Factors Affecting Consumer Preference Toward Soft Drinks in Nepal

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ABSTRACT

Nowadays, soft drinks are commonly used and are famous all over the world. Product features are focused on promoting soft drinks because they play a vital role in meeting the customers' expectations. The study aimed to measure the relationship between packaging and taste in consumers' preference for soft drinks. The present study is descriptive and analytical. Primary data was the leading source for the survey. The five-point Likert scale questionnaire survey was developed to collect preliminary data. This study targeted customers who had used soft drinks to obtain the necessary data. Three hundred and fifteen respondents were selected within the Kathmandu valley, adopting a convenience sample technique. The study applied tools like mean, standard deviation, independent sample t-test, correlation, and regression to analyze the data. The study found that packaging and taste positively impact consumers' preference for soft drinks. However, packaging has a high association. Gender does not affect consumers' choice and packaging but has an impact on taste. Packaging is the most important feature that adds a plus point to attractiveness. So, the company should re-design the packaging model of the product to meet the consumer's expectations.

1. INTRODUCTION

Numerous historical perspectives indicate that customers' band preferences are adversely affected by product features. Theories give us ideas and knowledge about consumer buying behavior and how they evaluate a product by its features. San and Yazdanifard (2014) investigated whether purchasing decisions differ from young to older consumption generations in terms of the different stages of the consumer decision-making process and are affected by various factors such as moods, diffusion of technology, and packaging. It also says that it is essential to know the critical element of consumer brand choice. Loyalty is the key for all marketers to generate more profit and avoid consumer brand switching during decision-making. McAlister (1982) presented a model of individual consumer choice for a

separate choice occasion. The model used soft drink consumption and predicted intentions better than a model that ignored option dependencies. Product features are important in marketing from the perspective of both the sellers and the buyers. It is identified as a chance to distinguish the company's brand from the competition. Features are also important to the consumer because they are used to evaluate a product. The feature also provides the advantages that customers look for when purchasing products. The elements or attributes that an object may or may not have been referred to as "features" (Mowen, 2004). Concrete features, such as physical characteristics, are a product's most objective intangible characteristics and can be evaluated using some criteria, such as color or shape.

The significance of features extends beyond their physical attributes because consumers frequently associate them with the consequences of buying and using products. Product features affect customer loyalty, which leads to customer satisfaction. Customer satisfaction significantly affects brand loyalty (Susanti, 2013). The marketer furthermore uses features as the basis of new product development. The positioning of product features is important in determining brands that consumers will consider and pay close attention to when making a purchase decision (Mowen, 2004). The researcher (Blech & Blech, 1995) examined the influencing feature of products on consumer buying decisions. It was found that product features are a significant basis for consumers, preferences through which marketers differentiate and set their products apart from competitors. Marketers' features for developing new products are also used for specific position strategies. However, in recent years, it has been expanded to include all evaluative criteria, including objectives or physicochemical characteristics, such as price, brand name, or subjective standards, including quantity, appearance, advantage, or quality (Jamal & Goode, 2006).

Product attribution is an essential factor that leads toward consumer satisfaction and involves an evaluation factor by a consumer (Akpoyomare, Adeosum, & Ganiyu, 2012). Therefore, product features influence consumer product choice (Oyatoye, 2011). Product features are quantitatively and objectively measurable physicochemical characteristics of a product. Product features as the physical properties of a product that are quantitatively and objectively measurable. To cope with the ever-changing customer perception, retailers are becoming significantly concerned about product features, often continuous (Childers, 1999).

Nevertheless, many discussion areas on product features and how consumers evaluate the value and buying decisions have been comprehensively examined. However, the consequences still need to adequately establish an association between product features and buying decisions. Valarie & Zeithaml (1988) defined the concepts of price, perceived quality, and perceived value from the consumers' perspective. Studies from different literature show that numerous retail availability, price, bloom, and ingenuity are indispensable product features (Ahmed, 2007). Though, Beaudoin et al. (2002) identified 12 characteristics that are associated with apparel features: good fit, durability, ease of care, preferable price, convenience, quality, color attraction, fashionableness, brand name, applicability for the occasion, and style selection. The different study focuses on essential product features in determining consumer preference and decision-making (Oslan et al., 1979)

Some customers may select a brand solely because it is less expensive, whereas others may select a brand because it is more expensive. After all, they perceive it to be the best and highest-quality product on the market (Gwin & Gwin, 2003). The impact of advertised selling and reference prices on buyers' preferences, quality sensitivities, purchase value, and search intention (Grewal, Monroe, & Krishnan, 1998). Some studies have pointed out that travel costs influence consumer purchase decisions. The travel cost of shopping influences the consumer's purchase decision. This brand reputation is an essential product feature that plays a vital role but represents the product for many consumers, especially in a low-involvement purchase decision. A product feature is a major driving force in consumer decision-making in the consumption process. It may lead to brand loyalty and drive-by customer satisfaction. This

study helps stimulate customers' demand and indicates the availability of those preferences in the market. This study allows marketers to understand the consumer's behavior in product buying. This study also helps the marketer identify the customer's needs, wants, and desires.

The study aims to investigate the influence of price and product design on the purchase decision of soft drinks. The effect of packaging and the test on the preference for soft drinks has been analyzed. Similarly, the gender effect on the performance, packaging and the test has also been examined in this study.

Consumer preference is significantly influenced by brand awareness, image, quality, and loyalty (Azzam & Salleh, 2013). The ability to encompass the shelf life of foods has resulted in significant changes in raw material storage and delivery and food product marketing (Church, 1994). Hill (2002) determined the part of the packaging to integrate marketing communications and establish effective communication. Deja and Patel (2014) stated that customers are very conscious of the taste of soft drinks. Therefore, they constantly check and compare the flavor before purchasing products of any carbonated or non-carbonated drinks, and they also want pure, tasty products. It greatly influences the image of the company, brand value, and product functionality (Ahmad & Lakhan, 2012). Packaging plays a vital role when purchasing a product, as it is the first quality that attracts people to buy the product. Hill (2002) determined the part of the packaging to integrate marketing communications and establish effective communication.

Ahmad and Lakhan (2012) concluded that packaging is one of the product features that significantly impacts the customer's buying decision. In addition, packaging and leveling can make customers curious about the product being presented. McNeal and Ji (2003) found that all the packaging elements, like color, structure, image, text, and personalities, must be assembled to offer the consumer with pictorial sales agreement when buying and using the product. Gupta and Mehra (2012) showed the effect of packaging on consumer perceptions and decision-making on purchasing micro packs.

Ubeja and Patel (2014) stated that customers are very conscious of the taste of soft drinks. They constantly check and compare the flavors before purchasing products of any carbonated or non-carbonated drink, and they also want pure, tasty products. In addition, Ubeja and Patel (2014) showed the variation in consumer preference across genders toward soft drinks.

2. RESEARCH METHODS

Sample and Data

The purpose of research methodology is to find reliable answers through research methods. Simply, it is a way of conducting research to solve a research problem. It studies relationships between the variables by identifying, interpreting, and analyzing the data and information. The study used a descriptive and analytical research design to investigate the relationship between dependent and independent variables. The primary data was the primary source of information used to investigate and discover the study's findings. To meet the research objectives, 315 consumers from Kathmandu valley who drink soft drinks were chosen using the convenience sampling method. A questionnaire survey was used to collect primary data and information to find the correct output. The questionnaire is designed using a 5-point Likert Scale. The data were analyzed and interpreted using Cronbach's Alpha, mean, standard deviation, independent-sample t-test, correlation, and regression.

Research Framework and Definition of Variables

Consumer preferences. It refers to how consumers choose goods and services based on factors such as taste, preference, and individual preference. Factors such as the consumer's income and the price of goods have no bearing on the consumer's preferred product or

services. Consumer preference is significantly influenced by brand awareness, brand image, brand quality, and brand loyalty (Azzam & Salleh, 2013).

Figure 1
Conceptual Framework

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┌─────────────────┐                    ┌─────────────────────────┐
│ • Packaging     │ ─────────────────▶ │  Consumers' Preferences │
│ • Taste         │                    │                         │
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      Packaging. Packaging encompasses all activities associated with designing, evaluating, and manufacturing the product's container. Packaging is represented as a segment of the purchasing and consumption process, but it is not necessarily connected to the ingredients required for the product to work (Underwood, Klein, & Burke, 2003). Packaging plays a vital role while purchasing the product, as it is the first quality that attracts people to buy the product.

      Taste. Taste is the perception of flavor in the mouth and throat when in contact with a substance. Most people prefer natural ingredients. The scientist describes seven basic tastes, bitter, salty, sour, astringent, sweet, and umami.

Research Hypotheses

The following are some alternative hypotheses:

    H1: There is an association between packaging and consumers' preference for soft drinks.

    H2: There is an association between taste and consumers' preference for soft drinks.

    H3: There is an impact of gender on consumers' preferences, packaging, and taste for soft drinks.

Methods of Analysis

      Cronbach's Alpha analysis results are first checked for the reliability and validity of each question in the given dataset (Gliem & Gliem, 2003). The items' reliability is listed below.

Table 1
Reliability results

Variables	Cronbach's Alpha Coefficient
Packaging	0.739
Taste	0.827
Consumers' preferences	0.763

Source: Field Survey, 2021

      Table 1 shows that the packaging has a Cronbach's Alpha value of 0.739, a taste value of 0.827, and the consumer preference value of 0.763. Cronbach's Alpha has a value greater than 0.750 for all variables. That means all of the items taken are consistent with the study.

      The data was analyzed by computing the mean, standard deviation, correlation, and regression, among other things. Correlation analysis was used in the study to investigate the relationship between packaging and taste and consumer perception. The following regression equation is used to determine the impact of packaging and taste on consumer perception. The following regression model was used in the study:

$$CP = \beta_0 + \beta_1 P + \beta_2 T + \varepsilon$$

where CP stands for Customer Perception, P stands for Packaging and T stands for Taste

3. RESULT AND DISCUSSION

Demographic status

      The demographic characteristics include gender, age, and educational level.

Table 2

Profile of respondents by gender

Gender	Frequency	Percent
Male	205	65.079
Female	110	34.921
Total	315	100

Source: Field Survey, 2021

Table 2 states that females have the highest participation (205), while males have the lowest (110). As the evidence from the table shows, the majority, 65.079 percent, of respondents are female and 34.921 percent of respondents are male.

Table 3

Profile of respondents by age

Age	Frequency	Percent
Up to 18 Years	10	3.176
18 – 24	230	73.016
24 - 29 Years	50	15.873
Above 29 Years	25	7.937
Total	315	100.0

Source: Field Survey, 2021

Table 3 shows that 10 respondents were from the age group up to 18 years, whereas 230 respondents were in the 18–24 age group, 50 in the 24-29 age group, and 25 in the above–29 age group, respectively. It clearly shows that the highest percentage of participation is 76 percent in the age group of 18–27, whereas the minimum percentage is only 2.3 in the age group of up to 18 years.

Table 4

Profile of respondents by qualification

Qualification	Frequency	Percent
Up to SEE	33	10.476
+2	132	41.905
Bachelors	108	34.286
Masters	42	13.77
Total	315	100

Source: Field Survey, 2021

Table 4 shows that 33 respondents participated from the SEE level, whereas 132 respondents were from the +2 level, 108 were from the bachelor's level, and 42 were from the master's level. The highest percentage of participation is +2, representing 41.905 percent, while the lowest is up to the SEE level, representing 10.476 percent.

Descriptive Statistics Analysis

Table 5

Mean and Standard Deviation of Variables

Description	Mean	Standard Deviation
Packaging	2.95	1.24
Taste	3.20	0.94
Consumer preference	3.16	0.74

Source: Field Survey, 2021

Table 5 shows that the mean of all is more significant than the 3 exceptions of packaging. This output indicates that respondents' views have tended to agree with the statements.

Table 6
Independent Sample t-test

Variables	Group	N	Mean	p-value
Consumer Perception	Male	205	3.01	0.012
	Female	110	3.36	
Packaging	Male	205	2.87	0.068
	Female	110	2.79	
Taste	Male	205	3.32	0.021
	Female	110	3.09	

Source: Field Survey, 2021

Table 6 shows the p-value-based independent sample t-test of the variables under consideration, comparing the mean difference between male and female students. The mean difference of the variable under study was compared using the independent sample t-test analysis. It also shows a difference in consumer perception and tastes between male and female consumers, with p-values of 0.012 and 0.021, respectively, less than 0.05. However, there is no difference in packaging between males and females because the p-value is 0.068, lower than 0.05.

Correlation Analysis

The dependent variable in this study is consumer preference, while the independent variables are packaging and taste. The application of Karl Pearson's correlation coefficient revealed the relationship between consumer preference in packaging and taste.

Table 7
Correlation Analysis

	Packaging	Taste	Consumer Preference
Packaging	1		
Taste	-0.091	1	
Consumer Preference	0.670*	0.147	1

Source: Field Survey, 2021

Table 7 shows a 0.670 correlation coefficient between consumer preference and packaging, indicating that consumer preference is positively associated with packaging. Similarly, the correlation coefficient between consumer preference and taste is 0.147, indicating that it is also positively associated with consumer preference.

Regression Analysis

The regression analysis was used to examine the influence of packaging and taste on consumer perception; the study's results are shown in the table. According to the table, R square is 0. 524, and f is 69.83, with a p-value of 0.00, which is less than Alpha (0.0000.05). These values indicate that the model is significant and that adaptive selling and ethical behavior can explain a significant portion of the variation in customer equity. Furthermore, it demonstrated a 52.40% justification of validity in customer equity.

Table 8
Regression Table with Model Summary

	Coefficient	Sig
(Constant)	1.0265	0.000
Packaging	0.397	0.000
Taste	0.468	0.002
R^2	0.524	
F value	69.83	
p value of F	0.000	

Source: Field Survey, 2021

Table 8 presents that the F statistics value is 69.83, and the p-value is 0.000. This implies that the model is significant at the 5% level. As a result, the model is well-fitting. Besides, because the p-values for packaging and taste are 0.000 and 0.002, respectively, it indicates that packaging and taste are statistically significant at the 5% level. As a result, packaging and taste influence consumer perception positively.

Table 9
Summary of Hypothesis Testing

	Association/ Impact	Result
H1	Packaging – Consumer perception	Supported
H2	Taste - Consumer perception	Supported
H3	Gender– Consumer perception, Packaging and Taste	Supported exception of packaging

From Table 9, the result of H1 shows an association and impact between packaging and consumer perception. Similarly, H2 demonstrated a link between taste and consumer perception. Finally, the results of H3 revealed a male and female impact on consumer perception and taste but not on the packaging.

The study discovered that packaging has an association and impact on consumers' preference for soft drinks. It was in line with the earlier studies by Ahmad and Lakhan (2012) that stated that packaging is one of the product features that significantly impacts the customer's buying decision. In addition, packaging and leveling can make customers curious about the product being presented. It was also consistent with McNeal, and Ji (2003), stating that all the packaging elements, like color, structure, image, text, and personalities, must be assembled to provide the consumer with visual sales negotiation when buying and using the product.

The study found that taste has an association and an impact on consumers' preference for soft drinks. It was in line with the earlier studies by Ubeja and Patel (2014), who stated that customers are very conscious of their taste in soft drinks. They constantly check and compare the flavors before purchasing any beverage products, and they also want pure, tasty products. Gender has an impact on consumers' preferences and tastes but not on the packaging of soft drinks. Therefore, the study is consistent with the earlier studies by Ubeja and Patel (2014), which showed variation in consumer preference across genders toward soft drinks.

4. CONCLUSION AND IMPLICATIONS

This study aimed to measure the relationship between packaging and taste in consumer preference. So, it can be concluded that packaging plays a major role in consumer preference. However, taste plays a minor role in consumer preference for soft drinks. Packaging is the most important feature that adds a plus point to the attractiveness of soft drinks. So, the company needs to re-design the packaging model of the product to draw customers' attention to the effects. Customers are conscious of the taste of the soft drink, and they always check and compare the flavor before purchasing any drink. Thus, companies need to offer pure, tasty products to per consumers' needs to meet their expectations. However, there was not the same perception in the consumers' preferences and taste across gender toward soft drinks; therefore, the company needs to prepare appropriate planning and formulate suitable strategies and policies per their requirement on consumer preferences and taste to achieve the desired goals. However, the company needs to develop packaging for a soft drink with the same quality and same taste due to similar perceptions of taste.

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