**
16.897	16	5%	26.3

The result of the study shows that the null-hypothesis holds to be valid thus Customers are loyal towards their brand or customers have the high extent of brand loyalty among different Health Food Drinks

H_{02} = There is a significant correlation between various influencing factors like Nourishment, Brand image &

color, Economy, packaging etc. and buying behavior of customer for Health Food Drink.

H_{12} = There is no significant correlation between various influencing factors like Nourishment, Brand image & color, Economy, packaging etc. and buying behavior of customer for Health Food Drink.

Correlation			
Calculated Value	**Degree of Freedom**	**Level of Significance**	**Tabulated Value**
+0.19	98	5%	0.205

The analysis supports the null-hypothesis that there is a significant correlation between various factors and buying behavior of customers.

H_{03} = While purchasing the Health Food Drink

customers consider the manufacturing & expiry date of Health Food Drink.

H_{13} = While purchasing the Health Food Drink customers don't consider the manufacturing & expiry date of Health Food Drink.

Health Food Drink Brand	Consider the manufacturing & Expiry date					Total
	Strongly Agree	**Agree**	**Neutral**	**Disagree**	**Strongly Disagree**	
Boost	1	3	1	0	1	6
Bournvita	24	10	3	4	1	42
Complan	2	4	0	1	1	8
Horlicks	23	7	3	4	3	40
Milo	2	1	0	1	0	4
Total	52	25	7	10	6	100

$\chi 2$ test			
Calculated Value	**Degree of Freedom**	**Level of Significance**	**Tabulated Value**
13.66	16	5%	26.3

The analysis provides enough evidence to accept the null Hypothesis. In other words while purchasing the Health Food Drink customers consider the manufacturing & expiry date of Health Food Drink.

Conclusions

*   The findings of the study of customer buying behavior in Health Food Drink states that among all the five brands i.e. Boost, Bournvita, Complan, Horlicks and Milo; the brand at first place is Bournvita with the largest market share 42%, Horlicks is at the second place with the 40% market share, and complan, Boost and Milo are the third, fourth and fifth place respectively with the 8%, 6% and 4% market share. The Likert scale result also shows the same picture.

*   The study shows that customers are highly loyal towards their present brand, and to prove the same chi-square test has been used which supported the statement.

*   The most important factor which customers consider while purchasing any Health Food Drink is nourishment of that Health Food Drink. They give preference to other factors also, but most important factor is nourishment.

*   As analyzed with the help of Correlation Tool in which the correlation between different factors that influence consumer to purchase a particular brand of Health Food Drink is +0.19, which shows that there is positive correlation between different influencing factors and buying behavior of customers.

*   The customers are highly satisfied with the present brand

References

Aaker, D. (1991). Managing Brand Equity, The Free Press: New York City.

Krishnamurthi, L. and S.P. Raj (1991). "An Empirical Analysis of the Relationship between Brand Loyalty and Consumer Price Elasticity," Marketing Science, 10, 2, 172-183.

Reichheld, Frederick (1966). The Loyalty Effect. Boston, MA: Harvard Business School Press.

Jacoby, J. and R.W. Chestnut (1978). Brand Loyalty: Measurement and Management, John Wiley and Sons: New York City.

Day, G.S. (1969). "A Two-Dimensional Concept of Brand Loyalty," Journal of Consumer Research 2, 4, 241-258.

Consumer Behaviour - Schiffman & Kanauk Prentice-hall of India Private Limited (3rd edition)

Statistical Methods - S.P.Gupta (2004) Sultan Chand & sons (33rd edition)

www.expresshealthcaremgmt.com/20030815/events6.shtml

www.fao.org/es/ESN/nutrition/ind-e.stm

www.expresshealthcaremgmt.com/20030430/convers.shtml

http://www.cadburyindia.com/brands/bev1.asp

http://en.wikipedia.org/wiki/Horlicks

http://www.complanfoods.com/complan_overview.php

http://en.wikipedia.org/wiki/Milo_(drink)

http://www.boost.com/Products/ourproducts_boostdrink.aspx