CUSTOMER PERCEPTION TOWARDS PRIVATE LABEL BRANDS OF BOTTLED DRINKING WATER - A STUDY WITH REFERENCE TO CHENNAI

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ABSTRACT

One of the prime natural resources is the water, since the time immortal, and in the recent years it has become the much sought after business due to the scarce in the nature and increasing need of the humans to cope up with the drastic hike of population. In this juncture the bottled water industry in India witnessed a boom in the during 1990s soon after the market giants like Bisleri launched its packaged drinking water. This significant growth was fuelled by a surge in advertising by the industry players that bottled water was pure and healthy. In earlier days people use to call it as mineral water and that has got a different meaning and then it was changed to 'purified drinking water'. The basic need for the study is to analyze the reasons behind the customer preferences for private label brands of purified drinking water in Chennai. The data to be collected will be helpful to identify the customer's expectations, product awareness, health consciousness, brand dependence, price affordability, likes and dislikes. Also, these data will be useful to create a long term marketing strategy for a new brand of packaged drinking water. Stratified sample has been used for this research. Responses have been collected from 150 respondents using the questionnaire. The data collected has been analyzed through appropriate tools and findings has been derived, which has helped to provide few suggestions have been given to the private

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branded companies involved in bottled drinking water business to improve the overall perception of the customers.

KEYWORDS: Customer Perception, Private labels, Bottled water, Challenges, Market potential.

Introduction

The success of any product in the market depends on the demand created by the customers, which is possible through the positive mindset of the public. The positivity of the product in the market is based on customer perception and satisfaction towards the product and the services offered by the provider. Especially, when it comes to influencing consumers to purchase a product, their perception of the brand must be taken into account. This perception may vary based on the customer or a certain demographic of customer. Customer perception can be developed from a variety of factors, such as their own personal experience or how they have heard other people experienced the product.

The Internet has transformed how people experience brands and build their perceptions. Social media and review websites provide access to reviews and details that help customers form their own perceptions about brands and their products.

With a rise in health awareness, increase in tourism and the easy availability of bottled water, the per capita consumption of bottled water in India is on the increase. The total market was valued at Rs.60 billion in 2013, of which the top five players accounted for 67 per cent of the market share. This market is expected to grow at a CAGR of 22 percent, to reach Rs.160 billion in 2018.

The bottled water industry in India witnessed a boom in the late 1990s soon after Bisleri launched its packaged drinking water in the country. This significant growth was fuelled by a surge in advertising by the industry players that "bottled water was pure and healthy". Today, with a rise in health awareness, poor quality of tap water, and the ease of availability of bottled water, the per capita consumption of bottled water in India is on the increase. India's packaged bottled water industry is currently dominated by the top five players, including Bisleri, PepsiCo, Coca Cola, Dhariwal and Parle. These companies struggle to penetrate the small non-tier cities and towns due to poor infrastructure, thus providing an opportunity for small regional players to build a presence in regional markets. Maximum sale of bottled water comes from the retail sector; but this is changing with demand coming from social

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functions and corporate events, especially for bulk water or bottled water cups. With the aim to capture all the segments of society, players have started foraying into packaged water pouches at low price points, and the bottled water gives a tough challenge for the others. This paper reveals the ground reality in the mindset of the customers towards the private label brands of bottled water in the market.

Review of Literature

Private label brand bottled drinking water companies like Aquafina, Bisleri etc., use the RO technology to purify the ground water into drinking water and package them under their brand name. Per capita consumption of bottled water in India is less than half a litre per year compared to 45 litres in US. The bottled water market is growing at a rate of 40% a year. Coke, Pepsi and nestle are trying to grab a significant share in the market.

Anmol Rohatgi, Gajanan Kulkarni, Heemanish Midde (2008), states the perceived threat is that the big players like Coke and Pepsi are eyeing the market. Other new players are also entering the market like Godrej, Tata, and Britannia which gives a tough completion to the current brands. Water filter manufactures like Aqua Guard who are selling water filters are also a potential threat to bottled water. Due to this there is a decrease in the sale of bottled water to homely customer.

Nitesh Kumar (2008), the buying trend of the people is influenced by the advertisement used to build the brand image and its authenticity. Brands with regional presence will ensure the market. Mostly the branded water is consumed by travelers, who prefer the water to be hygienic and cool.

Ronald E. Goldsmith, Leisa R. Flynn, Elizabeth Goldsmith, E. Craig Stacey (2010), in their research on Consumer attitudes and loyalty towards private brands, Private or store brands improve the efficiency of consumer decision making by offering equivalent quality products at lower prices. The present study evaluated consumer attitudes towards private brands with the goal of understanding their appeal in order to enhance efforts to convince more consumers to buy them. We used three samples (ns = 279, 245 and 305) of US consumers to

compare attitudes of buyers of private and national brands in three product categories: orange juice, cereal and bottled water. The results show that private label buyers (23% of orange juice, 6.5% of cereal and 14% of bottled water buyers) consider brands themselves to be less important and private brands to offer better performance than do national brand buyers. When asked about specific brands, national brand buyers tended to be price insensitive towards national brands, and private label buyers price insensitive towards store brands. In addition, the national brand buyers saw some of the national brands to be more relevant to their lifestyles and needs, but the private label buyers saw the private labels the same way. Being relevant to consumers' lives appears to influence brand selection. Besides touting lower prices, private brand promotions might stress the equivalent performance of private labels and create promotions showing how these brands can be relevant to consumers' lifestyles and needs.

Ramesh Sardar (2012), in this research article explores the brand preference of packaged drinking water. The detailed analysis of marketing, brand preference of packaged drinking water is carried out in Maharashtra state. As a result, focusing on an industry Where brands, marketing knowledge and distribution networks have been important determinants in the growth and survival of firms. It reaches distinct conclusions. The article illustrates the analysis and interpretation of data. Finally it concludes with findings and recommendations of the study which may be useful for general public as even the dealers can understand the dimensions reflecting brand preference of packaged drinking water and impact of all these factors on customer satisfaction.

Ranchay Bhateja, Amit Tyagi and Mani Tyagi (2014), states that, Ensuring safe drinking water remains a big challenge in developing countries where waterborne diseases cause havoc in many communities. A major challenge is limited knowledge, misinformation and attitudes that work against ensuring that drinking water is safe. This study investigated the knowledge, attitudes and practices of urban households in rural and semi urban areas, concerning the collection, treatment and storage of drinking water. Alongside this we examined the role of solid waste disposal in water safety. Three hundred and seventy eight households from four residential regions of varying economic levels were randomly sampled. Data was collected via questionnaire interviews that incorporated attitude questions based on a Likert scale of 1−5, and administered to the households and key informants. The results

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showed most respondents were knowledgeable about ideal methods of water collection, treatment and storage. However, they did not practice them appropriately. Some attitudes among the respondents worked against the ideals of achieving safe drinking water. For instance, many households perceived their drinking water source as safe and did not treat it, even when obtained from open sources like rivers. Further, they preferred to store drinking water in clay pots, because the pots kept the water cold, rather than use the narrow-necked containers that limit exposure to contaminants. Also, hand washing with soap was not practiced enough in their daily lives to avoid contact with waterborne hazards. We recommend that the government undertake training programmes on drinking water safety that advocate appropriate water use, hygiene and sanitation strategies.

Iyappan A. Kaliyamoorthy S. (2016), in their study, states that Consumer purchases are influenced strongly by cultural, social, personal and psychological factors. Packaged drinking water industry is currently dominated by its top five brands including Bisleri, Kinley, Aquafina, Tata water plus and Bailey. But with these companies struggling to penetrate into smaller, non tier cities and rural areas due to poor infrastructure and distribution channel, there is an opportunity for small regional players to penetrate the rural markets of Tamilnadu. In this article, the researchers examine the impact of Regional Packaged Drinking Water in karaikudi region and identify the various factors influence the purchase of packaged drinking water in the study area.

Need for the study and Problem statement

The market players were frequently checked and investigated by the Central Bureau of Investigation and the Bureau of Indian Standards has revealed shocking violations of basic safety parameters in packaged drinking water units in and around Chennai. A majority of the 300-odd packaged drinking water plants from where samples were taken up for analysis did not have a laboratory or microbiologist, mandatory for assessing and certifying the quality of the water. In most of the plants, being manually filtered and packed in bottles and sold in the market. The basic need for the study is to analyze the reasons behind the customer preferences for private label brands of purified drinking water in Chennai. The data to be collected will be helpful to identify the customer's expectations, product awareness, health consciousness, brand dependence, price affordability, likes and dislikes. Also, these data will be useful to create a long term marketing strategy for a new brand of bottled drinking water.

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Objective of the study

The purpose of this study is to analyze the consumer perception towards private label brands of bottled drinking water in Chennai and identify a long term marketing strategy in this growing area.

➢ To identify the factors influencing purchase of branded bottled drinking water

➢ To analyze the competitive nature of the market.

➢ Analyze and predict the future growth of this industry.

➢ Suggest the market players to develop the product and increase the sales through positive customer perception.

Research Methodology

Research can be defined as the search for knowledge or any systematic investigation to establish facts. The primary purpose of Descriptive research is to provide an accurate description or picture of the status or characteristics of a situation or phenomenon and hence the same is adopted in this study. The Stratified random sampling method is followed in-order to collect the data through the structured questionnaire from the respondents. The sample size so arrived at is 150 respondents.

Results and Discussions

➢   One-Way Anova Classification

Null hypothesis (Ho): There is a significance difference between the brand of mineral water prefer and popular brand.

Alternate hypothesis (H1): There is no significance difference between the brand of mineral water prefer and popular brand.

Table No.1 Anova

Brand of mineral water prefer	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.621	5	.524	15.727	.000
Within Groups	2.000	60	.033		
Total	4.621	65			

Calculated value = 15.727

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Tabulated value = 3.34

F = F cal >F tab   F=15.727> 3.34

Hence, the Alternate hypothesis [H1] is accepted. The calculated value of F is greater than the tabulated value. Hence, we reject the null hypothesis and conclude that there is no significance difference between the brand of mineral water prefer and popular brand.

- Survey conducted among respondents, 96 % (143) respondents are using purified drinking water. In this 41% ie.61 respondents uses Domestic RO machine and 52% ie. 75 respondents are health conscious.

- Irrespective of the age group the number of respondents were higher for 'Any Brand of choice' than preferring a particular 'Popular Brand'. Brand specific nature of the respondent increase with income. Moreover, among the top brands Aquafina has the major market share of 46%.

- Majority 56% of the respondents chose a popular brand only for its brand value and image in the market. Brand specific nature is high among IT employees and professionals and it is very low among blue collared and self employed people.

- Brand affiliation is more in Central and East chennai which has more financially upper class population. Irrespective of the age group the number of respondents where higher for 'Popular Brand', Brand specific nature of the respondent increase with increase in income.

- Majority 77 % of the respondents are using bottled drinking water during travel and in their work place. This shows there is a huge market for purified packaged drinking water.

- Out of the 77% i.e. 115 respondents who use mineral water bottles, about 52% i.e.. 60 respondents give clean and hygiene as the reason for buying bottled waters.

- Brand specific nature of the respondent is seen only in the income group of 3L-5L. Others are moderately brand specific

- Brand affiliation is equally distributed to all parts of chennai

- Price of a mineral water bottle is Rs. 20 in the market which is of 90% market, whereas the price is desired to be in the range of 10 to 15 rupees by the consumers.

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Suggestions

- ➢ Private companies involved in mineral water bottle can reduce the price to Rs.15/- . Special efforts need to be taken to reduce the cost of the mineral water bottles to improve the overall sales and compete with the Government brand of water.

- ➢ Government can subsidize the cost of the RO machine to enable every citizen to get purified water at their residence itself

- ➢ As brand affiliation is more in Central and East chennai as it has more financially upper class population, all the branded companies can increase their promotion in those regions to get more business.

- ➢ Mineral water companies need to implement new technology for machinery installation and improve their overall technical specifications.

Conclusion

The study on private label brands of bottled drinking water in Chennai, shall be concluded with bright potential for future market for this irreplaceable commodity, water. The huge opportunity for investors in emerging markets like India. Shortage in the supply of potable water is a global warning sign. The government will have to spend heavily in the coming years to ensure clean water for their citizens. This study has been conducted to reveal the overall customer perception towards the private labeled brands of bottled drinking water. The findings and suggestions focus on the customer's real reflections towards the expectations that contributes to their perception and satisfaction. The suggestions were derived based on the market observations and findings from the responses, viz., reduce price, improve technology, etc. The market players if consider the given findings and suggestions, shall reap the benefits and attain good growth and widen the market base in the near future.

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