Consumer Perception on Packaged Fruit Juices in India

Dr.Rohtash Kumar Garg, Asst.Prof.DIRD

Dr.Supreet Singh, Associate Prof., Delhi School of Professional Studies and Research,New Delhi

Ms.Rajni Kaushik, Asst.Prof.,Delhi Technical Campus,Bahadurgarh

Abstract:

In a country of more than a billion populations, there exist hug market for fruit-based drinks. India is the largest producer of fruits in the world at 46 million tons. The organized fruit juice (100%) and nectar market in India in terms of volumes is 20 million liters and value is worth Rs 120 cr. The market is experiencing a healthy growth at the rate of 25% per annum, which is driven by the use of health consciousness among the consumers. The Indian fruit juice market is growing exponentially and is slated to reach almost Rs 500 cr by 2008. Hence this report gives an overview of up to what extent the packaged juices have positioned themselves. To understand the ultimate consumer behavior towards packaged fruit juice-"Consumer Perception of packaged fruit juices" involved a study on the consumer perception of packaged fruit juice, their brand preferences, recall, buying behavior and media consumption.

Key words: Consumer Perception, consumer behavior, buying behavior and media consumption, Opinion Leaders.

Introduction:

The following section speaks about the various players existing in the market place and also some information regarding their products. It's a highly versatile industry.

LEH BERRY

It's a tale with a delicious twist. Compact International promoter D.K.Mittal was to meet the Director of the Defense Research and Development Organization (DRDO)

one fine morning in Ladakh in connection with a tender for setting up some shelters for army personnel. During the meeting, the Director offered Mittal a drink made of an unheard herb called sea buckthorn. A little skeptical at first, Mittal took several sips before gulping down the entire glass and he asked for more.

SAFAL

Perhaps one of the main reasons why milk major Mother Diary last week announced it is jumping on to the bandwagon of fruit juice. The company has launched packaged fruit juices under its flagship brand, Safal. Starting from Delhi, the product is scheduled

For launched on a nation-wide scale in the months to come. The company says that having pioneered the marketing of fresh and frozen vegetable products backed by a modern produce handling and processing facility, Safal is now ready to script a new success story. This time in the packaged fruit category. "With the market growing at a healthy rate and with changing lifestyles and rising levels of health consciousness among consumers today, the demand for healthier products like packaged fruit juice is only going to increase in times to come.

DABUR FOODS LTD.

For Safal, with its expertise in producing and marketing various horticultural products in India as well as overseas, juices are a logical extension of its portfolio. With the launch of Safal juices, "our intention is to grow the juice market further by providing great tasting products to the consumer at the right value", says Paul Thachil, Chief Executive of Mother Diary . Ask Dabur Foods CEO Amit Barman where he thinks his company will bee in the next few years and that comes the reply: "We will be a Rs 200-cr company by 2006-07 and a large chunk of growth will com from the Real brand of fruit juices, since Real contributes as much as 85% to the company's top line. It will continue to be an area of focus "However, realizing that the fruit juice category, through growing at a healthy pace, needs to be activated further, Barman has just launched fruit drinks- drinks where the fruit pulp concentration is only about 20% - in typically Indian flavors of aam panna, watermelon and pomegranate.

TROPICANA

Pricing is one of the major worries says Executive Director (New Business) at Pepsi Foods, Subroto Chattopadhyay, "Price is a barrier to this category because when you give fresh juice, packaging becomes critical. So, what the industry is now trying to do is offer different packaging to suit different price points while simultaneously working on ways to offer better quality and improved taste."

The introduction of Tropics Mango Nectar will be followed by Tropics Litchi and Tropics worldwide. Significantly India is now an approved source for mango pulp within the Tropicana worldwide system, and can soon merge as a major sourcing base for other exotic fruits for Tropicana's international market." This means that if the fruit juice producers work on further development of backward linkages, the pricing issue plaguing this industry can be better tackled.

With Coca-Cola and Pepsi bogged down in a losing publicity battle over pesticide residues in their bottled products, consumers are rediscovering the value of fruit juices and natural thirst-quenchers that are abundantly.

Ever since the U.S colas began flooding the markets as the most visible part of the decade-old economic liberalization process, nutritionists have agonized over the dangers posed by "empty calories" in soft drinks. But pushed by relentless advertising campaigns involving top film stars and sports personalities on television and other media, both Pepsi and Coca- Cola have been steadily notching up sales to well over six million bottles annually. It is aimed such a scenario that the New Delhi based environmental group centre for science and environment (CSE) sprung on an unsuspecting public on Aug.5 the discovery by its laboratories that most soft drinks sold in India, including Pepsi and Coca- Cola, were large doses of commonly available pesticides. Among these pesticides are Linden, DDT, Chlorpyrifos and Malathion.

Leading nutritionists have opined that the soft drink controversy may have not only served to sensitize people to the serious problem of pesticides contaminating drinking water and the environment, but to issues like "empty calories" and the "chip-and-cola" diet that are relatively new to the country. "Nutrition awareness is generally low in this country and there is a need for right kind of knowledge on the value of fresh fruit and vegetables to reach people may be easily swayed by advertisement campaigns", said Santosh Jain Passi, reader in nutrition at the Institute of Home Economics at Delhi University.

Following the 'pesticides-in-cola' controversy, fast food outlets have begun advertising their burgers and pizza packages with fresh fruit juice. Cola manufacturers reported a massive 40 & drop in sales in August last year, the slack being taken up by unfashionable fruit juice vendors who ply their business on the street corners and the more trendy 'juice-bars' that have suddenly sprouted in India's cities. **Amoretto's**, a firm which **operates 8 juice bars in Mumbai, Delhi and Calcutta, now has plans to increase them to 21 outlets by the end of the year, thanks to a growing fad for all kinds of fruit juice among the well-heeled.**

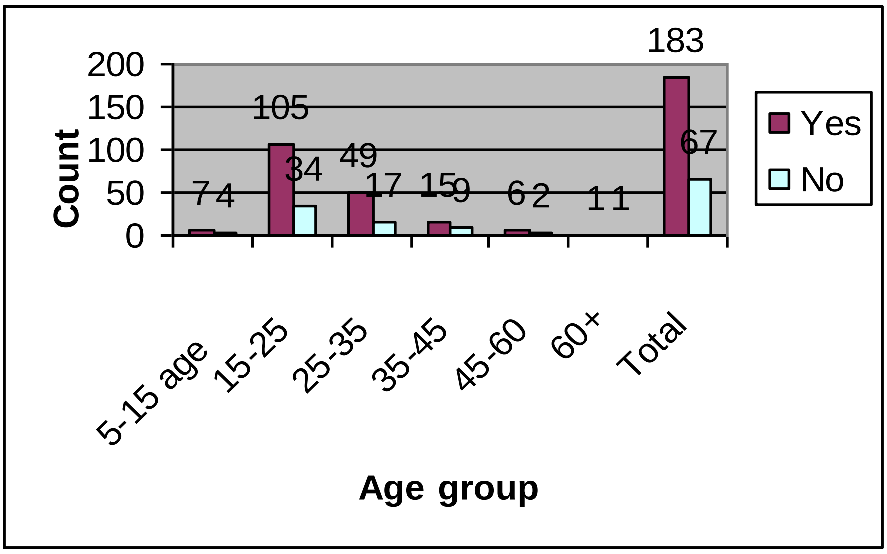
The switch from colas to fresh fruit juice is easy given that India is among the world's biggest juice producers. It has an annual output of around 50 million tones, although the packaging industry is still lagging and lacks the technology of the advanced countries. Meanwhile, the central government has announced that used by the bottling industry. So far, the cola companies seem to have avoided costly purification processes because of a total lack standards Cashing in on this hue and cry, one year hence, the Indian beverage industry has seen

The launch of a series of a new fruit juices including new variants of Dabur Real- Real Active "Orange carrot", "Junior"- targeted at school going kids; and the more recent Coolers.

Readership patterns and age

A host of factors determine composition of a national daily such as content, interest, age, gender, lifestyle, reading habits etc. Consequently the circulation figures officially published by the ABC (Audit Bureau of Circulation) vary for ach newspaper and magazine and obviously, higher the circulation fig and higher the price & higher the tariff rate.

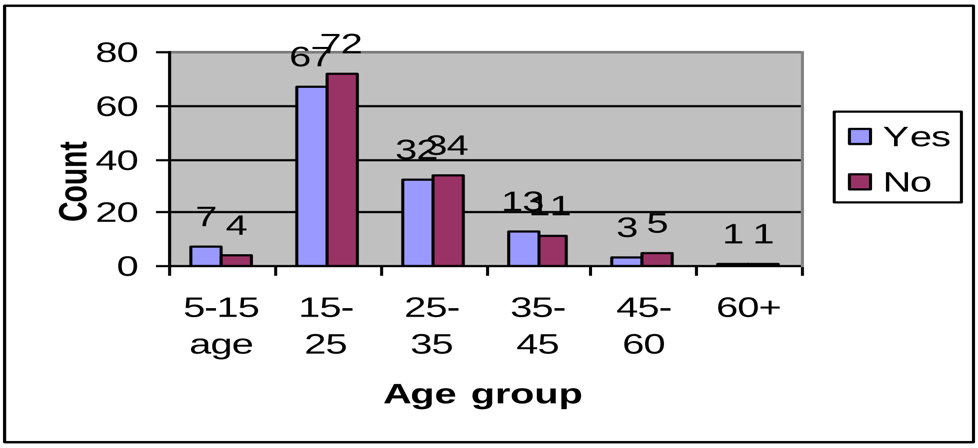
TOI (Times of India) & Age



In the above graph an attempt has been made to show the age composition of readers in TOI. For our sample of 250 respondents maximum respondents in the age-group 15-25 read TOI, followed by thee 25-35 age group. Even in the 5-15 age groups, 7 respondents marked TOI as the most read daily, justifying TOI as the market leader in Delhi. For the exact break up refer this Table:

Age-group	Yes	No	Total
5-15 age	7	4	11
15-25	105	34	139
25-35	49	17	66
35-45	15	9	24
45-60	6	2	8
60+	1	1	2
Total	183	67	250

HT (Hindustan Times) & Age composition

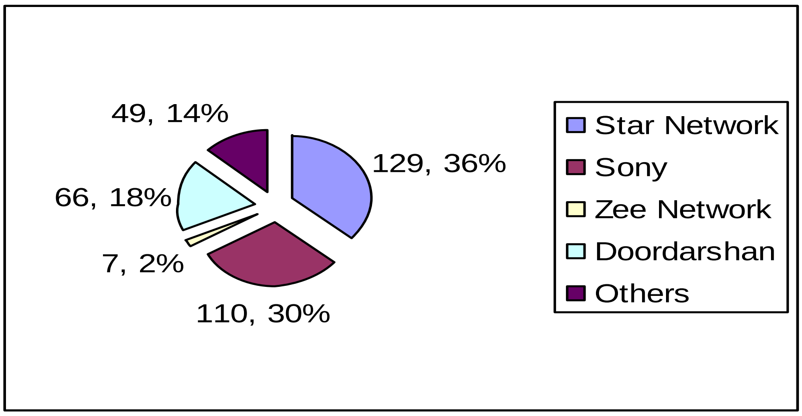


Similarly the age composition of HT readers in our sample size of 250 respondents is maximum at 72 readers in thee 15-25 age-groups . Although the no. of non readers also in the same group exceeds by just 5 respondents, it is a popular daily among respondents. For the age wise break up refer table:

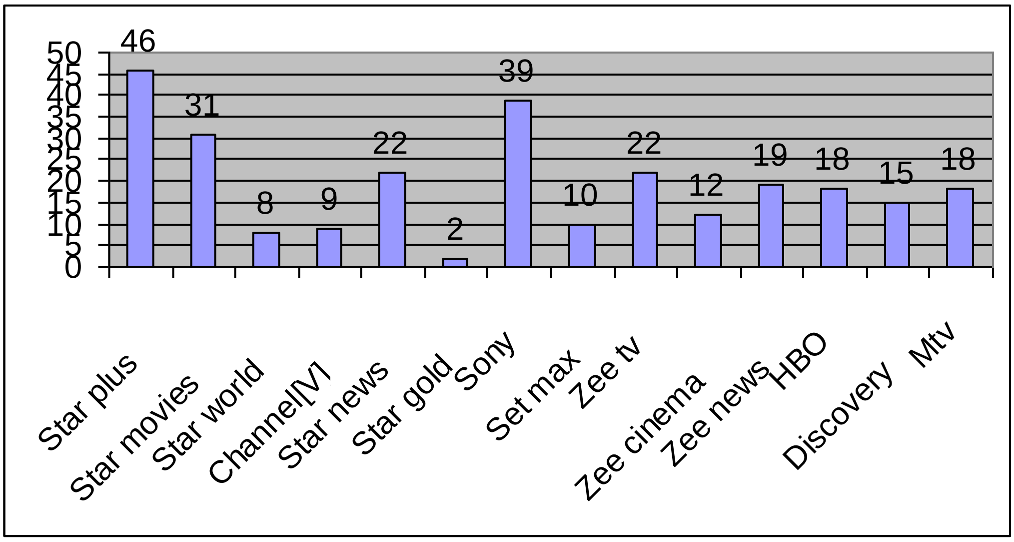
Age-group	Yes	No	Total
5-15 age	7	4	11
15-25	67	72	139
25-35	32	34	66
35-45	13	11	24
45-60	3	5	8
60+	1	1	2
Total	123	127	250

MAJOR TV NETWORKS VIEWED

In an attempt to communicate with the ultimate target segment companies use various media like TV, print etc the popularity of which among our respondents has already been recorded in the previous questions and as TV was the obvious winner we decided to further probe on the TV channels watched by the respondents.



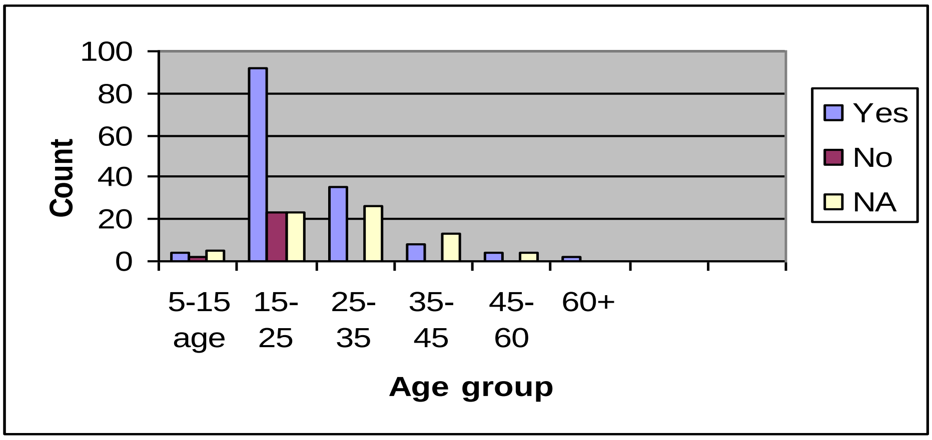
With Baalaji Telefilm's K- series still scoring high TRP's, Star plus is the most watched channel with 129 or 36% going in for Star followed by 30% for niche channels like National Geographic & Discovery channel. Some of the other channels mentioned at random were MTv, SUB TV, ESPN, and SAHARA & DD Sports. Doordarshan had a very insignificant viewer-ship in the sample size.



As a further classification of the above, specific channels viewed by the respondents were recorded. As already stated maximum viewership is enjoyed by Star Plus, followed by Sony TV, then Star movies in that order.

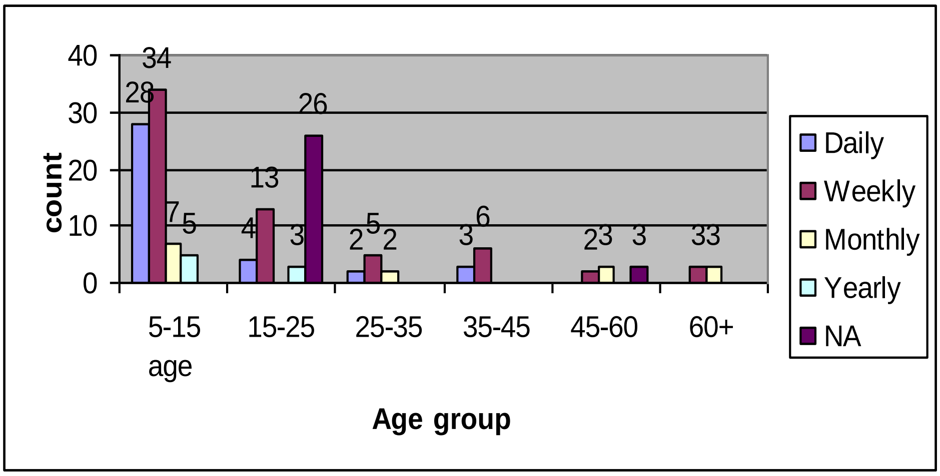
Associative Analysis

AGE AND TV VIEWERSHIP



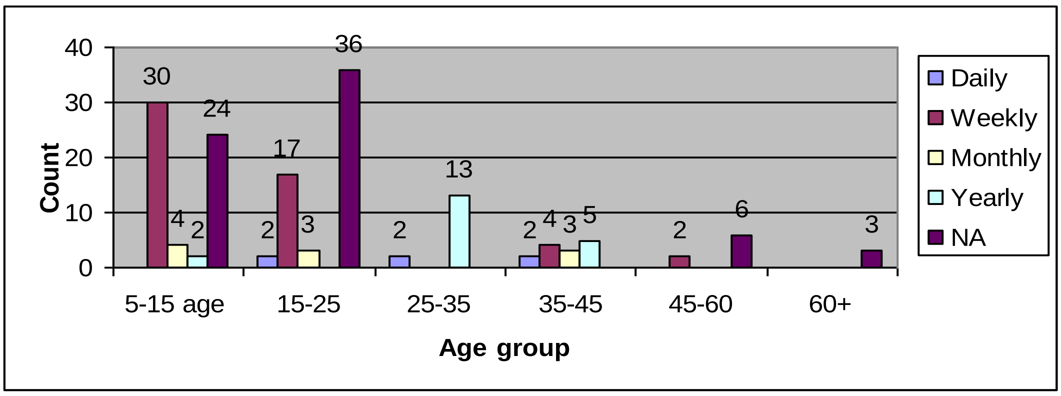
Up till the age-group of 25-35 maximum respondents view TV whereas after that it is either 'no' or the 'NA' category that shows a higher prevalence.

AGE & FREQUENCY OF CONSUMPTION (0-2 times)



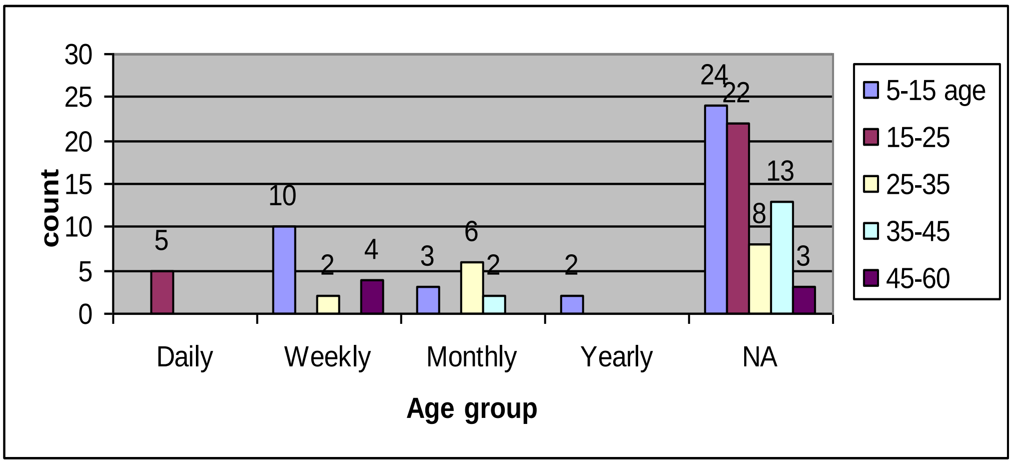
The fig above shows that in the age group of 5-15, 34 respondents drink packaged fruit juices on a weekly basis and with increasing age the frequency of consumption is non-indicative (as displayed by the bar coded as NA).

AGE & FREQUENCY OF CONSUMPTION (3-5 times)



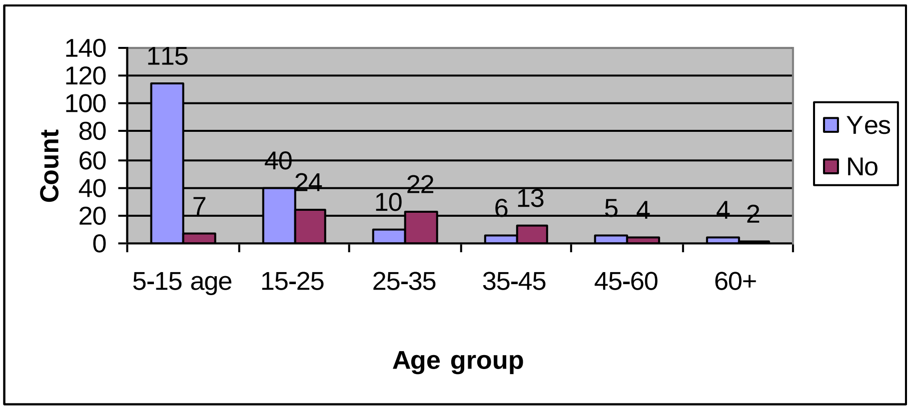
Similarly, in the above graph it is the 5-15age groups which consume packaged fruit juices 3-5 times weekly.

AGE & FREQUENCY OF CONSUMPTION (more than 5times)



A rather indulgent choice majority of the respondents have been included in the previous two graphs and that's why the increase in non-response (NA).

REGULAR CONSUMPTION OF FRUIT JUICES AND AGE

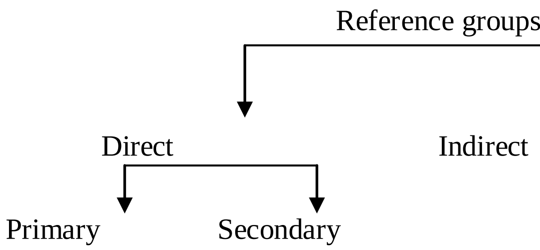


Again it is the 5-15age groups which regularly consume packaged fruit juices .

The correlation between age and frequency of juice consumption in the research sample is an attempt to propose a redefinition of the target audiences of Real juices including Real Active which are currently aimed at mothers with kids.

OPINION LEADERS

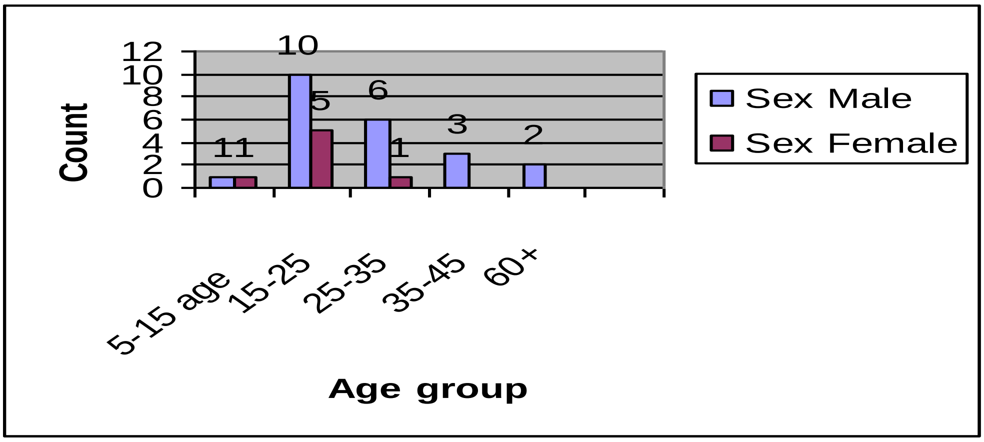
Consumer buying behavior is a rather complex process. A host of factors go into the process such as the need, the price and ultimately the **reference groups** which have been categorized as follows by **Dr. Philip Kotler**:



A person's reference groups consist of all the groups that have a direct (face to face) or indirect influence on the person's attitude or behavior. Groups having a direct influence on a person called **membership groups**. Some membership groups are primary groups such as family, friends, and neighbors, co-workers, with whom a person interacts fairly continuously and informally. People also belong to **secondary groups** such as religious, professional groups which are more formal and require less interaction.

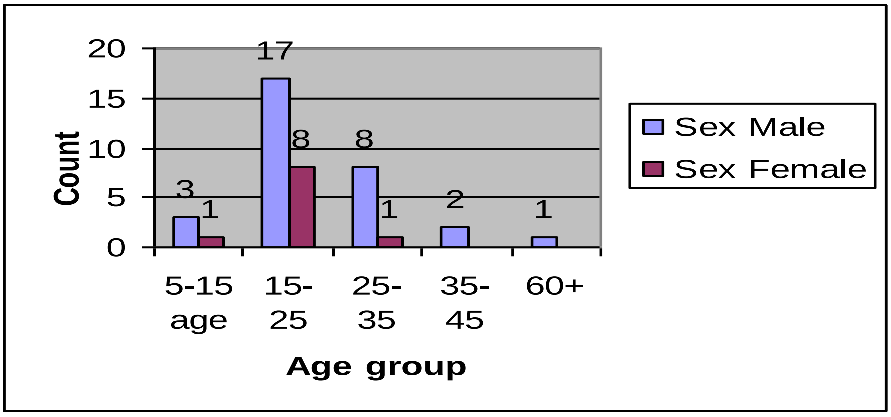
Leaving all this theory aside, each of these reference groups have opinion leaders or talk leaders who offer advice or information about a specific product or product category on the basis of which the consumer takes the purchase decision. (Fig 3.32 to 3.34)

Family Members = Yes



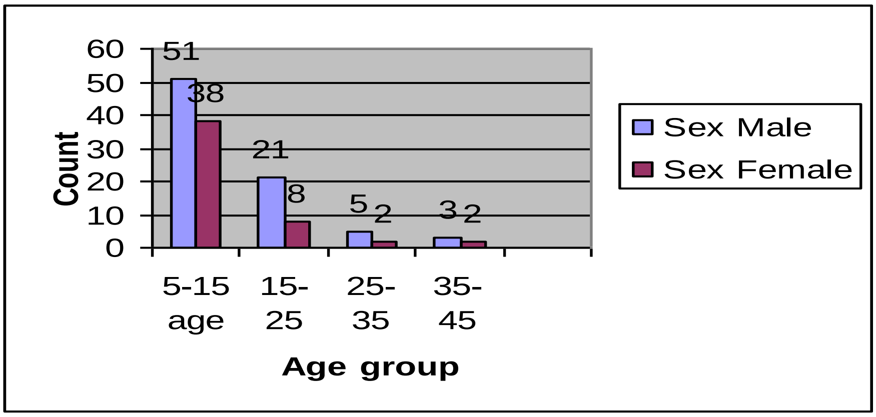
Adding the gender factor shows that across all age groups majority of the men/boys get to know about juice brands through family members. Officially regarded as the brad winners and wallet holders of the household--- it is ultimately they who finance such routine purchases and to ensure that the brand in question reaches the household it is necessary to influence the Opinion leaders' i. e. the family members of such people.

Friends/ Relatives = Yes



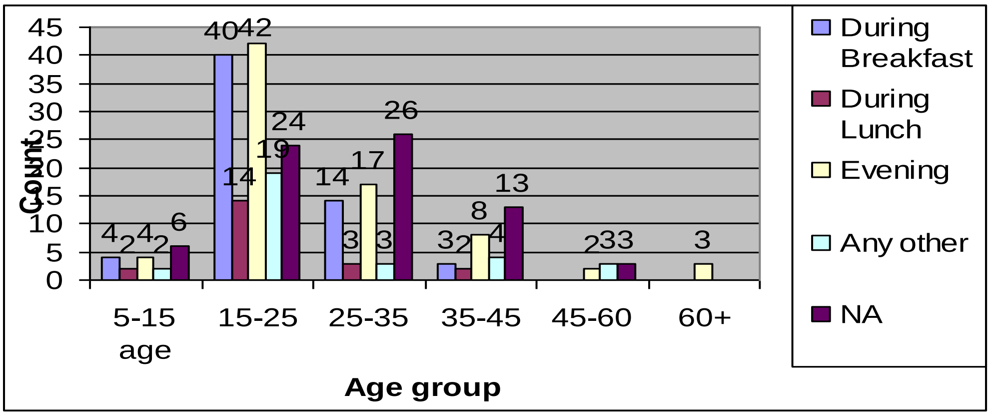
The above graph shows that across all age-groups large number of males gets to know about new brands and product launches through friends and relatives. The friends and relatives play a crucial role in influencing buying behavior of consumers, especially if they crave for acceptance in their respective social group.

Media = Yes



The above graph shows that across all age groups larger no. of male's get to know about new brands and products launches through **Media**.

AGE AND TIME OF CONSUMPTION



In order to suggest a more specific positioning strategy for packaged fruit juices we asked the respondents to indicate the preferred time for drinking packaged fruit juices .In the above graph w added the age dimension which clearly indicates that maximum no. of respondents in the age-group of 15-25 consume packaged fruit juices in the evening time. Infact, if we ignore NA category, then across all age-group the respondents consume packaged fruit juices in the evening.

The Road Ahead …………………

Samsika Marketing Consultants CMD Jag deep Kapoor emphasis on the ATA factor (availability, taste and affordability). He feels that by taking car of ATA, there is enough room for all the players --- domestic or foreign --- in the market.

Godrej Industries brand **Xs, has a modest market share of 4-5 % through the 200ml packs**. But the company exacts this to go up to 15% this year itself. It has introduced its 1 liter pack four months ago. It also plans it add 3-4 more flavors of Xs to its existing range of orange, litchi, mango and pineapple.

Other major brands in the fruit juice category are Tropicana & Real.

Parle Agro, the leader with its mango drink, **Frooti**, currently enjoys a 65% market share in the NCSD segment. Currently busy with its R & D, the company is likely to introduce a 100% fruit juice product by the end of 2004 or in the 2005.

Jumpin, another brand from the Godrej foods stable has a 17-20% market share in the fruit drink category through the 200ml packs. It comes in flavor like mango, apple, pineapple and orange. Mango is the most popular flavor across all the players and accounts for 90% of the total market. Other competing brands include Maaza and Slice.

Parle Agro brand manager Uma Shrivastav said that all the ATA factors have been instrumental in Parle's success in Frooti and in particular the taste and availability have been decisive.

Godrej foods hold the packaging cost responsible for the high prices of NCSD products and suggest hot-filled PET bottles as a cheaper alternative. They find it to be a value proposition. They added that taste is one factor in some of their flavors that drives growth. Parle Agro has already started using that package.

RECOMMENDATIONS

- As pr the analysis, of consumer perception it has been found that most of the respondents are unaware of the brands in general of certain packaged fruit juices like Leh Berry, Safal, Godrej x's etc. Therefore a brand association of packaged fruit juices will have definite positive impact on consumers for the faith and confidence they have for the companies.
- Major players must be more aggressive in the area of marketing to position them more strategically and effectively in consumers mind.
- Fruit vendors who are the major contenders in this field must be looked into seriously.

Limitations

During the entire research period which spanned for a limited time, so there were certain constraints faced because of circumstances and capabilities. The research conducted was under the following constraints:

- Sample size of consumer perception was limited to 250 respondents as the project had a time limit.
- The sample was limited to Delhi and Noida region only owing time and manpower constraints.
- Non participation of the respondents in the research processes for fear of disclosing personal information. Also, the sheer comprehensiveness of the questionnaire (4 pages) was a major deterrent.
- Non conductive behavior of some respondents owing to their less educated background.
- The extreme climatic condition prevailing in Delhi region also proved to be an obstacle in the research process because traveling became a problem.

Conclusion:

Pricing is also the downfall of fruit juice importers says A.V.Bhaskar, CEO, Adluri Foods, which distributes the Australian brand Berry in the south, "It is difficult to make inroads into the middle class as it finds the prices prohibitive. Sales tax on imported products is not uniform across the states. In Tamil Nadu, it is 21%, much lesser in Andhra Pradesh and Karnataka." So a one liter bottle of Berry cost Rs 110 while a Tropicana is in the Rs 75 range. Pet bottles are another reason for the high prices. However, the retail prices are the same across all the states. Natural fruit juices are a growing market and all players should have a level playing field, he says taking advantage of the health consciousness pervading the market, Adluri Foods has introduced cranberry juice (something that the local brands also have done) and is testing a mixed vegetable juice and a cocktail of apple, carrot and orange in the market.

Pepsi recently launched Tropicana Tropics Mango Nectar, which is made entirely from mangoes sourced from within India, as against other flavors for which sourcing has to be done from other countries. In a country of more than a billion population, there exists huge market for fruit based drinks. India is the largest producer of fruits in the world at 46 million tones. The organized fruit juice

(100%) and nectar market in India in terms of volumes is 20 Mios liters and value is worth Rs 120 crores. The market is experiencing a healthy growth at the rate of 25% per annum, which is driven by the use of health consciousness among the consumers. The Indian fruit juice market is growing exponentially and is slated to reach almost Rs 500 cr by 2008.

Even the non-carbonated soft drinks (NCSD) market in India is considered to have huge potential. With an eye on the latent demand in NCSD, major players like **Parle** and **Godrej**, are planning new launches during the current year. Health conscious consumers and use of juices in combination with breakfast cereals/white drinks are cited as factors driving the growth.

References:

http://www.tpmonline.com/articles_on_total_productive_maintenance/tpm/tpmprocess/default.htm

http://et.nmsu.edu/~etti/fall97/manufacturing/tpm2.html

http://www.marshallinstitute.com/inc/eng/justforyou/Body/articles/tpmart.pdf

http://www.plant-maintenance.com/articles/tpm_intro.shtml

http://www.technosyscon.com/tpm.htm

http://www.scodanibbio.com/site/access/wcm.html

http://www.expresshealthcaremgmt.com/20011215/quality.htm

http://www.expresshealthcaremgmt.com/20020515/focus2.shtml

http://www.tata.com/tata_metaliks/articles/20021016_small_profitable.htm

http://www.domain-b.com/industry/engineering/20040810_tube.html

http://www.npcil.nic.in/nupower_vol13_1/tmp1n.htm

http://www.cxotoday.com/India/News/Indian_Manufacturers_Take_The_IT_Route/551-69725-913.html

http://www.themanagementor.com/kuniverse/kmailers_universe/manu_kmailers/om_rcmtpm.htm

http://www.iipm.ac.in/total_productive_maintenance.html

http://www.influxconnect.com/?q=node/1323

http://www.domain-b.com/management/quality/20031223_bonanza.html

http://www.gidonline.com/buyingselling/ShowBuySell.asp?BSId=20142&stat=P

www.ibef.org/attachment/Sundaramclaytonlimited.pdf