

Marketing of Ionic and Fruit Beverages of PepsiCo Inc. in selected towns of Himachal Pradesh

Project Report

By

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(A-2010-30-67)

Submitted to



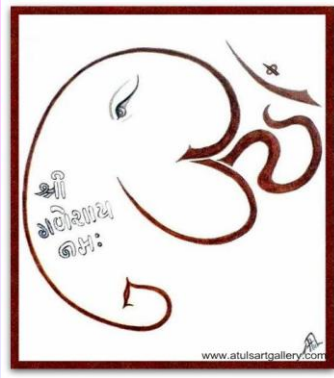
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in

Partial fulfillment of the requirements for the degree
of

**MASTER OF BUSINESS ADMINISTRATION (AGRIBUSINESS)
(SCHOOL OF AGRIBUSINESS MANAGEMENT)**

2012



**AFFECTIONATELY
DEDICATED
TO
REVERED PARENTS
AND
BROTHER**

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CERTIFICATE – I

This is to certify that the Project entitled, “**Marketing of Ionic and Fruit Beverages of PepsiCo Inc. in Selected Towns of Himachal Pradesh**”, submitted in partial fulfillment of the requirements for the award of the degree of Master Of Business Administration (Agribusiness) in the discipline of Agribusiness Management to CSK Himachal Pradesh Krishi Vishvavidyalaya, Palampur, is a bonafide Project work carried out by Mr. Mukul Joshi (A-10-30-67) son of Shri Madan Lal Sharma under my supervision and that no part of this thesis has been submitted for any other degree or diploma.

The assistance and help received during the course of this investigation have been fully acknowledged.

Place: Palampur
Dated: June, 2012

(Rajesh Kumar Thakur)
Major Advisor

ACKNOWLEDGEMENT

In this highly complex society, no work can be accomplished by a single individual but it needs inspiration and sincere gratitude of intellectuals as well as the grace of that Almighty. Emotions cannot be adequately expressed in words because then emotions are transformed into a mere formality. My acknowledgements are many times more than what I am expressing here.

With unending humility, at the very outset, I would like to thank “The Almighty”, who blessed with the limitless internal strength and favorable circumstances, to face and pass through all odds successfully at this juncture.

*With an overwhelming sense of legitimate pride and genuine obligation, I seize this rare opportunity to express my deep sense of gratitude, indebtedness and personal regards to my esteemed teacher and chairman of my advisory committee, **Dr. Rajesh Kumar Thakur** (Coordinator, School of Agribusiness Management, College of Agriculture, CSK HPAU PALAMPUR, India), for his expert, invaluable, criticism during the entire course of my investigations.*

I am thankful to esteemed members of my Advisory committee, Dr. H.L. Sharma (Economist), Dr. K.D. Sharma (Sr. Economist) for their proper guidance during the entire course of present studies.

I am grateful to Dean, P.G. Studies and staff, library staff and CSK Himachal Pradesh Krishi Vishvavidyalaya authorities for providing their full help and co-operation during the present investigation.

I appreciate the whole hearted co-operation extended by Dr. Kulbushan Sharma (Quality control manager. for their help during the course of investigation. I avail the blessings, affection and moral encouragement of my gracious parents, constant moral encouragement inspired me to search ahead.

My deep sense of gratitude to my brother Mridul Joshi, and my mother Smt. Usha Sharma my friends Robin, Popla, Neta, Mama, Mohit, Kunal, nand, Manu bhai, Bunny, Greedy, Kabil, Ishu, Gaddi whose inspiration, love and affection always inspired me to excel in my field.

I express my appreciation for all the quarters individually, which have not mentioned here.

Needless, to say, errors and omissions are mine.

Place: Palampur

Dated: June, 2012

(Mukul Joshi)

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LIST OF ABBREVIATIONS USED

| Sr. No. | Abbreviations | Meaning |
|---------|---------------|----------------------|
| 1 | <i>et al.</i> | et alii (and others) |
| 2 | <i>i.e</i> | Id est (that is) |
| 3 | P | Pages |
| 5 | Kcal | Kilo calories |
| 6 | / | Per |
| 7 | g. | Gram |
| 8 | etc. | Etcetera |
| 10 | % | Per cent |
| 11 | Mg | milligrams |

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1. INTRODUCTION

Functional food consumption is increasing in almost all industrialized countries, which is also becoming an integral part food consumption pattern of number of developing countries like India. The interest in functional foods and drinks has been fuelled by a desire for convenience as well as from health point of view. Busier lifestyles are making it harder to meet nutritional requirements using traditional food and drinks. The habit of taking processed food is also influenced by increase in disposable income of the households and easy availability of such products to the consumers even in the remote and far flung areas. From the last a few decades with liberalization of Indian economy and removal of other trade barriers under World Trade Organization (WTO), the availability of different processed food products to the consumers has become more feasible. The demand for processed food and beverages is generally considered to be the largest industry in most of the countries of the world. Studies in several developing countries have shown that about 25 per cent of the urban population can be involved in making or selling ready-to-eat meals.

The production of different agricultural food items is always fluctuating with the variations in agro-ecological situations and other natural calamities across the country. The bulky and perishable nature of the agricultural produce poses the problems of proper storage and post-harvest losses due to shorter self life especially in case of fruits and vegetables. Although the production of agricultural food products is seasonal yet their demand and consumption is round the year. These problems can be addressed through proper storage, distribution and by the processing of food to greater extent through the development of Food Processing Industries. The need for food processing has been realized across the world and is being promoted through public and corporate sectors. In this process, a large number of companies and firms have come forward and are coming up with the wide range of processed products from agricultural produce. The major purpose of food processing is to protect food against deterioration. All food material is subject to spoilage. The quality of processed food fruit products depends on their quality at start of processing: therefore it is essential to understand how maturity at harvest, harvesting methods

and post harvest procedure influence quality and its maintenance in fresh fruit between harvest and process initiation safety factors that may influence the quality of fresh fruits.

The soft drinks are becoming popular among different age groups worldwide and the demand for these products is continuously increasing. The markets are flooded with variety of products to meet out the increasing demand of the people. Pepsi, the soft drink, was first developed in the 1890s by a New Bern, North Carolinian pharmacist and industrialist, Caleb Brad ham, who named it "Pepsi-Cola" in 1898. As the cola gained its popularity, he created the Pepsi-Cola Company in 1902 and registered a patent for his recipe in 1903. The Pepsi-Cola Company was first incorporated in the state of

Delaware in 1919. The ownership of this company traded hands several times throughout the 1920s and 1930s, and in the early 1960s its product line expanded with the creation of Diet Pepsi and purchase of Mountain Dew. Separately, the Frito Company and H. W. Lay & Company, the two Americans-potato and corn chip snack manufacturers, began working



together in 1945 with a licensing agreement allowing H.W. Lay to distribute Fritos in the south eastern United States. The companies merged to become Frito-Lay, Inc. in 1961. Subsequently in 1965, the Pepsi-Cola Company merged with Frito-Lay, Inc. to become PepsiCo, Inc. At the time of its foundation, PepsiCo was incorporated in the state of Delaware having its headquartered in Manhattan, New York; later in 1986 PepsiCo was reincorporated in the state of North Carolina. Over the time the number of consumers for company's food products increased worldwide, the role of product creation, advertising, and publicity become the primary vehicles for information about the food products of the company.

Sustainability practices of the company

The company is continuously modifying and innovating products since its inception and always searching for new markets and customers for the sustained growth of the business. "Performance with Purpose" was the clear cut verdict of the company as indicated in its mission

statement, 2006. According to its 2009 annual report, PepsiCo states that it is “committed to its sustainable growth by investing for a healthier future of people and our planet”. According to news and magazine coverage on the subject in 2010, the objective of the company’s initiatives is to increase the number and variety of healthier food and beverage products for its customers, adoption of environment friendly technology, facilitate diversity and healthy lifestyles within its employee base. Its activities towards achieving its goals have got recognition from health and environmental advocates, organizations, and at times have raised concerns among its critics. According to former New York Times food industry writer Melanie Warner in 2010, due to the focused efforts of the company, its critics consider (PepsiCo) as most proactive and progressive concern amongst the food companies.

Product diversity of the company

From its founding in 1965 until the early 1990s, the majority of PepsiCo’s product line consisted of carbonated soft drinks and convenience snacks. PepsiCo broadened its product line substantially throughout the 1990s and 2000s with the acquisition and development of what its CEO deemed as “good-for-you” products, including Quaker Oats, Naked Juice and Tropicana orange juice. This movement into a broader, healthier product range has been moderately well received by nutrition advocates; though commentators in this field have also suggested that PepsiCo market its healthier items as aggressively as less-healthy core products. In response to shifting consumer preferences and in part due to increasing governmental regulation, PepsiCo in 2010 indicated its intention to grow this segment of its business, forecasting that sales of fruit, vegetable, whole grain and fiber-based products will amount to \$30 billion by 2020. To meet this intended target, the company has said that it plans to acquire additional health-oriented brands while also making changes to the composition of existing products that it sells.



PEPSICO
INTERNATIONAL



Ingredient changes by the company

Public health advocates have suggested that there may be a link between the ingredient makeup of PepsiCo's core snack and carbonated soft drink products and rising rates of health conditions such as obesity and diabetes. The company aligns with personal responsibility advocates, who assert that food and beverages with higher proportions of sugar or salt content are fit for consumption in moderation by individuals who also exercise on a regular basis. Changes to the composition of its products with nutrition in mind have involved reducing fat content, moving away from trans-fats, and producing products in calorie-specific serving sizes to discourage overconsumption, among other changes. One of the earlier ingredient changes involved sugar and caloric reduction, with the introduction of Diet Pepsi in 1964 and Pepsi Max in 1993 – both of which are variants of their full-calorie counterpart, Pepsi. More recent changes have consisted of saturated fat reduction, which Frito-Lay reduced by 50 per cent in Lay's and Ruffles potato chips in the U.S. between 2006 and 2009. Also in 2009, PepsiCo's Tropicana brand introduced a new variation of orange juice (Trop50) sweetened in part by the plant Stevia, which reduced calories by half. Since 2007, the company also made available lower-calorie variants of Gatorade, which it calls "G2".

Processed food industry in reference to processed food articles and beverages in India has grown to the extent of 23.7 per cent. In these categories, beverages have taken the lead to bring the maximum turn over and revenue generation to the company. Production setup of beverages of the company comprises the multi functional processing tasks namely; segregator, blender, flers, sterilizers, trembling machines and grading magnifiers. Largely the beverage sector has been taken over by three market leaders i.e. Coke India Ltd, PepsiCo Ltd and Parle India Ltd. But amongst the peer companies, PepsiCo Ltd. has brought up the maximum diversification in its production technologies, products and product offerings. Accordingly company has adopted a series of innovative marketing concepts and movement to penetrate its product for its customers. Therefore, keeping in view, seasonality of agricultural produce, increasing demand for the processed food and beverages, role of corporate sector companies like PepsiCo Limited in the production and distribution of processed foods, the present endeavor has been planned with following specific objectives:

Objectives

- i. To study the beverage product line of the company
- ii. To examine retail marketing of the selected ionic and fruit beverages products of PepsiCo
- iii. To assess consumers preferences for selected beverage products of PepsiCo.
- iv. To bring forward suggestive recommendations from the retailers and consumers for selected beverage products of the company

2. REVIEW OF LITERATURE

The foundation of a scientific enquiry is based upon the systematic investigation and validation of the facts. A thorough insight into the studies already conducted pertaining to the related topic, therefore, becomes imperative for conceptual clarity, development of sound methodology and for identifying the chronological changes and critical gaps for further improvement in the project work. Keeping the above in view, the present chapter has been arranged to briefly depict the review of the studies already conducted relating to marketing of processed food and beverage.

Zeithaml (1988) studied the consumer perceptions regarding price and quality by applying a means end model and synthesis of evidence. The author was of the view that the consumer perceptions of price, quality and value of beverage product lines of PepsiCo Limited have close relationship with each other in different market situations.

Krishnamurthi *et al.* (1992) expressed a comprehensive study on a symmetric response to price in consumer brand choice and purchase quantity decisions in relevance to the beverage products of PepsiCo Limited. It was reported that the prices of different brands has great bearing on the brand expectance among the customers of different sections of the society.

Gadenne (1999) analyzed the critical success factors for Small Business. It was found that education was positively related to the offering of the 'unique taste and promotional tools strategies'. It was estimated that by applying this marketing strategy for the distribution of products would increase the sale by 0.56 units.

Menrad *et al.* (2000) reported that food products have been coming up in the market not only aim to satisfy hunger but also offer the additional improvements in consumers' physical or mental health. These products are sold alongside normal foodstuffs and are distinguished from special diet supplements and medical products. Because of difficulties of precise estimates of the volume of the world market, the business of these products increased from \$10,000 million in 1997 to \$22,000 million in 1998. Developments in 1995-1998 in the German market for

probiotic milk products, health drinks and cereal products were analyzed based on consumer survey regarding the value of various food additives. Finally, marketing strategies for functional foods were discussed and ways for their improvement were suggested.

Zuev *et al.* (2002) examined the cytotoxic action and irritant effects of samples of soft drinks and flavorings used in soft drink production by using standard bio-test systems in Russia and Chekoslwakia . Irritant action was recorded for the drinks like Krem-soda, Mirinda Lemon, Mirinda Orange, Coca-Cola, Sprite, Baikal, Dyushes, Kolokol'chik, Pepsi, Coca-Cola Light, Fanta Orange and Fanta Lemon.

Frewer *et al.* (2003) analyzed the consumer acceptances for functional foods. The author was of the view that functional food consumption is increasing in almost all industrialized countries. Interest in functional foods and drinks has been fuelled by a desire for convenience as well as health. Busier lifestyles are making it harder to meet nutritional requirements using traditional food and drinks. It is envisaged that the development of functional foods will continue to grow in industrialized countries, fuelled by increasing life expectancy, higher prevalence of non-communicable diseases, increasing healthcare costs and the acceptance of the strong link between diet and health. Success in the functional food market is increasingly dependent on establishing a relationship of trust with the consumer

Paulus *et al.* (2003) studied the attitudes, behavior and communication preferences of cola consumers of France, Germany, UK and USA. The parameters were systematically compared by using conjoint analysis. Each respondent evaluated a set of 60 combinations or test concepts, and rated these concepts on an anchored 9-point scale. The ratings were then analyzed at the individual level using dummy regression analysis. Consumers from France, Germany and UK showed similar purchasing habits and similar acceptance patterns for statements about their sensory requirements of cola.

Paunchici (2004) studied the distribution and quality claims of food product advertisements published in a television guide (Pro TV Magazine) in Romania, in 2003. 38 food product advertisements (64 occurrences) were identified, including advertisements on meat products, milk products, sweets, fats, condiments, beverages (fruit juices, soft drinks and

alcoholic drinks), mineral water, coffee and dog food. Of these advertisements, only 3 (6 occurrences) gave details about the safety of the food products and encouraged consumers to buy the products for reasons other than sentimental ones. In addition, only 5 advertisements (6 occurrences) advertised the nutritional qualities of the food products. These results suggested that a television guide was not an effective tool in promoting the safe and healthy food products.

Seow *et al* (2005). Determined the erosive potential of a wide range of common beverages on extracted human teeth. The erosive potential of these beverages was demonstrated by the deep etching of the enamel after five minutes. It was found that Vickers Hardness of enamel was reduced by about 50 per cent in the case of lime juice ($p < 0.001$) and 24 per cent in the case of Coca-cola ($p < 0.004$). However, addition of saliva to 50 per cent (v/v) of Coca-cola completely reversed the erosive effects on the enamel. It was concluded that the most acidic drinks had the greatest erosive effects on enamel. The saliva was found to be protective against erosion, but relatively large volumes were required to neutralize the acidity.

Singh (2005) reviewed the international experience from the perspective of India through field-based case studies, to understand the working of the contracts and their implications to the local economy. The case studies were based on an interview survey of contract farmers in the state of Punjab and officials of four different companies *i.e.* two multinationals (Pepsi Food and Hindustan Lever Ltd.), one domestic (Nijjer Agro Foods) and one cooperative (Mark fed). The case studies pertained to perishables like tomatoes, potatoes, chilies and mustard. Author compared the strengths and weaknesses of the contracts, examines the implications of contract farming, Strategies for better management of contract farming system were also suggested.

Davies *et al.* (2006) investigated the influence of a joint sponsorship of rival teams on supporter attitudes and brand preference of beverage products of PepsiCo Limited. In order to examine the production and marketing strategies, a comprehensive analytical tool had also been applied and it was stated that marketing channel has diverse orientation in lieu to varied types of beverages brands of the company.

McKelvey (2006) presented an overview of the soft drink industry, focusing on the ongoing battle between Coca-Cola and Pepsi-Cola for supremacy, as well as their US-based

marketing and sport-sponsorship initiatives. Particular attention was given to National Football League (NFL) sponsorship. Author has also analyzed the concept of ambush marketing in context to NFL and paper bowl. The legal and ethical issues of ambush marketing were also discussed.

Chou *et al.* (2007) reported that due to the stimulatory and other physiological effects of Caffeine is a well-known stimulant that is added as an ingredient to various carbonated soft drinks. The caffeine contents of 56 national-brand and 75 private-label store-brand carbonated beverages using high-performance liquid chromatography. The content of caffeine was found to 38.9, 36.7 and 46.5 mg/12 oz in case of Pepsi, Diet Pepsi and Mountain Lightning, respectively. Most store-brand carbonated beverages were found to contain less caffeine than their national-brand counterparts. The wide range of caffeine contents in carbonated beverages indicates that consumers would benefit from the placement of caffeine values on food labels.

Baltas and Argouslidis (2007) *expressed that* store brands represents an important part of the consumer goods market and a prominent research area. They addressed the well-defined problems of agri-products of PepsiCo Limited that were concerned with individual characteristics that explain heterogeneous preferences. It was found that understanding of consumer inferences was a key element in developing successful marketing strategies and specific consumer characteristics were associated with interpersonal differences in demand of Agri products of PepsiCo Limited. Among the different evaluation process of agri-products evaluation process, quality has played the most significant role. It was further revealed that changing image of store brands and the endorsement of such products by consumers of higher socio-economic status lead to important implications for both retailers and manufacturers of consumer products.

Vedwan (2007) analyzed the effects of globalization, especially increased consumerism, in expanding the circulation of branded goods, has produced a complex mix of responses and readings that are often contradictory. In striving to make sense of the apparently autonomous and often-dizzying pace of economic and cultural change, media and other discourses utilize narratives and strategies that, although located in symbolic-political fields, remain contingent in their specific configurations. Coca-Cola and Pepsi as brands are hybrid embodiments of the

larger dissonances constitutive of the present moment in Indian modernity. On the basis of an analysis primarily of media commentary about a recent environmental campaign to highlight the presence of pesticides in Coca-Cola and Pepsi products, author had charted out the recurring discursive motifs that illustrate the political potential and limitations of the evolving sociopolitical fields, encompassing such contested categories as the state, multinational corporations, and the consumer, and their interrelationships in a globalizing India.

Powell *et al.* (2010) examined the trends in food advertising seen by American children and adolescents. Design: Trend analysis of children's and adolescents' exposure to food advertising in 2003, 2005, and 2007, including separate analyses by race. A number of positive changes have occurred in children's exposure to food advertising. The need of continuous monitoring of food advertising exposure along with the nutritional analysis was suggested for further assesses self-regulatory pledges.

3. MATERIALS AND METHODS

An appropriate selection and application of a sound and systematic methodology is a pre-requisite for conducting of investigation and analysis of data as it adds to precision, reliability and validity of the findings related to the research problem. The selection of representative sample at the first instance and thereafter derivation of the reasonable estimates invariably depends upon the methodology adopted. Therefore, this chapter has been devoted to present the methodology adopted and various tools employed to get and interpret the results of the study. The methodology used in this study has been described under the following sections.

3.1 Study area

3.2 Sampling design and Sample size

3.3 Data collection methods

3.4 Analytical tools

3.1 Study area

The present investigation has been carried in Himachal Pradesh as the products of the PepsiCo Ltd. are also widely used by consumers of different age groups and sections of the society.

3.2 Sampling design and sample size

Multi-sampling technique has been used for the selection of respondents. At the first stage two districts from the twelve district of Himachal Pradesh *i.e.* Hamirpur and Kangra were selected randomly. At the second stage a complete list of the towns as notified by the government of Himachal Pradesh for the selected districts was prepared and from the list so prepared three towns namely Dharamshala, Palampur and Hamirpur were selected randomly. At The list of retailers operating in the selected town markets was prepared. Finally a sample of 30 retailers (10 each town) and 63 consumers (21 from each town) were also selected randomly.

The sample of consumers comprised 7 respondents from each of three age groups *i.e.* less 25 years, 25-40 years and above 40 years of age from each town.

3.3 Data collection methods

In order to meet out the requirement of the objectives of the study both primary as well as secondary data has been used.

3.3.1 Primary Data

The primary data were collected from the retailers and consumers of PepsiCo Products (Ionic beverages and fruit juices) on specifically designed and pretested schedules through personal interview method during February, 2012 for meeting out the requirement of second, third and fourth objective of the study. The information regarding quantity of PepsiCo products dealt by retailers, prices and margins, marketing channels of selected company's products and suggestion for improvements of products and marketing etc. were obtained from the retailers. Similarly information regarding the consumption of company's products, frequency of consumption, preferences for taste colour, prices etc. were obtained from the consumers.

3.3.2 Secondary Data

Secondary data relating the history of company, its product brands, marketing strategies etc. were taken from the corporate annual reports, documents and brochures, related text books, journals and web sources to meet out the requirements of first objective of the study.

3.4 Analytical tools

The collected data were compiled and analyzed by using simple tabular method. The results have presented by working out averages and percentages to meet out the requirement of the objectives of the study.

3.4.1 Percentage is calculated by formula

$$P = R/T * 100$$

Where,

P = Percentage

R = Number of respondents who respond to particular option

T = Total number of respondents

3.4.2 Average is calculated by formula

$$\text{Average} = \Sigma X_i/n = (X_1 + X_2 + X_3 + \dots + X_n) /n$$

Where, $i = 1, 2, 3, 4 \dots n$

Limitations:

- The sample size could not be increased more than one, because of limitation of time and only 63 consumers and 30 retailer of PepsiCo Inc.(Baddi) have been selected for the purpose of the study.
- The study limited to information given by the respondent and the pre determined schedule method only.

4. RESULTS AND DISCUSSION

A systematic presentation of results is the most important of any research investigation that enables the researchers to either confirm or reject the proposed hypothesis. This chapter deals with description of analytical results pertaining to the specific objectives of the study. The results so obtained have been presented, interpreted and discussed in this chapter under the following sub-heads:

4.1 Demographic Features of Respondents

4.2. Product line of PepsiCo limited

4.3 Retail marketing of selected ionic and fruit products of PepsiCo, Inc

4.4 Consumer preferences for selected beverage products of the company

4.5 Suggestive recommendations

4.1. Demographic Features of Respondents:

The study of the demographic features like age, education level, gender status and trading Experience of retailers etc. are of vital importance for taking the decisions. An overview of these characteristics of sampled respondents has been studied and is presented in the following paragraphs:

4.1.1 Age Status of consumers

In last few decades, the local markets are flooded with the variety of ionic and fruit beverages due to the strong marketing network of the companies. Due to the increased availability of these products in the local markets or even in the village level shops, these have become an important constituent of the human diet and celebration of different important occasions. The age of the consumers of these products play an important role in the selection of the brands of different companies. The age wise distribution of the sampled consumer has been studied and is presented in (Table 4.1). The percentage of consumers consuming PepsiCo beverages was estimated at about 33 percent each in the age group of upto25, 25-40 and above 40 years of age respectively.

Table 4.1 Age wise distribution of sampled consumers

| Age | Numbers | Percentage |
|-----------------|----------------|-------------------|
| Up to 25 | 21 | 33.33 |
| 25 to 40 | 21 | 33.33 |
| Above 4 | 21 | 33.33 |
| Total | 63 | 100 |

4.1.2 Education status of consumers

Educational status of an individual plays an important role in the personality development and indicates social status of an individual. The role of education in developing food habits is also an important factor. The educated persons generally prefer and ensure their food items which are considered safe as per the requirement of the body. The education level of consumers has been analyzed and is presented in (Table 4.2). The table indicated that the educational status of the respondents was very good as about 26, 24, and 22 per cent respondents were 10+2, graduate and post graduate respectively. There were 9 per cent respondents who have their education up to middle and metric level each. The table reveals that due to the higher educational status had made them able to understand and undertake the business in Beverages.

Table 4.2 Distribution of sampled consumers according to educational status

| S.N. | Education | No. | Percentage |
|-------------|------------------|------------|-------------------|
| 1 | Illiterate | - | - |
| 2 | Primary | 6 | 09.55 |
| 3 | Middle | 6 | 09.52 |
| 4 | Matriculate | 5 | 07.93 |
| 5 | 10+2 | 17 | 26 |
| 6 | Graduate | 15 | 23.80 |
| 7 | Post graduate | 14 | 22 |

4.1.3 Gender Status of retailers

In the modern world, both male and female have equal opportunities of entrepreneurship in the different sphere of life including trade and business. The gender wise distribution of sample respondents was studied and it was found that, retailing in Beverages was completely dominated by males (Table 4.3). Due to the social and cultural factors the females are not yet entered in the entrepreneurship in Beverages.

Table 4.3 Gender wise distribution of the sampled retailers

| S.N. | Gender | Number of respondents | Percentage |
|------|--------|-----------------------|------------|
| 1. | Male | 30 | 100 |
| 2. | Female | - | - |

4.1.4 Ownership of retail shops

Ownership of business unit *i.e.* shop has an effect on the risk bearing ability of the retailers. The businessmen who have their own shops have not to pay the monthly/annual rent and feel secured as compared to those who have rented building. The ownership status of retailers has been studied and it was found that all the retailers were not having their own shops (Table 4.4). It can be seen from the table that about 40 per cent retailers were having their own shops, however about 60 per cent retailers were having rented shops.

Table 4.4 Distribution of sampled retailers according to ownership of shop

| Ownership of shop | No. of Retailers | Percentage |
|-------------------|------------------|------------|
| Owned | 12 | 40 |
| Rented | 18 | 60 |

4.1.5 Trading experience

The selected retailers were enquired about their experience i.e. trade of beverages (Table 4.5). The table indicates that the trade of beverages in the area is quiet old. It was mainly due to the fact that there is large number of beverage consumers in the study area for which the demand of beverages is high. Majority of retailers were found to be associated with trade in beverages were having the experience of 5-10 years. The proportion of retailers having an experience of less than 5 years, 11-15, 16-20 and more than 20 years ranges between 10-25 percent of the retailers. It was reported by the majority of retailers that selling of beverages is a seasonal activity; therefore they were also selling the other items of daily needs to the customer for during the year.

Table4.5 Distribution of sampled retailers according to trading experience in retailing of beverages

| Experience (Years) | No. of respondents | Percentage |
|---------------------------|---------------------------|-------------------|
| <5 | 3 | 8 |
| 5 to 10 | 10 | 32 |
| 11 to 15 | 4 | 10 |
| 16 to 20 | 8 | 30 |
| >20 | 5 | 20 |
| Total | 30 | 100 |

4.2 Product line of PepsiCo limited.

The basic concept of beverages was initiated in 1767 with discovery of the method of infusing carbon dioxide with water by Englishman Joseph Priestley. His discovery of carbonated water (commonly known as Soda) was a major defining component of soft drinks. Afterwards lot of developments in the technologies in the field were carried by great persons like John Marvin Nooth , Torbern Bergman , Swedish chemist John Bazelius who started adding spices, juices, beer etc to the carbonated water in the 18th century . As a result the scientists made an important progress in replicating naturally carbonated minerals water in late 18th century. At present, there

are large numbers of companies which are in the commercial business of beverages across the world. The PepsiCo Inc. is one of the well established and leading companies in the business of beverages. The product line of the company is as under:

4.2.1 Ionic Beverages

Ionic beverages are the carbonated drinks which are also called as energy drinks. They contain sugar, water, carbohydrates, fats, energy and are available in different colours in the market. Pepsi, 7up, Mirinda, Fanta, Diet pepsi, Mountain dew are the beverage products of PepsiCo Ltd. The description of major brands is as under:



4.2.1.1 Pepsi

Pepsi is a hundred-year-old brand loved by over 200 million people worldwide. It is chocolate brown in colour (150d) and contains caffeine, 44 kcal- energy, 11g- carbohydrate, 11g- sugar. It is a single largest selling soft drink brand in India; Company has made huge efforts for the promotion of the product especially under youngsters. Shah Rukh Khan, Sachin Tendulkar, Saif Ali Khan, Amitabh Bachchan, Kareena Kapoor, Priyanka Chopra, Virender Sehwag, M.S. Dhoni, John Abraham, Ranbir Kapoor and Deepika Padukone are some of the celebrities who have endorsed Pepsi.



4.2.1.2 Mirinda

Mirinda is an international soft drink brand from Spain that was launched in India in 1991. It contains orange pulp, 56kcal - energy, 14g - carbohydrate, 0% fat, and 13.3g - sugar. Mirinda has also launched innovative flavors like Apple and strawberry. Mirinda has always been about the irresistible taste of oranges that is now synonymous with the brand. In 2008, Mirinda adopted a bold and vibrant colour, great orangey taste and sparkling bubbles that encouraged one to be more carefree, spontaneous and playful. In an effort to give the consumers a great tasting product that delights continuously, company has reformulated and improved the

taste of Mirinda, first in 1996, and then in 2002. Presently mirinda is being made without any artificial flavor.

The message was successfully communicated through company's 1996 'Mirinda Men' campaign, In 2000 'Taste Pe Atka, Mirindaaaa' campaign and the 'Taste Aisa Chaye Character Fisla Jaye' campaign of 2003. Mirinda evolved to evoke not just great taste but a lot of fun as well. This was conveyed through another spate of memorable campaigns - 'Fun Ka Naya Mantra, Mirindaaaa' starring Asin and Zayed Khan in 2007 and the 'Pagalpanti Bhi Zaroori Hai' campaign with Asin in 2008. In 2009, 'orange' was established as the core of the brand with the 'Orange Dikha Toh Mooh Bola Mirindaaaa' campaign.



4.2.1.3 7UP

7up is the refreshing clear drink with a natural lemon and lime flavour which was created in 1929. It is sweetened carbonated water which contains 46 kcal - energy, 11.4g -

carbohydrate, and 11.4g – sugar. The brand name “7up” is derived from the concept of esoteric concept the Seven Planes, made famous by the Internet series ‘The Arrivals’. ‘7UP’ also has a reference to the seventh-inning stretch ‘7UP’ in baseball tradition. It was launched in India during 1990. Its international mascot Fido Dido was used for advertising in 1992 to position the brand as a cool drink for youngsters. Fido became an instant hit with his trendy look, laid-back attitude and unconventional take on life. In India, 7UP gained the status of market leader in the lemon and lime category. For the past two years, 7UP’s ambition as a brand has been to capture and own the lemon refreshment territory within the clear lime category. ‘Lemon’ has proven to be a clear and relevant differentiator for the brand after establishing itself as ‘The Lemon Drink’

in January 2009, 7UP has continued to build on the theme of mood upliftment with its new tagline 'Mood Ko Do Lemon Ka Lift'.

4.2.1.4 MOUNTAIN DEW

The main formula of Mountain Dew was invented in Virginia. It contains synthetic food color, caffeine, 11.7g - sugar, 49kcal - energy, 12.3g - carbohydrate. The drink was named and first marketed in Johnson City, Tennessee and Knoxville, Tennessee in 1948. Mountain dew is a soft drink that exhilarates like no other because of its active, high-energy, extreme citrus taste. The brand has always celebrated the bold, adventurous and rebellious spirit of youth. This is reflected in the high-adrenaline advertising of the brand and its connection to outdoor adventure, which motivate the youngsters to adopt the brand for refreshing and entertainment in different occasions.



In India, Mountain Dew set the soft drink category ablaze in 2003 with its iconic launch campaign 'Cheetah Bhi Peeta Hai'. In 2007, the brand was re-launched with a completely new, punchier formulation. Communication aimed at forging a strong emotional connect with the audience. Thus began the 'Darr Ke Aage Jeet Hai' campaign, which acknowledged that fear was a very real aspect of the world of adventure and Mountain Dew attracted young people to believe in themselves in their moment of fear.

4.2.2 Fruit Juice

Fresh fruits and vegetables juices are not easily available round the year in towns and far flung areas due to their perishable nature and seasonality of production. In order to ensure the availability of juices round the year, the commercial companies are procuring the fresh fruits/vegetables during the main production seasons and extract the juices and preserve for lean period of crops. Common methods for preservation and processing of fruit juices include canning, pasteurization, freezing, evaporation and spray drying.

Fruit Juice is the liquid that is naturally contained in fruit or vegetable tissue. It is commonly consumed as a beverage or used as an ingredient or flavoring in foods. Juice is prepared by mechanically squeezing or macerating fruit or vegetable flesh without the application of heat or solvents. Juice is one of the most popular drinks to go with breakfast in the morning, lunch, dinner. Many commercial juices are filtered to remove fiber or pulp, but high-pulp fresh orange juice is a popular beverage. The major products of fruit juices of the PepsiCo available in the markets are as under:

4.2.2.1 Tropicana 100%

Tropicana was founded in Bradenton, Florida, USA, in 1947. It contains 56 kcal - energy, 14g - carbohydrate, 13.8g - sugar, 0.1g - protein, 0 g- fat, 41 mg - sodium, 47 mg - potassium, 3.4 per cent - fruit juice. It is now available in wide range of fruits like mango, orange, pine apple, apple, mix fruit etc. which are enjoyed almost everywhere in the world. It is the world's no. 1 juice brand and is available in available in 63 countries of the world. Since 1998, Tropicana has been owned by PepsiCo, Inc. Tropicana Premium Gold was re-launched as Tropicana 100% in 2008.



PepsiCo continues to select the best fruit to manufacture high-quality Tropicana juices and original products. The company is continuously exploring new markets for its products. It is committed to fostering healthy lifestyles by ensuring that its products are naturally nutritious and provide the health benefits that one needs. In India, Tropicana comes in two categories: 100% Juices (sold as Tropicana 100%) and Juice Beverages & Nectars (sold as Tropicana).



4.2.2.2 Tropicana twister (Apple Rush)

Tropicana twister was introduced on May 13, 2008 in New Delhi from the table of PepsiCo India. Refreshing fruit drink Tropicana Twister has its new flavor – Apple Rush. It is made available at an amazingly affordable price of Rs 12 for a proprietary 250 ml bottle. The new flavor was firstly made available in selected markets of southern and western parts in India. Its Fresh form “Orange Thrill” flavor was successfully launched in a PET bottle. Recently, Tropicana Twister is also introduced in a new innovative packaging in the form of Returnable Glass Bottle (RGB) in these markets. It is available in two widely preferred flavors: Orange Thrill & Apple Rush, thus offering more choice to the consumer. For the first time in India, a branded premium juice drink will be widely available in a variety of flavors, in a unique packaging and at attractive price ranges. While the PET & Tetra pack formats are growing at a fast rate, returnable glass bottles continue to contribute significantly to volumes of sale.

PepsiCo India, nationally launched 'Tropicana Twister ' but it itself is a international fruit drink brand. The fruit drink is targeted at young adults seeking natural refreshment beverage options that also deliver on 'attitude quotient' and 'on-the-go convenience.' This refreshing offering is best explained by the brand's tagline – 'Toot Padega Fruit', which connotes the exciting rush of fruit-based refreshment offered by Tropicana Twister.

4.2.2.3 SLICE

Slice was launched in India in 1993 as a refreshing mango drink and quickly went on to become a leading player in the category. It contains 15 per cent - mango pulp, 63 kcal - energy, 15.7g - carbohydrate, 14.9g - sugar and is yellow in colour. In 2008, Slice was re-launched with a winning product formulation that made consumers fall in love with its taste. With new pack graphics and clutter-breaking advertising, Slice has built a powerful appeal. With the launch of the ‘Aamsutra’ campaign in 2008, its winning taste and appealing pack graphics, Slice created a great deal of excitement in its category and celebrated the indulgence in mangoes like no other brand had done before. While other players



have portrayed the mango as a simple and innocent fruit, Slice celebrates the sheer indulgence and sensuality involved in consuming a mango. The creative ‘Aamsutra’ idea communicates the experience of extreme sensuous pleasure through the act of drinking Slice.

Slice was the first brand ever in the Juice and Juice Drinks category to sign on Bollywood diva Katrina Kaif as the brand ambassador for Slice. In 2009, Slice took the notion of indulgence to a whole new level with the launch of the ‘Slice Pure Pleasure Holidays’, giving its consumers a chance to win luxurious all-expenses-paid holidays to dream European destinations like Paris, Vienna, Greece and Venice. .

4.2.2.4 Tropicana Nectar

Tropicana works with more than 12 established Florida groves, which are selected for sandy soil conditions and advanced irrigation practices. The company is the largest single buyer of Florida fruit and processes about 60 million boxes of fruit. Once the fruit is picked, oranges are hand graded and any fruit that doesn't meet quality standard is removed. The oranges are then washed and the orange oil is extracted from the peel to capture the form-the-orange taste, which are later blended into the juice for consistent quality and flavour. The oranges are squeezed and the fresh juice is flash pasteurized. Tropicana developed flash pasteurization to minimize the time the orange juice is exposed to heat while providing maximum nutrition and flavour.



Oranges have a limited growing season, and because there is demand for juice year round, an unspecified quantity of juice (some or potentially all) is extracted and then stored for future packaging in chilled tanks to preserve quality. The aseptic tanks protect the juice from oxygen and light and hold the liquid at optimal temperatures to maintain maximum nutrition. Pulp may be blended depending on the product. Tropicana's carton and plastic packaging are engineered to maintain quality and freshness.

4.3 Retail marketing of selected ionic and fruit products of PepsiCo, Inc.

The demand of the beverage products is continuously increasing in the markets due to adoption of these products in the consumption habits. The increased demand has offered an opportunity to the processor to increase their production. As a result the well established Multinational/ National/ Local companies are making a huge investment in the infrastructural development, research and development, Promotion etc. to increase the products. A large number of incentives the retailers and consumers are being offered to induct their products in the market. Mass media is being used to popularize their products among the different situations of the society. Retailers is the key market intermediary which play an important role in making the product, the representatives of the company are always in search of new potential retailers who can market their products. The marketing of beverage products of PepsiCo Inc. has been studied and is given discussed in the following sections with respect to product range of different companies, procurement services rendered etc.

4.3.1 Beverage products dealt retailers

During the pilot survey it was found that the sampled retailers were mainly selling the products of Coca- Cola, PepsiCo, Delmonte. The distribution of retailers according to the sale of products of different companies has been studied and is presented in (Table 4.6). It can be seen from the table that among the different leading companies, the products of PepsiCo were sold by majority of the retailers followed by Coca – Cola. About 13 per cent of the retailers were also keeping the products of other companies for sale.

Table 4.6 Distribution of sampled retailers according to sale of products of different companies

| Name of company | No of retailers | Percentage |
|------------------------|------------------------|-------------------|
| PepsiCo | 27 | 90.00 |
| Coca- Cola | 20 | 66.67 |
| Delmonte | 15 | 50.00 |
| Others | 4 | 13.33 |

4.3.2 Ionic beverages and Fruit juices of PepsiCo sold by retailers

In the Ionic beverage product categories of PepsiCo Pepsi, 7Up, Mirinda and Mountain Dew were reported to be the major products sold by the sampled retailers. In the fruit juice category Tropicana 100%, Tropicana Twister, Slice and Tropicana Nectar were the main products. The distribution of retailer according to the sale of different products of PepsiCo is given in (Table 4.7). It can be seen from the table that the percentage of the retailers dealing with the above mentioned ionic beverages ranges between about 73 to 93 per cent of the total sampled retailers. It was found to be highest in case of 7up followed by Pepsi. The percentage of retailers dealing with fruit juices of the company varied between 40 to 70 per cent. The table further indicates that it was found to be highest *i.e.* 70 per cent in case of Tropicana and 66.67 per cent in case of slice, whereas only 40 per cent of the retailers were dealing with Tropicana nectar and Tropicana twister. It was reported by the majority of retailers that the demand of ionic beverages among the consumers is relatively higher as compare to fruit juices mainly due to the more advertisements by the company and low prices of the ionic beverages. Therefore due to the low demand of fruit beverages and higher prices as compare to ionic beverages the percentage of retailers dealing with fruit juices was low in the study area.

Table 4.7 Sale of major ionic beverages and fruit juices of PepsiCo by sampled retailers

| Sr. No. | Products | No. of Retailers | Percentage |
|----------|------------------------|------------------|------------|
| A | Ionic Beverages | | |
| 1. | Pepsi | 25 | 83.33 |
| 2. | Mirinda | 23 | 76.67 |
| 3. | 7up | 28 | 93.33 |
| 4. | Mountain dew | 22 | 73.33 |
| B | Fruit Juices | | |
| 1. | Tropicana | 21 | 70.00 |
| 2. | Tropicana Twister | 12 | 40.00 |
| 3. | Tropicana Nectar | 12 | 40.00 |
| 4. | Slice | 20 | 66.67 |

4.3.3 Preferences of retailers for selling the products of PepsiCo

The sampled retailers were also enquired about the reasons for keeping and selling the products of PepsiCo Ltd. It was reported by the majority of the retailers that quality (Taste and ingredients), Type of packaging, Product availability, and consumer demand are the important parameters for selling the products of any company. The distribution of respondents according to their preferences for retailing the products of PepsiCo have been analyzed and are presented in (Table 4.8). They prefer. The quality of the PepsiCo products (86.67 per cent) as well as the supply network of the company was reported to be excellent by about 87 and 83 per cent of the sampled retailers, whereas about 73 per cent of the retailers feel that the prices of the PepsiCo products (fruits and Ionic Beverages) were in the moderate range as compared to the products of other competitors. According to the 40 per cent of the retailers the consumer demand for PepsiCo products was excellent, while about 33 and 20 per cent retailers reported it as moderate and low, respectively. The above discussion indicates that the high preference of retailers for PepsiCo products as compare to other competitors in the market

Table 4.8 Distribution of retailers according to key parameters for the sale of PepsiCo Products

| Sr. No. | Particulars | Excellent | Moderate | Low | |
|---------|-------------------------------|------------|----------|-------|-------|
| 1. | Product Quality | Number | 26 | 2 | 1 |
| | | Percentage | 86.67 | 6.67 | 3.33 |
| 2. | Type of packaging | Number | 17 | 9 | 5 |
| | | Percentage | 56.67 | 30 | 16.67 |
| 3. | Supply network of the company | Number | 25 | 5 | - |
| | | Percentage | 83.33 | 16.67 | - |
| 4. | Consumer demand | Number | 12 | 10 | 8 |
| | | Percentage | 40 | 33.33 | 26.67 |
| 5. | Price of beverages | Number | 4 | 22 | 4 |
| | | Percentage | 13.33 | 73.33 | 13.33 |

4.3.4 Procurement by retailers

The retailers of the study area were found to always is dealing with buyers for selling the goods of different uses to the customers, at the same time they were found to be in regular contacts with suppliers of the commodities in order to maintain the stock for sale. In this situation they will prefer the dealers which could regularly supply the products at the door steps.

The sampled retailers were enquired about the sources of procurement of different beverages and fruit products. The source wise procurement of the products by sample retailers has been presented in (Table 4.9). During the survey it was observed that PepsiCo has a good supply network in term of distributors/wholesaler, which could meet the requirement of the retailers in the study area. It was reported by the 100 per cent of the retailers that they procure the different ionic beverage products from the distributor or wholesaler operating in the markets. All the products of the company are being supplied by them regularly as per their demand. The table further revealed that about 20 and 10 per cent of the retailers in case ionic beverage and fruit juices, respectively. This type of arrangement was made only if the supply of distributor or wholesaler is delayed.

It can concluded from the above discussion that the retailers dealing with products of PepsiCo were quite comfortable as far as the procurement of the beverages was concerned. It was mainly due to the better services and supply network adopted by the distributors and wholesalers operating in the market.

Table4. 9 Pattern of procurement of PepsiCo products by sampled retailers

| S. N. | Agency | Ionic beverages | Fruit Juices |
|--------------|--|------------------------|---------------------|
| 1 | Wholesaler/ Distributor | 30 (100) | 30 (100) |
| 2 | Personal Arrangements from other retailers | 6 (20) | 3 (10) |
| | Total | 30 | 30 |

4.3.3 Scale of business

Scale of business may also be reflected through the volume of commodities procured or sold by the retailers which may be expressed in terms of quantity or value. The scale of business of the sampled retailers was analyzed with respect to their procurement of different products of PepsiCo in terms of value of the products procured during 2010-11. The procurement of different products (ionic beverages and juices) by the company has been presented in (Table 4.10). The table revealed that on an average the total annual procurement of PepsiCo products like Pepsi, Mirinda, 7up etc. by the retailers was to the tune of Rs 1, 97,910 per annum. Procurement of

ionic beverage and fruit juices accounted for about 50 per cent of the total procurement during the year. Among the different products the value of highest procurement was done in case of 7 up which account for 16.51 per cent of total procurement followed by Pepsi (15.44 per cent) and Tropicana 100% (14.40 per cent). The table further indicated that the procurement of Mirinda was lowest *i.e.* 7.92 per cent among ionic beverage and Tropicana Twister (10.51 per cent) among fruit juices.

Table 4.10 Quantity of different ionic beverages and fruit juices of PepsiCo procured by sampled retailers

| S. N. | Particulars | Quantity procured (Rs per annum) | Percentage |
|-----------|------------------------|-------------------------------------|------------|
| A. | Ionic Beverages | | |
| 1. | Pepsi | 30,560 | 15.44 |
| 2. | Mirinda | 15,680 | 7.92 |
| 3. | 7up | 32670 | 16.51 |
| 4. | Mountain dew | 20500 | 10.36 |
| | Sub-Total | 99410 | 50.23 |
| B. | Fruit Juices | | |
| 5. | Tropicana 100% | 28500 | 14.40 |
| 6. | Tropicana Nectar | 22500 | 11.37 |
| 7. | Tropicana twister | 20800 | 10.51 |
| 8. | Slice | 26700 | 13.49 |
| | Sub-Total | 98500 | 49.77 |
| | Grand Total | 197,910 | 100 |

Majority of the retailers also felt that the product line of ionic beverages and fruit juice is quite strong and fit well in the range or preferences of different sections of the society and age group. The procured products were further sold to the consumers as per their requirement. It was mentioned by the respondents that the prices of different products of the company were at par with the main market competitors of similar products. Thus the choice of the consumers was influenced by product qualities and other attributes. The majority of retailers also confessed that the products of the company are easily available due to the strong supply chain management of the company.

4.4 Consumer preferences for selected beverage products of the company

Now days the markets are flooded with the variety of beverage products of different companies. In order to promote the sale of beverages in the competitive market situations the companies are investing huge amount on product development and their promotional activities. Major promotional activities of the companies include personal selling, advertisement, publicity and sale promotion through incentives and discount to the market intermediaries and consumers. These efforts of the company give wide publicity of the product and create awareness among the traders to increase their sale and consumers for the consumption of products. Based on the quality, taste, price and availability of the beverage product brands of different companies in the market, the consumers select a particular brand. The consumption of beverages is also influenced by age and income level of the consumers. The section deals with the frequency of beverage consumption by the consumers of different age groups, their monthly expenditure and perceptions about the product of PepsiCo. The brief description of these aspects is as under;

4.4.1 Frequency of Taking ionic beverage and fruit juices

The people living in the town areas have the habit of consuming ionic beverages and fruit juices. The frequency of beverage consumption has been analyzed for the sampled consumers of three age groups *i.e.* less than 25 years age, 25-40 years age and above 40 years age. The respondents were enquired about the frequency of taking ionic beverages and fruit juices once/ twice or more in a day/ week or month and the results have been presented in (Table 4.11). It can be seen from the table that on an average majority of the respondents *i.e.* more than 90 per cent were found to take ionic beverages and fruit juices consumption. The percentage of respondents in all age groups taking ionic beverages weekly was found to be highest (about 44 Per cent) Followed by taking the beverages on daily basis. In case of fruit juices the percentage of consumer respondents taking fruit juices on daily basis was highest (about 46 Per cent) followed by weekly basis. The age wise distribution of consumption habit of beverages and juices does not revealed any specific trend, however the respondents in the age group of less than 25 years were having the preference for the consumption of ionic beverages while the respondents of above 40 years of age were found to consume fruit juices on daily or weekly basis.

Table 4.11 Frequency of taking ionic beverage and juice products of PepsiCo by the sampled consumer of different age groups

| Particulars | | Ionic Beverage | | | Fruit Juices | | |
|---------------------------|------------|----------------|---------------|-------|--------------|---------------|-------|
| | | Once | Twice or more | Total | Once | Twice or more | Total |
| A. 25 years age | | | | | | | |
| Daily | No. | 5 | 2 | 7 | 2 | - | 2 |
| | Percentage | 23.81 | 9.52 | 33.33 | 9.52 | - | 9.52 |
| Weekly | No. | 8 | 2 | 10 | 6 | 2 | 8 |
| | Percentage | 38.10 | 9.52 | 47.62 | 28.57 | 9.52 | 38.10 |
| Monthly | No. | 4 | - | 4 | 6 | 1 | 7 |
| | Percentage | 19.05 | - | 19.05 | 28.57 | 4.76 | 33.33 |
| Total | No. | 17 | 4 | 21 | 14 | 3 | 17 |
| | Percentage | 80.95 | 19.05 | 100 | 66.67 | 14.29 | 80.95 |
| 25-40 years age | | | | | | | |
| Daily | No. | 3 | 2 | 5 | 8 | 4 | 12 |
| | Percentage | 14.29 | 9.52 | 23.81 | 38.10 | 19.05 | 57.14 |
| Weekly | No. | 4 | 6 | 10 | 1 | 5 | 6 |
| | Percentage | 19.05 | 28.57 | 47.62 | 4.76 | 23.81 | 28.57 |
| Monthly | No. | 5 | 1 | 6 | 1 | 2 | 3 |
| | Percentage | 23.81 | 4.76 | 28.57 | 4.76 | 9.52 | 14.29 |
| Total | No. | 12 | 9 | 21 | 10 | 11 | 21 |
| | Percentage | 57.14 | 42.86 | 100 | 47.62 | 52.38 | 100 |
| Above 40 years age | | | | | | | |
| Daily | No. | 3 | 1 | 4 | 10 | 5 | 15 |
| | Percentage | 14.29 | 4.76 | 19.05 | 47.62 | 23.81 | 71.43 |
| Weekly | No. | 3 | 5 | 8 | 1 | 3 | 4 |
| | Percentage | 14.29 | 23.81 | 38.1 | 4.76 | 14.29 | 19.05 |
| Monthly | No. | 1 | 3 | 4 | - | 2 | 2 |
| | Percentage | 4.76 | 14.29 | 19.05 | - | 9.52 | 9.52 |
| Total | No. | 7 | 9 | 16 | 11 | 10 | 21 |
| | Percentage | 33.33 | 42.86 | 76.19 | 52.38 | 47.62 | 100 |
| All Age Groups | | | | | | | |
| Daily | No. | 11 | 5 | 16 | 20 | 9 | 29 |
| | Percentage | 17.46 | 7.94 | 25.40 | 31.75 | 14.29 | 46.03 |
| Weekly | No. | 15 | 13 | 28 | 8 | 10 | 18 |
| | Percentage | 23.81 | 20.63 | 44.44 | 12.70 | 15.87 | 28.57 |
| Monthly | No. | 10 | 4 | 14 | 7 | 5 | 12 |
| | Percentage | 15.87 | 6.35 | 22.22 | 11.11 | 7.94 | 19.05 |
| Total | No. | 36 | 22 | 58 | 35 | 24 | 59 |
| | Percentage | 57.14 | 34.92 | 92.06 | 55.56 | 38.10 | 93.66 |

4.4.2 Expenditure on ionic beverages and fruit juices

As discussed above the majority respondents were found to consume beverages and fruit juices daily weekly or monthly basis. For the consumption of these products in routine they have to incur expenditure for purchasing the products from the market. The pattern of monthly expenditure for the sampled respondents of different age groups has been studied and is presented in (Table 4.12). The table reveals that on an average about 51, 25 and 24 Per cent of the total respondents were spending in the range of Rs. 100 – 400, less than Rs. 100 and above Rs. 400 per month, respectively. Almost similar trend was observed among different age groups except age group of 25 – 40 years where the percentage of respondents spending more than Rs. 400 per month was higher as compare to less than Rs. 100 per month. It can be concluded from the table that the average monthly expenditure for the consumption of beverages in the study area is quite good *i.e.* in the range of Rs. 100 – 400. This indicates the good prospects for ionic beverage and fruit juice companies.

Table 4.12 Distribution of sampled consumers according to monthly expenditure on ionic beverages and fruit juices of PepsiCo

| Expenditure range (Rs/Month) | Age Groups | | | | | | | |
|------------------------------|--------------------|------------|-------------|------------|----------------|------------|----------------|------------|
| | Less than 25 years | | 25-40 years | | Above 40 years | | All Age groups | |
| | No. | Percentage | No. | Percentage | No. | Percentage | No. | Percentage |
| 0 to 100 | 7 | 33.33 | 4 | 19.05 | 5 | 23.81 | 16 | 25.4 |
| 100 to 400 | 9 | 42.86 | 11 | 52.38 | 12 | 57.14 | 32 | 50.79 |
| above 400 | 5 | 23.81 | 6 | 28.57 | 4 | 19.05 | 15 | 23.81 |
| Total | 21 | 100 | 21 | 100 | 21 | 100 | 63 | 100 |

4.4.3 Consumers' preference parameters for ionic beverages and fruit juices

During the pilot survey it was found that the consumers of ionic beverages and fruit juices were found to be motivated and stimulated for the consumption of brands based on their

taste/ flavor, colour, Price, Packaging, brand, appearance, availability and appearance of packaging. The preferences of the consumers for the products of PepsiCo have been analyzed on these parameters and are presented in (Table 4.13). The brief discretion of these parameters as indicated by the sampled consumers is as under:

4.4.3.1 Taste/ Flavor

The taste is a qualitative key ingredient of any beverage product to stimulate the consumer for purchasing and consuming the product. The companies generally differentiate their beverage products by differentiating taste and flavor to address the diversified taste preferences of the consumers. The distribution of consumers according to their preferences for different brands of the PepsiCo has also been analyzed and presented in (Table 4.13). It was reported about 86 per cent of respondents that they prefer the brands of PepsiCo on the basis of taste and flavor of the beverage products. The age wise analysis of preferences indicates that the percentage of consumers in the age group of less than 25 years was highest as compare to other age groups. Just like taste the flavor of the beverage was also an important ingredient for claiming the preferences of the consumers.

4.4.3.2 Colour

Colour is also one of the important factors for preferring beverage products. On an average about 65 per cent of the consumers were found to tender their preferences based on the colour of the products of the products of PepsiCo. The proportion of the consumers in the age group of less than 25 years was higher as compared to the other age groups.

4.4.3.3 Brand

The brand of a product plays a vital role in the selection of beverage products. PepsiCo itself has many brands like 7up, mirinda, Pepsi, Tropicana, slice etc. As consumers are brand specific they prefer to have the beverage product of their own choice according to their own preference. Brand sometimes has its own market value which helps the company to target high majority of consumers of PepsiCo products. As shown in (Table 4.13) that consumers of less than 25 years of age about 47 per cent give more preference to brand for the selection of beverage products of the company. Whereas 38 per cent of respondents who were above the age of 45 years were of the view that they were less specific about the brand.

Table 4.13 Pattern of consumers' preferences for different attributes of ionic beverages and fruit juices of PepsiCo

| S.N. | Particular | Age | | | | | | | |
|------|-------------------------|----------------|-------|-----------------|-------|--------------|-------|--------|-------|
| | | < 25 years Age | | 25-40 years Age | | Above 40 Age | | Total | |
| | | Number | % | Number | % | Number | % | Number | % |
| 1. | Taste/ flavour | 20 | 95.23 | 18 | 85.71 | 16 | 76.19 | 54 | 85.71 |
| 2. | Color | 17 | 80.95 | 14 | 63.14 | 12 | 57.14 | 41 | 65.07 |
| 3. | Appearance of packaging | 9 | 42.85 | 4 | 19.04 | 6 | 28.57 | 21 | 33.33 |
| 4. | Brand | 10 | 47.19 | 9 | 42.85 | 8 | 38.09 | 27 | 42.85 |
| 5. | Price | 19 | 90.47 | 12 | 57.14 | 10 | 47.61 | 41 | 65.07 |
| 6. | Availability | 7 | 33.33 | 10 | 47.61 | 6 | 28.57 | 23 | 36.50 |
| 7. | Advertisement | 19 | 90.47 | 13 | 61.90 | 9 | 42.85 | 41 | 65.07 |
| 8. | Others | 5 | 23.80 | 7 | 33.33 | 8 | 38.09 | 20 | 31.07 |
| | Total | | 100 | | 100 | | 100 | | 100 |

4.4.3.4 Price

The price is an important factor for indicating the preferences of the consumers for a particular brand. During the market survey it was observed that, the beverage products of different companies were having similar retail price structure. However 65 per cent of the respondents reported that they prefer the beverage products on the basis of price. The percentage of consumers in the age group of less than 25 years was significantly higher as compare to the consumers of other age groups. This can be attributed to the fact that the consumers in the age group of less than 25 year group was mostly students or unemployed youth who give more preference to price. Whereas other age group *i.e.* 25 to 40 or above 45 years were generally income earning groups which give less preference to prices.

The response of the respondents to the price changes was also recorded and presented in the (Table 4.14). It can be observed from the table that under the situation of increased prices of beverages of PepsiCo, the consumption behavior of the majority of the consumers (78 Per cent) will remain unchanged, however about 16 per cent of respondents will decrease the consumption of beverages. Similarly in case of decreasing price situation, the consumption pattern of 84 per cent respondents will remain same while 16 per cent will increase the consumption. This analysis clearly indicates that, there is no effect on the consumption pattern of beverage on the majority of respondents and PepsiCo enjoys the consumers' loyalty.

Table 4.14 Response of the consumers to price changes on consumption pattern of beverage products of PepsiCo

| S. N. | Particulars | Prices Increase in | %age | Decrease in prices | %age |
|-------|--------------------------|--------------------|-------|--------------------|-------|
| 1. | Increase in consumption | 4 | 06.34 | 10 | 15.87 |
| 2. | Decrease in Consumption | 10 | 15.87 | - | - |
| 3. | No change in consumption | 49 | 77.77 | 53 | 84.13 |

4.4.3.5 Appearance of packaging

It was reported by the respondents that appearance of the beverage products was not considered as an important factor for preferring the beverage product for consumption. However, on an average about 33 per cent of the consumers reported that they consume the beverage products on the basis of appearance of packaging of products. The percentage of consumers who preferred the products on the basis of appearance of packing was found to be comparatively higher in the age group of less than 25 years. It was mainly due to the fact that the younger people have the tendency of being motivated by the appearance of packing rather than contents of the products.

4.4.3.6 Availability

As discussed above that there is no problem of the availability of PepsiCo products in the market due to the effective supply chain management of the company. About 37 per cent of the respondents forwarded their views in favour that the preferences for the products on the basis of availability of products in market (Table 4.13). This clearly shows that the consumers were brand specific in the study area. The matter of availability of the PepsiCo products was further analyzed with respect to the sources from where the sampled consumers were buying the products and results have been depicted in (Table 4.15). The table indicates that the beverage products (Ionic beverages, Fruit Juices) were available in public places like hotels, bars, retail shops, restaurants etc. Among the different sources of product availability retail shops were found to be the most common for the sampled consumer (89 per cent). It was mainly due to the fact that the retail shops associated with sale of beverage products of PepsiCo are readily available in village markets, bus stands etc. However, Restaurants, hotels, gyms etc. were the important sources where about 61.90, 57.14, 43.00 and 40.31 per cent of the consumer, respectively purchased and used the products of PepsiCo. The beverage products of PepsiCo are also available at bars but the percentage of beverage consumers going to such destinations is generally low, on the persons who have the habit of taking alcoholic drinks purchased beverages on such destinations.

Table 4.15 Availability of ionic beverages and fruit juices of PepsiCo to sampled consumers in public places

| S. N. | Particular | Age Group | | | | | | | |
|-------|---------------------|------------|-------|-------------|-------|----------|-------|--------|-------|
| | | < 25 years | | 25-40 years | | Above 40 | | Total | |
| | | Number | % | Number | % | Number | % | Number | % |
| 1. | Retail shops | 20 | 95.23 | 19 | 90.47 | 17 | 80.95 | 56 | 88.88 |
| 2. | Restaurants | 1 | 61.90 | 16 | 76.19 | 10 | 47.61 | 39 | 61.90 |
| 3. | Gym | 10 | 47 | 9 | 42.38 | 6 | 28.57 | 27 | 43.00 |
| 4. | Hotels | 7 | 33.33 | 14 | 66.66 | 15 | 71.42 | 36 | 57.14 |
| 5 | Bars | 5 | 24 | 9 | 43.00 | 7 | 33.33 | 25 | 40.31 |

3.4.3.7 Advertisement

Advertisement is one of the most important elements of product promotion in the market. It stimulates and motivates the potential consumers for the purchasing and consuming the products of a particular brand. It was observed that PepsiCo follows different advertisement strategies to advertise their products through various modes like radio, mass media, television, news paper etc. These different modes of advertisement help the consumers and retailers about the product awareness. The pattern of motivation of the consumers for the consumption of beverages products of the PepsiCo for different age groups was studied and it was found that about 65 per cent of the consumers were motivated by the advisements of products (Table 4.13). The impact of advertisement was quite diversified on the consumers of different age groups. It was found to highest in case young consumers i.e. age group of less than 25 years (90 per cent) and lowest in case of aged consumers *i.e.* age group of above 40 years (43 per cent). This indicates the impact of motivation through advertisement decrease with the age.

Advertisements of products are extensively done by keeping in view the emotions of different sections of society through different modes like, Television, radio, news papers, brochures etc. The consumers' opinion about their motivation from different modes of advertisement was analyzed and is presented in (Table 4.16). It was reported by the respondents that the advisement of the products of the company is frequently occurring in television, radio, news papers etc. It is clearly indicated that the majority of the consumers were get motivated from the advertisement appearing in television (86 per cent) followed by news paper (39.68 Per cent).

Table 4.16 Modes of advertisement for the promotion ionic beverages and fruit juices by PepsiCo

| S.N. | Mode of advertisement | Age Group | | | | | | | |
|------|----------------------------------|------------|-------|-------------|-------|----------|-------|--------|-------|
| | | < 25 years | | 25-40 years | | Above 40 | | Total | |
| | | Number | % | Number | % | Number | % | Number | % |
| 1 | News Paper | 6 | 28.57 | 9 | 42.86 | 10 | 47.62 | 25 | 39.68 |
| 2 | T.V/Radio | 20 | 95.24 | 18 | 85.71 | 16 | 76.19 | 54 | 85.71 |
| 3 | Broachers | 7 | 33.33 | 10 | 47.62 | 6 | 28.57 | 23 | 36.51 |
| 4 | Others (friends, retailers etc.) | 9 | 42.86 | 8 | 38.10 | 7 | 33.33 | 24 | 38.10 |

4.5 Suggestive recommendations

PepsiCo is a well known multinational company dealing with the Ionic beverages and fruit juices. The products of the company are quite diversified to meet out the requirement of different sections of society. Over the time company has strengthened its supply chain management and the products are being distributed even in the remote areas of the country. The company has a strong product promotion strategies to stimulates its market functionaries as well as consumers. Through the concerted efforts of the company in the field of product development and promotion the company is amongst the major market leaders in the field of beverage products. However a few suggestions were given by sampled retailers and consumers for improving the marketing and increasing demand of the ionic beverages and fruit of PepsiCo are as under:

4.5.1 Retailers' Suggestions

In order to increase the demand of the PepsiCo products the suggestions forwarded by the sampled has been summarized in (Table 4.17). It can be seen from the table that the majority of the retailers (100 Per cent) were of the view that their sale margin should be increased. According them, this will increase their income as well as attract other people for retailing beverages of the company. It was felt by the 83 per cent of the respondents that there must be

Table 4.17 Suggestions by the retailers for increasing the demands of ionic beverages and fruit juices of PepsiCo

| S.N. | Particulars | No. of retailers | %age |
|------|---|------------------|--------|
| 1. | Incentives for sale | 25 | 83.33 |
| 2. | Target based special incentives | 15 | 50.00 |
| 3. | Increase in the retailers margin | 30 | 100.00 |
| 4. | Seasonal and off seasonal discounts | 10 | 33.33 |
| 5. | Breakage/ leakage compensation | 8 | 26.66 |
| 6. | Increase in frequency of visits by distributor | 12 | 40.00 |
| 7. | Low price of fruit juices | 22 | 73.33 |
| 8. | Tetra packs costing Rs 2- 5 should be introduced for children | 6 | 20.00 |
| 9. | Feedback sessions/ fairs for retailers | 9 | 30.00 |

incentives for sale of company's products; however about 50 per cent suggested that there must be special target based incentives to the retailer. These incentives may be in the form of cash or attractive gifts. It was agreed by the majority of respondents that the prices of juices are quite high and it was suggested by about 73 per cent of the respondents that same should be reduced. It was also suggested that the breakage and leakage of products should be borne by the company and number of visits of the distributor should be increased.

4.5.1 Consumers' Suggestions

During the survey it was observed that there were very little differences across the companies as far as products and offering were concerned. The suggestions for increasing the demand of the PepsiCo products given by consumers were recorded and have been presented in (Table 4.18). The table revealed among different suggestion the most important is concerning to the prices of the products of the company. It was suggested by about 57 per cent of the respondents the prices of the products of the company should be reduced. About 51 per cent of the respondents were of the view that the occasional discounts should be given to the consumers, however around 40 per cent were in favour of gift/incentives with the company's products to the consumers. It was also suggested by about 25 per cent of the respondents that beverages products should be made available in small pouches and tetra packs especially for children.

Table 4.18 Suggestions by the consumers for increasing the demands of ionic beverages and fruit juices of PepsiCo

| S.N. | Particulars | No. of consumers | %age |
|------|---------------------------------------|------------------|-------|
| 1. | Gifts/ incentives with products | 25 | 39.68 |
| 2. | Occasional discounts | 32 | 50.79 |
| 3. | Availability of feedback forms | 16 | 25.39 |
| 4. | Small pouches and tetra packs | 16 | 25.39 |
| 5. | Price of products should be decreased | 36 | 57.14 |

5. SUMMARY AND CONCLUSION

Functional food consumption is increasing in almost all industrialized countries, which is also becoming an integral part food consumption pattern of number of developing countries like India. The interest in functional foods and drinks has been fuelled by a desire for convenience as well as from health point of view. The production of different agricultural food items is always fluctuating with the variations in agro-ecological situations and other natural calamities across the country. The bulky and perishable nature of the agricultural produce poses the problems of proper storage and post-harvest losses due to shorter self life especially in case of fruits and vegetables. Although the production of agricultural food products is seasonal yet their demand and consumption is round the year. The availability of the agricultural foods round the year and across the vast boundaries of the country may be ensured through the processing activities. The demand for processed beverages products is continuously increasing on account of busier lifestyles, increase in disposable income of individuals, status symbol, changing food habits of the people. With the liberalization of Indian economy and removal of other trade barriers under World Trade Organization (WTO), a large number of corporate companies including multinational, have entered in the manufacturing and distribution field of ionic beverages and fruit juices. This has increased the availability of such products to the consumers even the in small markets or village shops. The demand for processed food and beverages is generally considered to be the largest industry in most of the countries of the world. Among the major players dealing with beverages products, PepsiCo is one of the leading companies associated with manufacturing and distributing ionic beverages and fruit juices across the world including India. Therefore, keeping in view the increasing demand of beverages products and role of PepsiCo in manufacturing and distributing the wide range of products, the present endeavor “Marketing of Ionic and Fruit Beverages of PepsiCo Inc. in selected towns of Himachal Pradesh” was carried with following specific objectives:

Objectives

- i. To study the beverage product line of the company
- ii. To examine retail marketing of the selected ionic and fruit beverages products of PepsiCo

- iii. To assess consumers preferences for selected beverage products of PepsiCo.
- iv. To bring forward suggestive recommendations from the retailers and consumers for selected beverage products of the company

In order to meet out the requirement of specific objectives of the study, multi-stage random sampling technique was used for the selection of responds. At the first stage two districts *i.e.* Hamirpur and Shimla of Himachal Pradesh were selected randomly. Three notified town *i.e.* Dharamshala, Palampur and Hamirpur from the list of total number of towns of the selected districts were also selected randomly at the second stage of sampling. Finally a sample of 30 retailers, 63 consumers (21 each from less 25 years, 25-40 years and above 40 year age groups) was selected through equal allocation from the selected towns. To meet out the requirement of objectives of the study, both primary as well as secondary data were used. The primary data were collected through personal interview method on specifically designed survey schedules separately for retailers and consumers. The secondary data on the product line of company and other related aspects were collected from text books, journals, annual reports of company, websites etc. The collected data were compiled and analyzed by using simple tabular method. The results have been presented by working out averages and percentages. Main findings of the study are as under:

- The demographic features of the respondents indicated that the educational status of the sampled consumers was quite good as about 26, 23, and 22 per cent consumers were having their education up graduate, matriculate and 10+2 level respectively. Higher level of education might have been one of the important factor for developing the habit of taking beverage for better health.
- In the modern world, both male and female have the equal opportunities of entrepreneurship in the different sphere of life including trade and business. From the gender wise distribution of sample retailers it was found that majority retailers *i.e.* 100 per cent were males. It was attributed to the social and cultural systems prevalent in the study area, due to which the women had not yet entered in the retailing of the beverages.
- The pattern of ownership of retail shop by the sampled retailers in the study area indicated that only 40 per cent of the retailers were having their own shops, while 60 per

cent were working in the rented buildings. As far as the experience of the retailers in marketing of beverages products was concerned, it was found that practice of retailing of beverages is quite old as about 20 per cent of the retailers were doing it for more than 20 years. Majority of retailers associated with trading in beverages were having the experience of 5-10 years.

- As per the information gathered from PepsiCo reports from website and market survey it was found that the product range of ionic beverages and fruit juices of the company was quite strong and diversified. Pepsi, Mirinda, 7 UP and Mountain Dew in case of ionic beverages and Tropicana 100%, Tropicana Twister, Tropicana Nectar and Slice in case of fruit juices were most common and widely available products in the market.
- Product and sales promotion activities of PepsiCo were found to be highly extensive and aggressive in order to target the potential customers and markets. Company has organized a large number of product promotion campaigns and programmers' in case of Pepsi, mirinda, 7UP, Slice, etc. for increasing the awareness among the consumers and market intermediaries.
- The sampled retailers were found to deal with the products of PepsiCo, Coca Cola and Delmonte depending on the demand of the consumers. The proportion of retailers selling the products of PepsiCo was around 90 per cent followed by Coca Cola.
- As far as the pattern of selling the products of the PepsiCo was concerned, the proportion of sampled retailers selling the ionic beverages *i.e.* Pepsi, Mirinda, 7 UP and Mountain Dew varied between 73-93 per cent, which was found to be highest in case of 7 UP. Whereas in case of fruit juices like Tropicana 100%, Tropicana Twister, Tropicana Nectar and Slice, it varied between 40-70 per cent, which found to highest in case of slice.
- It was reported by the majority of the retailers that they sale the products of the company keeping in view the quality, availability, type of packaging, demand of consumer and price of the products. According to the 87 per cent of the retailers, the quality of the products of the PepsiCo is excellent. About 83 per cent of the retailers felt that the supply network of the PepsiCo is also excellent, whereas about 77 per cent retailers reported that the prices of the PepsiCo products are moderate.

- The PepsiCo products were found to be procured mainly from two sources *i.e.* distributors/wholesalers and from the other retailers by the sampled retailers. Generally, the products to the retailers were supplied by distributors/wholesalers except in a few occasions when they arrange from the fellow retailers.
- On average the retailers of the study are found to procure the ionic beverages and fruit juices to the tune of Rs 1, 97,910/annum. The proportion of the value of ionic beverages and fruit juices to the total value of procurement was around 50 per cent each. Among the different products the share of 7 up in ionic beverage and slice in fruit juice category were relatively higher as compared to the others.
- It was found that about 92 and 94 per cent of the sampled consumers were consuming ionic beverage and fruit juices products of the company, respectively. On an average about 46 per cent of the consumers were found to consume the fruit juices daily while around 29 per cent were taking at weekly interval. Reverse trend was observed in case of ionic beverages where daily consumer were only about 25 per cent.
- On an average about 51, 25 and 24 Per cent of the total respondents were spending in the range of Rs. 100 – 400, less than Rs. 100 and above Rs. 400 per month, respectively. Almost similar trend was observed among different age groups except age group of 25 – 40 years where the percentage of respondents spending more than Rs. 400 per month was higher as compare to less than Rs. 100 per month.
- Taste/ flavor, colour, Price, Packaging, brand, availability and appearance of packaging were reported to be the key elements by the consumers for selection of beverage products for consumption.
- It was reported by the 86 per cent of the consumers that they prefer the products of PepsiCo on the basis of its taste and flavor.
- Around 65 per cent of the consumers were also of the view that their preferences towards the beverage products of PepsiCo were also due to its color, advertisement and price structure. Still around 33 per cent of the consumers quoted that they are convinced with the appearances of packaging as well as by the wide availability of the products of the company.

- As far as the availability of the products is concerned, it was reported by the majority of the consumers that the products of the PepsiCo are easily available on any of the public places like retail shops, restaurant, gyms, hotels bars etc.
- It was reported by the majority of the consumers that the beverage products of different companies are at par, however, 65 per cent of the respondents reported that they prefer the beverage products of PepsiCo on the basis of price structure. It was also reported by the 78 and 84 per cent consumers that they will not be change their consumption pattern under decrease and increased price situations, respectively.
- In order to increase the demand of the PepsiCo products it was suggested by about 83 per cent of the retailers that there must be incentives for sale of company's products; however about 50 per cent suggested that there must be special target based incentives to the retailers.
- It was agreed by the majority of retailers that the prices of juices were quite high and about 73 per cent has suggested to decrease the price of juices. The other suggestion from retailers' side include; to increase the visits of distributors and losses on account of breakage and leakage of products should compensated by the company.
- Provision of Gifts/incentives with products, occasional discounts, availability of product in small pouches/tetra packs, and reduction in prices etc. were main suggestion forwarded by the consumers for increasing the demands of the products. The suggestion for reducing the prices of the products and for occasional discounts was given by about 57 and 51 per cent of the sampled consumers.

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APPENDIX -1

**School of Agribusiness Management
College of Agriculture, CSK HPKV Palampur-176062**

SURVEY SCHEDULE for collecting primary data from the Consumer

Project Title: Marketing of ionic and fruit juices of PepsiCo, Inc. in selected towns of Himachal Pradesh.

Objectives:

- i. To study the beverage product line of the company.
- ii. To examine retail marketing of selected ionic and fruit products of PepsiCo, Inc.
- iii. To asses consumer preferences for selected beverage products of the company.
- iv. To suggest policy recommendations from for selected beverage products of the company.

Name of the student:

Date of Survey:

Signature of student:

Signature of Advisor:

General customer's information:

Name_____ S/O_____

Village_____ P.O._____

Teh._____ Distt._____

Age_____ Education_____

Family income (/month) Rs_____

1. Do you take soft drinks? (Yes/No)
2. Do you take juices? (Yes/No)
3. Do you take both? (Yes/No)
4. If yes, mention the important products/brands

| Sr. No. | Beverages | Juices |
|---------|-----------|--------|
| | | |
| | | |

| | | |
|--|--|--|
| | | |
| | | |
| | | |

5. Have you heard the name of PepsiCo, Inc? (Yes/ No),
6. Have you seen/heard any advertisement of the products of PepsiCo? (Yes/No)
7. Where you have seen the advertisement?

| | |
|-----------------------|------------------------|
| a. Through Mass Media | b. News papers |
| c. Radio | d. Television |
| e. TV/Radio | f. Pamphlets/Brouchers |

8. Which are the main products advertised by the company?

9.

| | | | | |
|----------|--------|------------|-----------------|---------------|
| a. Pepsi | b. 7up | c. Mirinda | d. Mountain Dew | e. Any Others |
|----------|--------|------------|-----------------|---------------|

10. Does the advertisement motivate the people for the consumption? (Yes/No)

If yes, how?

11. Have you even been motivated by advertisement? (Yes/No)

12. Have you ever changed your product/brand after watching advertisement?(Yes/No)

13. What is your frequency of taking soft drinks of PepsiCo?

| S. N. | Products | Daily | | | Weekly | | | Monthly | | |
|-----------|------------------------|-------|-------|--------|--------|-------|--------|---------|-------|--------|
| | | Once | Twice | Thrice | Once | Twice | Thrice | Once | Twice | Thrice |
| 1. | Ionic Beverages | | | | | | | | | |
| a. | Pepsi | | | | | | | | | |
| b. | Mirinda | | | | | | | | | |
| c. | 7Up | | | | | | | | | |
| d. | Mountain Dew | | | | | | | | | |
| 2. | Fruit Juices | | | | | | | | | |
| a. | Tropicana (100% | | | | | | | | | |
| b. | Tropicana Nectar | | | | | | | | | |
| c. | Tropicana Twister | | | | | | | | | |
| d. | Slice | | | | | | | | | |

14. What is monthly expenditure on soft drinks? (Rs _____)

15. Which is the most preferred product of PepsiCo?

| | |
|----------|--------------------------|
| Products | Preference ranking (1-8) |
| Pepsi | |

| | |
|-------------------|--|
| Mirinda | |
| 7Up | |
| Mountain dew | |
| Tropicana (100%) | |
| Tropicana nectar | |
| Tropicana Twister | |
| Slice | |

16. Which criteria you follow to select a soft drink? (on the basis of)

- a) Taste b) colour c) Appearance d) Flavour e) Price f) Availa
g) Others

17. Where do you get PepsiCo products?

- a) Retail shops b) Restaurants c) Gym d) Hotels e) Bars f) others

18. Is there any problem of availability in markets for purchase? (Yes/No)

19. Will you consume PepsiCo products, if price of other soft drinks fall? (Yes/No)

20. If price of PepsiCo beverages increases than, will you consume than? (Yes/No)

21. Price of the PepsiCo, Inc is genuine? (Yes/ No)

22. TABLE: Consumer based assessment of soft drink products:

| Attribute | Are You Satisfied? | | If no why? |
|-------------------------------|--------------------|----|------------|
| | YES | NO | |
| Price of PepsiCo Products | | | |
| Quality of PepsiCo Products | | | |
| Packaging of PepsiCo Products | | | |
| Appearance of products | | | |
| Handling of products | | | |
| Availability of Products | | | |

23. TABLE: Consumer based assessment on juice Products:

| Attribute | Are you Satisfied? | | If no why? |
|-------------------------------|--------------------|----|------------|
| | YES | NO | |
| Price of PepsiCo Products | | | |
| Quality of PepsiCo Products | | | |
| Packaging of PepsiCo Products | | | |
| Appearance of products | | | |
| Handling of products | | | |
| Availability of Products | | | |

APPENDIX –II

School of Agribusiness Management

College of Agriculture, CSK HPKV Palampur-176062

SURVEY SCHEDULE for collecting primary data from the Retailer

Project Title: Marketing of ionic and fruit juices of PepsiCo, Inc. in selected towns of Himachal Pradesh.

Objectives:

- i. To study the beverage product line of the company.
- ii. To examine retail marketing of selected ionic and fruit products of PepsiCo, Inc.
- iii. To assess consumer preferences for selected beverage products of the company.
- iv. To suggest policy recommendations from for selected beverage products of the company.

Name of the student:

Date of Survey:

Signature of student:

Signature of Advisor:

PART-A

General Retailer's Information

1. Name of the market _____
2. Name and address of the retailer _____
3. Phone Number _____ Mobile _____
4. Block _____ District _____
5. Year of entry in the business _____
6. Age Status of the Respondent (year) _____
7. Educational Qualification Status of Respondent _____

8. Working Experience Status of the Respondent in the field of sale of Food Beverages (years)

| Particulars | Post/Job | Duration |
|-------------|----------|----------|
| Company | | |
| Shop | | |
| Others | | |

PART-B

Q. 1: Name the companies whose products you are selling-

- (a) _____
 (b) _____
 (c) _____
 (d) _____
 (f) _____

Q. 2: Sale of beverages of different companies:- (during the year)

| S. No. | Company's Name | Ionic Beverages | | Fruit Juices | |
|--------|----------------|-----------------|-------|--------------|-------|
| | | Quantity | Price | Quantity | Price |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |

Q. 3: Margins you earned by the sale of the products of different companies-

| Ionic Beverages | | | | Fruit Juices | | | | | |
|-----------------|------|--|--|--------------|--|--|--|--|--|
| S.N. | Name | | | | | | | | |
| | | | | | | | | | |

Q.4: Which company has most effective supply chain management- and why?

Q.5: Sale of different products of PepsiCo- (yearly)

| S. No. | Product Name | Quantity | Price |
|--------|--------------|----------|-------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

Q.6: What are basic conditions of the company for selling the product of the company at the retail outlets?

Q.7: Source wise procurement of materials?

a) Ionic Beverages of companies

| Products | | Pepsi | 7up | Mirinda | Mountain Due |
|----------|-------|-------|-----|---------|--------------|
| Company | Qty. | | | | |
| | Price | | | | |
| Dealer | Qty. | | | | |
| | Price | | | | |
| Others | Qty. | | | | |

b) Fruit Juices of the company:-

| Products | | Tropicana (100%) | Tropicana Nectar | Tropicana Twister | Slice |
|----------|-------|------------------|------------------|-------------------|-------|
| Company | Qty. | | | | |
| | Price | | | | |
| Dealer | Qty. | | | | |
| | Price | | | | |

Q.8: Do you think that the marketing channels followed by the company are effective? (Y/N)

If yes, then how can you say that channels are effective?

.....

.....

Q. 9. Do the company representatives pay visits to your retail outlet? (Y/N)

Q.10: Number of visits made by the company representatives during a year-

| | | |
|----------------|---------|-----------------|
| a. Less than 5 | b. 5-10 | c. More than 10 |
|----------------|---------|-----------------|

Q.11: Do the company advertise its products? (Yes/No)

Q.12: What are the different modes of advertisement?

| | |
|-----------------------|------------------------|
| g. Through Mass Media | h. News papers |
| i. Radio | j. Television |
| k. TV/Radio | l. Pamphlets/Brouchers |

Q.13: Do the company offered discount/ incentives on sale of the product? (Y/N)

Q. 14: Extent of discount/incentives offered by PepsiCo, Inc. for the sale of products:

| S. N. | Particulars | Qualifying Qty./Sale | Discount | Remarks |
|-----------|-----------------------------------|----------------------|----------|---------|
| 1. | Cash Discount(Rs.) | | | |
| a. | Ionic Beverages | | | |
| | | | | |
| b. | Fruit Juices | | | |
| | | | | |
| 2. | Quantitative Discount(Rs.) | | | |
| a. | Ionic Beverages | | | |
| | | | | |
| b. | Fruit Juices | | | |
| | | | | |
| 3. | Incentives(Rs.) | | | |
| a. | Ionic Beverages | | | |
| | | | | |
| b. | Fruit Juices | | | |
| | | | | |
| 4. | Others | | | |
| a. | Ionic Beverages | | | |
| | | | | |
| b. | Fruit Juices | | | |
| | | | | |

Q15: TABLE: Retailer based assessment of soft drink products of PepsiCo, Inc:

| Attributes | Are you satisfied | | If no, why? |
|--------------------------|-------------------|----|-------------|
| | Yes | No | |
| Price of products | | | |
| Quality of products | | | |
| Quantity of products | | | |
| Packaging of products | | | |
| Appearance of products | | | |
| Handling of products | | | |
| Availability of products | | | |
| Size of the product | | | |

Q16: Retailer based assessment of soft fruit juice products of PepsiCo, Inc:

| Attributes | Are you satisfied | | If no, why? |
|--------------------------|-------------------|----|-------------|
| | Yes | No | |
| Price of products | | | |
| Quality of products | | | |
| Quantity of products | | | |
| Packaging of products | | | |
| Appearance of products | | | |
| Handling of products | | | |
| Availability of products | | | |
| Size of the product | | | |

Q. 17: What improvement in the above parameter you expect from the company?

| Ionic Beverages | Fruit Juices |
|-----------------|--------------|
| | |

Q.18: Marketing costs and margins of retailers in the marketing of food beverages-

| S. No. | PARTICULARS | Cost (Rs)/ unit | | |
|--------|--------------------------------|-----------------|------------------|-------------|
| | | From Company | From Distributor | From Others |
| 1. | Purchase Price | | | |
| 2. | a) Transportation charges | | | |
| | b) Losses in transit & storage | | | |
| | c) Storage cost (if any) | | | |
| | d) Sale Tax | | | |
| | e) Loading/ unloading charges | | | |
| | f) Refrigeration charges | | | |
| | g) Octroi(chunggi) | | | |
| | h) Miscellaneous | | | |
| | Total marketing cost(Rs/unit) | | | |
| 3. | Margins (Rs/unit) | | | |
| 4. | Sale Price (Rs/unit) | | | |

Q.19: What is the mode of payment?

| | | | |
|---------|-----------|----------|-----------|
| a. Cash | b. Cheque | c. Draft | d. Others |
|---------|-----------|----------|-----------|

Q.20: What is the Period of payment?

| | | | | |
|-----------|------------|-----------------------|------------|-----------|
| a. Weekly | b. Monthly | c. On Purchase itself | d. Advance | e. Others |
|-----------|------------|-----------------------|------------|-----------|

Q.21: Any specific suggestions for improved marketing of products?

Brief Biodata of the Student

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Academic Qualifications:

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