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## A Strategic Approach to the Consumer Perception of Brand on the Basis of Brand Awareness and Brand Loyalty: A Comparative Analysis of Coke & Pepsi Brands in Erbil KRI

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### Abstract

*In this study, the consumer perception for brand awareness and brand loyalty for two famous brands of soft drinks Coca Cola and Pepsi, has been evaluated. For this purpose, the effects of consumer perception of Coke and Pepsi were analysed for consumer association to these brands. The objectives of the study are multi fold (I) Studying on the consumers preferences (II) to illustrate which brand's advertisement mostly people have seen, (iii) demonstrate the reason to buy cola drinks or Pepsi drinks (iv) assessment of the creation of a top of mind awareness about COCA COLA in, Erbil KRI by providing the information to consumers. Sample size were selected 50 consumers of drinks (PePsi and Coca Cola ). Data collected and analyzed by using Microsoft office 2010 version. Results revealed that consumers of Pepsi and Coca cola most of the consumer found toward coca cola and they like coca cola as compare to Pepsi and the reason behind it is the strong taste of coca cola such as 60 % people answered that they remember more advertisement as compare to Pepsi and others. and 90% said coca cola is easily available in their approach and also 70 % people answer that they like coca cola due to its strong taste so the overall research survey for Coke and Pepsi has revealed that Coke is more adopted brand then that of Pepsi and recommendations are recommended such as perception leads to the brand loyalty, thus brands in general and Coke and Pepsi needs to focus on the point that its consumers are made to perceive more value from the brand which can come through assuring them about quality of product and other factor i.e. best price, best value, availability, trend etc.*

**Key words:** *Consumer Perception; Brand Awareness; Brand Loyalty*

**JEL classification:** M 31

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## **Introduction**

The research is comparative study of two brands from the beverage industry, one is Pepsi and second is Coke. This study develops on the perspectives of brand awareness and brand loyalty with respect to the consumer perception about the brands. Both the brands are very famous and excessively used throughout the globe among the fast moving consumer goods, so more convenient to draw conclusions and perform research with the limited time and resources. Consumer's awareness about the brand and loyalty for the brands are the key factors for predicting the success of a brand or positioning of any brand within the given market (Uggla, 2006).

Both the factors, brand awareness and brand loyalty has a great impact on consumer's perception about the brand equity. Consumer's perception is something which consumer's perceive about a brand in their mind and it has a significant impact on a brand. Perception of consumer does not necessarily have very much impact on the actual performance of the product; whereas it is based on the current reputation of brand and product image with respect to the knowledge of the consumers. Perception is a process through which any consumer tries to manipulate the brand information in order to get awareness about the brand which can lead to transformation of brand into brand loyalty.

Humans unlike machines can have the ability to Perceive. It is a feeling which is based on the conclusion formed with the given information around and the mindset of the consumer which is responsible of processing the information. Perception gives humans the might to make important decisions or can reflect their important decisions. It all leads to the most important decision of purchasing. Purchasing means investing into the brand, for making it a greater brand (Urriza & Cebollada, 2012).

Total sales turnover of the brand depends on the consumer purchase decision. If the consumers perceive positive about the brand, it means he carries more loyalty and will remain potential customer, until he keeps on getting the right value for his money. A comparative study will be performed for the selected brands i.e. Coke and Pepsi, during the Study under the title of "Consumer perception with respect to Brand Awareness and Brand Loyalty".

Both the selected brands, Pepsi and Coke are FMCGs, which are used all over the world by different segment of consumers with different demographics i.e. gender, ages, occupations etc. Both the brands are marketing, their brands as soft drinks for consumers. These soft drinks are used frequently in daily lives. These are used excessively at Fast foods, hotels/restaurants, during amusing guest at home, events & occasions like Holy events of Eids & birthdays/ Wedding parties and other events (Wallace et al., 2014).

These brands have matured over the years, have formed higher levels of awareness and strong brand loyalties and build up specific perceptions about these brands. While completing the Study and performing the research, necessary data will be collected from the target population segments and analysis will be made to determine & manipulate the perception of Consumers with respect to their Brand Loyalty and Awareness of these brands. Underlying research will focus on concluding the fact the how much is the impact of brand perception on brand awareness and brand loyalty of these brands. Several conclusions can be drawn if consumer perception plays any role and there is a relation among the consumer perception, brand awareness and brand loyalty of these brands. The Study is intended to fulfill the needs of marketing research which is quite important for present marketing trends Comparative study will help to evaluate and make marketing strategies and decisions and guidelines as in current marketing era survival of brands depend upon the awareness, differentiation, uniqueness, identity and perception based on comparison of its competitive brands.

Thus, this research is quite important and beneficial to highlight & recognize several aspects about the consumer's perception, brand loyalty and brand awareness to provide benefit and insights for marketing strategies and brand development. It will help in creating new bonds and relationship between the potential consumers and the brands (Wang and Finn 2014).

The general objective of this research is to understand the customer preference toward pesi or coca cola and either they are more satisfied with coca cola or pepsi where they shw their loyalty.

## **Literature Review**

### **Theoretical Background**

Perception means the way in which something is regarded, understood, or interpreted. More precisely, in marketing the perception can be defined as “the process by which individuals select, organize, and interpret the input from their senses to give meaning and order to the brands around them”. The Components of perception are defined as i. Perceiver, ii. Target of perception, iii. Situation. According to business dictionary consumer perception can be defined as “a customer's impression, awareness and/or consciousness about a company or its offerings.

Future purchasing decisions are affected by the perception of quality of any product or brand along with its origin and other attributes. Consumer perception is typically affected by means of awareness of a brand i.e. Advertising, Brand Reviews, PRs, Media, Personal experiences and other channels.

The perception of consumer depends on how consumers think about any brand and how they imagine about brands, so consumer perception is vital attribute for brand comparisons. It is always at the heart of the business. It is vital since it can impact consumer loyalty and awareness towards the brand which ultimately results in change in purchase decision of consumer for the brand. In terms of sales, finance, advertising etc... consumer's perception, awareness and loyalty becomes very much important about any brand.

The brand success depends upon its ability to sustain the consumers loyal after attaining the consumers through awareness and the keeping the perception of brands good in the minds of consumers as it can influence consumer behavior, which ultimately affects the brand. Thus brands spend a lot on effort on awareness and to retain the consumers loyal to those brands. Attaining perception by setting different forms of objectives or actual quality. Results in higher level abstraction rather than a specific attribute of a product or brand and a global assessment that in some cases usually made within a consumer's evoked set. Also, the loyalty and perception are not the same things, but they are inter related attributes as There is a difference between objective, perception and loyalty. Thus, Consumer Perception affects the loyalty of a brand and also a brand loyalty will be affected by the perception of that brand which also is affected the level of Brand Awareness (Rajagopal, 2008).

An Increase in Awareness & Loyalty of brand leads to the brand equity. This, phrase of brand equity is used in marketing to describe the value of having a well- known brand name. The idea is based on the concept that a well-known brand name or with higher awareness brand can earn more from market as compared to a brand with a less awareness. The consumers believes about brand with more awareness is better, well perceived, also becomes more famous and favorite as compared to the brand which is less well-known.

Reason to study the brand awareness, brand loyalty on comparative basis is, so that the behavior of the consumer and their perception and purchasing on the base of that perception can be evaluated. Buying or purchasing behavior of any brand is strongly influenced by perception which is a psychological factor. Ultimately in order to keep brand loyalty or association of brand, the quality must be constantly measured and evaluated in terms of consumer expectations and needs.

Spreading the awareness, helps to spread the name of brand and it is considered as the Extrinsic cues, which are generally more influential than that of intrinsic cues i.e. Packaging. Previously the researcher has reached to an agreement that the liking a brand and making purchase of a brand, depends on more than just sensory details. Also the non-physical details i.e. Brand name & prices also influence the purchase decision of a consumers (Palumbo & herbig, 2000).

So, in order to evaluate consumer Perception with respect to Brand Awareness and Brand Loyalty these two famous brands of soft drinks will be undertaken the research (Erbil KRI) and also the research will be further extended to conclude the further relation among the loyalty, awareness and perception of brands.

### **Empirical Studies**

In his article “An Analysis of Consumer Behavior - A Case Study of Soft Drinks” done in Rohtak during 1983-84, showed taste of brand and the respondents' interest in the product's advertisements, were found to play

the most important role in the purchase - decision. It was also found that about 70 percent of the respondents changed their brand quite often. The study shows that there is a strong relationship between self-concept and consumer brand choice decision (Fan, 2005). In his Study report entitled "Consumer preference for soft drinks in urban area of Coimbatore reported that Gold Spot is the most popular drinks for male and for female Thumps-up is the most popular drinks. The study revealed that advertising and representatives visits increase the sale of popular drink-brands (Fills, 2007).

The store image directly generates customer's expectations that may subsequently influence a consumer's assessment of retailer's action and behavior in future . Satisfaction with quality leads to more purchasing of soft drink. The researchers found that consumer's satisfaction with dealers directly impacts consumer's satisfaction regarding product. Improvements in the existing product will help to sell the product itself. Quality of products, commodities and services brings about consumer satisfaction. Dealers' involvement is must for consumer satisfaction (Hiller,2010). This study suggests that generally, brand changes occur only due to its non-availability . Taste of soft drink is not major indicator of its purchasing but branding in the marketplace, health concerns, and convenience as well.

According to Knox Song, 2004 The study shows that high price volatility for good imaged goods brings about more consumer satisfaction . The study shows that high price volatility for good imaged goods brings about more consumer satisfaction. Factors like the quality of the physical product itself, convenient availability, the brand name and company reputation are important for choosing a soft drink. The two dimensions – physical quality and staff behavior have a positive impact on both desires congruence and consumer satisfaction (Lalit and Paramjeet, 2013). Creating awareness and satisfying consumers lead a brand successfully in market. The study demonstrates that a corporate brand is an important predictor of consumer satisfaction. Consumer's values like functional, emotional and symbolic are critical and consistent predictors of consumer satisfaction . Brand name creates a fabulous brand positioning in minds of consumers like coca-cola (Pavithra, and Subramani, 2015). Good quality with affordable price positively impacts consumer purchase and satisfaction. They found that there was a positive correlation between product attribute and consumer purchase decision. Price, Flavour, Taste, Brand Positioning, and Availability of the products bring about consumer satisfaction (Munthre and Abrat, 2016).

## **Research and Methodology**

### **Problem statement**

In this section, research problem and methodology of the study have been developed based on the literature review.

Market provides a key to gain actual success only to those brands which match best to the current environment i.e." imperative" which can be delivered what are the people needs and they are ready to buy at the right time without any delay. It is perfectly true but this also depends on availability of good quality products and excellent taste and services which further attract and add a golden opportunity for huge sales. This also depends on the good planning approach and provide ample opportunity plus sufficient amount of products for sales in the coming next financial year.

In this survey we want to know the consumer's preferences for Coca cola.. What are the elements due to that they prefer to coca cola upon Pepsi?

### **Research Questions**

Followings are the research questions of the study.

- 1) Is there any specific element regarding consumer preference?
- 2) Is there any attraction of brand's advertisement toward consume?
- 3) What are the reasons due to that consumer buy coke or Pepsi?
- 4) does mind awareness matter?

## **Research Objectives**

Mainly the Study objective is to evaluate the consumer perception about the brand with respect to Brand Awareness and Brand Loyalty towards these brands. Following are the specific objectives of the research,

- 1) *To study the consumers preferences*
- 2) *To know which brand's advertisement mostly people have seen.*
- 3) *To know the reason to buy cola drinks or Pepsi drinks.*
- 4) *To create a top of mind awareness about COCA COLA in, Erbil KRI by providing the information to consumers.*

## **Significance of the study**

Consumers are always backbone of the business. Any brand owes the position in market according to, how consumers perceive the brand. For consumer perception the brand awareness and loyalty is deep seated in consumer's mind about that brand. Thus, brand loyalty is the extent and everything which the consumer imagines and thinks about that brand, good, bad or ordinary.

Also, as brand awareness or relatedness to the brand is something which keeps the consumer committed to the brand as compared to their competitors and keep the consumers to stick with the brand even though market pressure of other brands is there.

When consumers start perceiving well about a brand, then their relatedness and loyalty with that brand increases. As brand loyalty become stronger, brand become more strong and popular among its potential consumers. Thus, the study of the consumer's perception about the brand and its relation with brand loyalty and brand awareness is a significant topic to research on.

This study does the comparative study of following perspective of marketing related to brands,

### *Consumer perception*

- li. Brand Awareness
- lii. Brand Loyalty

A Methodology will be designed, implemented and followed to analyze the consumer's perception about brands, their awareness and loyalty towards these brands so that a comparison can be made between these both brands.

## **Data Collection Sources**

In order to acquire information for conclusions and findings during this Study, different sources are used which include the primary data and secondary sources.

### *Primary sources*

Primary data for the research is gathered through the following primary sources:

- Consumers of Coke
- Consumers of Pepsi

The data is collected through the questionnaires.

### *Secondary sources*

Also some secondary sources will be used to obtain the Secondary data i.e.

- Any previous research data
- Official statistics about Coke and Pepsi
- Brand Reviews/ Brand Official reports

- Web information/ Internet Survey

## **Data Collection Tools/Instruments**

The tool used to gather the data for the Study was Questionnaires, A questionnaire designed to gather data about the brand awareness, brand loyalty and brand perception of consumers and any other relevant data.

### **Sampling**

The main targeted population for the Study are Consumers of soft drinks and for the current research Study subjects or target population chosen was from the Consumers of Coke and Pepsi brands. The subjects were individual consumers, household, student, people from different professions with different age, gender, social class and local people of UAE.

### **Sample Size**

To keep the research time convenient and time bound, a Sample size of 50 was taken. This reasonable size of sample was taken in order to collect the sufficient reliable and authentic data and to make sure the ease of access for the data.

### **Sampling Technique**

Although the target population base of the sample population is huge due to wide spread use of Pepsi and Coke.

But for sample size of 50 to choose the samples conveniently and easily, Convenience sampling technique was used, because by using this technique, we can select the cases haphazardly on the basis of ease of access.

Reasons behind using the convenience sampling technique are,

- Convenience of reaching to the sample population
- Involves low cost of doing research
- Saving the time
- To reduce the biasness effect
- For fast, easy, cost effective research

## **Data Collection/Fieldwork**

Questionnaire is used in order to collect the data from the target population i.e. consumers of Pepsi & Coke, distributor in the field.

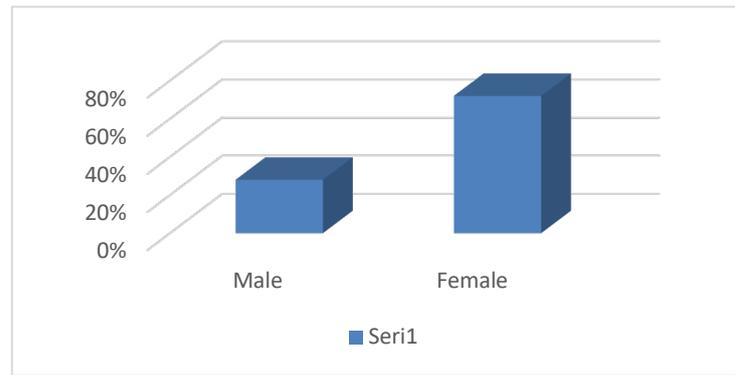
### **Questionnaire**

The Questionnaire was used as the data collection tool and questions were developed in manner to provide following type of information,

- Information to disclose the consumer's perception about the Coke and Pepsi
- Information to show the brand awareness
- Information to help predict the brand loyalty
- To help to gain information directly from the consumer of Pepsi & Coke

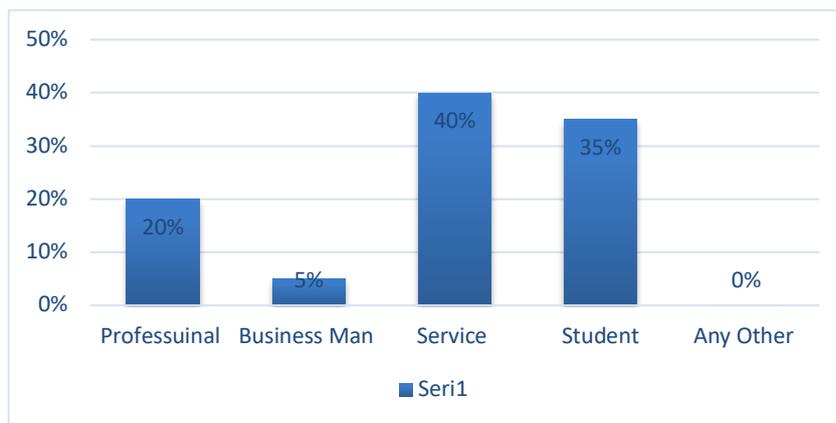
## **Results and Discussion**

This section of our research study is contains upon the answers of the users of the coca cola and Pepsi that is collected through questionnaire and then after analyzing graphically presented with description of each question.



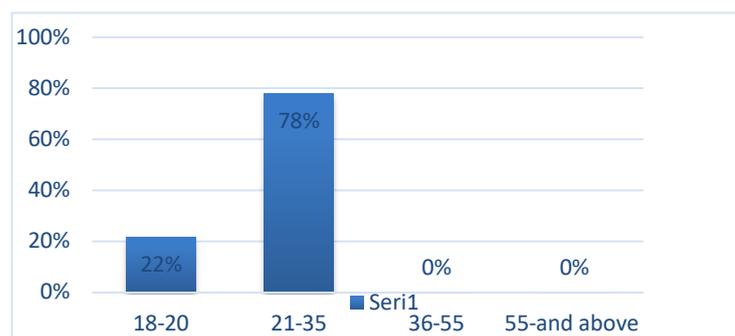
**Figure 1: Gender of the consumer**

Out of 100 consumers 28 % male and rest 72 % were female.



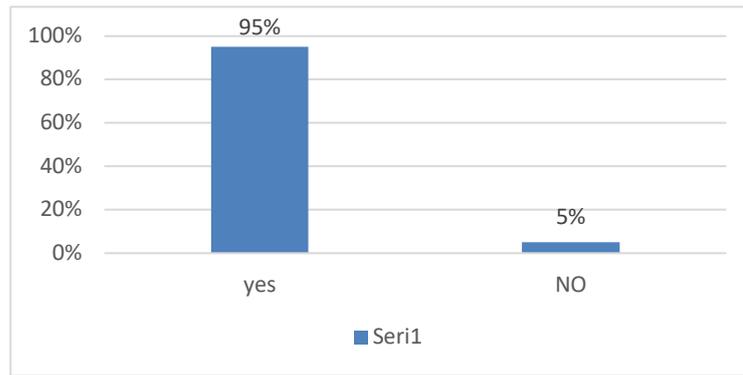
**Figure 2: Occupation**

In this question 20% people answered that they are professional and 5 % people were business man and 40 % people were under Government sector and rest 35 % people answered they are student.



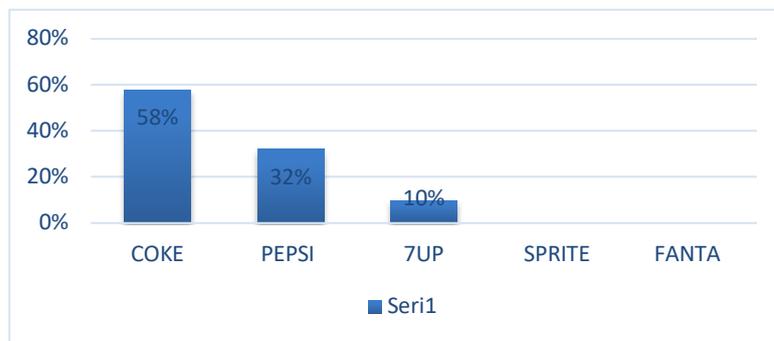
**Figure 3: Age**

In this question out of 100 people %22 were in age 18-20 years they prefer to drink soft drinks and %78 in age 21-35 years were prefer to soft drinks



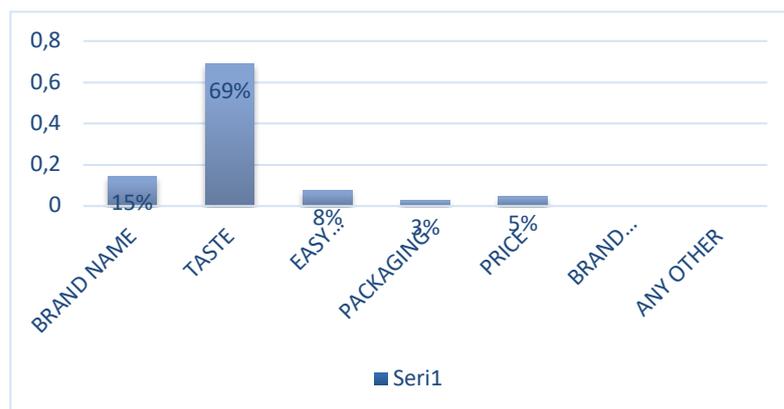
**Figure 4:** Answers on Do you drink coca cola?

In this question % 95 of people they answered yes and 5% of the people they answered no .In this way 95 consumers out of 100 said that they prefer to coca cola whereas rest 5 consumers said no we don't prefer to drink coca cola .



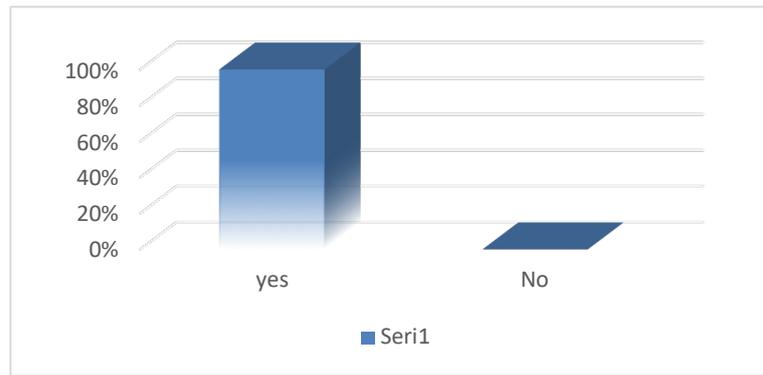
**Figure 5:** Answers on Which cola drink do you prefer most?

Regarding this question out of 100 people 58 consumer said they like coca cola and 32 consumer said they like Pepsi and rest 10 consumer out of our sample that is 100, said that they prefer to 7 up.



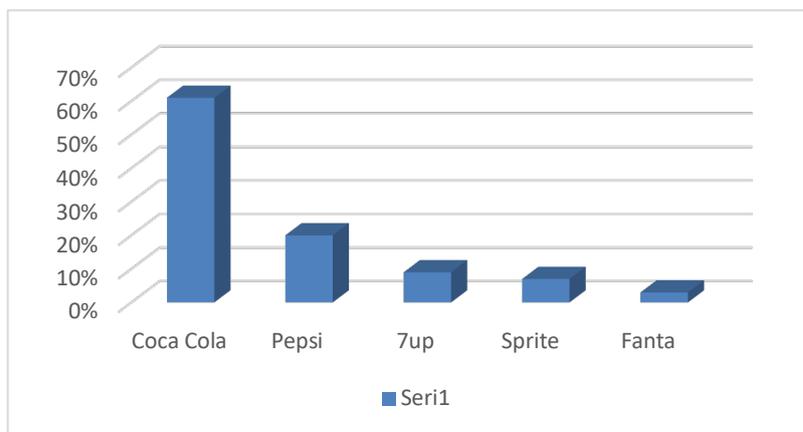
**Figure 6:** Answers on “About Cola drink what do you like the most?”

Here in this question from 100 consumers, 15 consumers said they like brand name and 69 consumers answered that they like the taste of coca cola and 8 consumers said that they like packaging of coca cola whereas at end last 5 consumer said price is at their bottom priority.



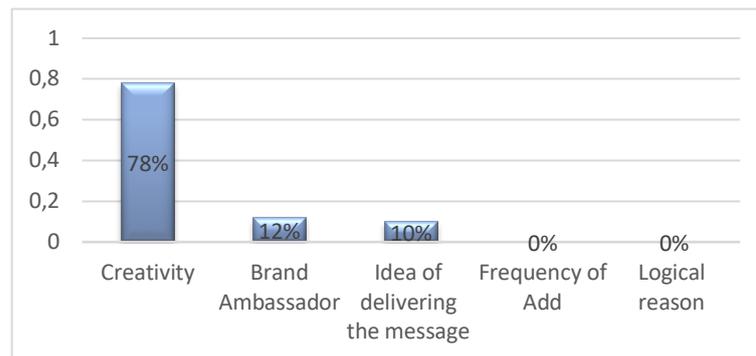
**Figure 7:** Answers on “Have you seen any advertisement of ANY Coca Cola drinks?”

Regarding this advertisement question all consumers out of 100, all of them answered that they have seen advertisement of coca cola



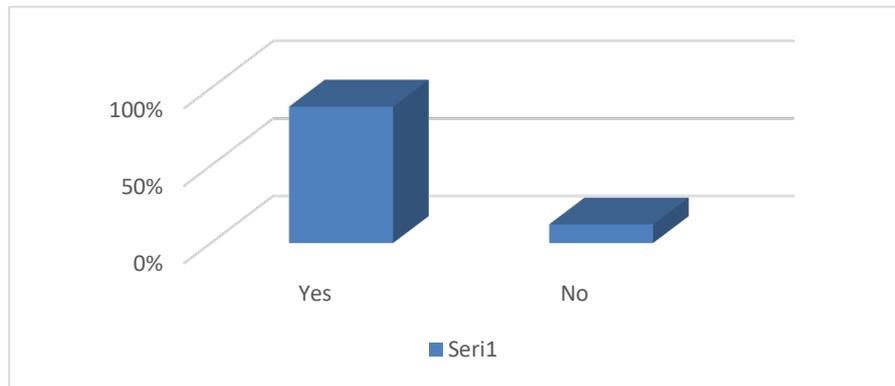
**Figure 8:** Advertisement of which drink do you remembers the most?

In this question high percentage goes toward coca cola. 61 consumers said that coca cola and 20 consumers said Pepsi and 9 consumers selected for 7 up and 7 consumers for sprite whereas at last 3 consumers said Fanta.



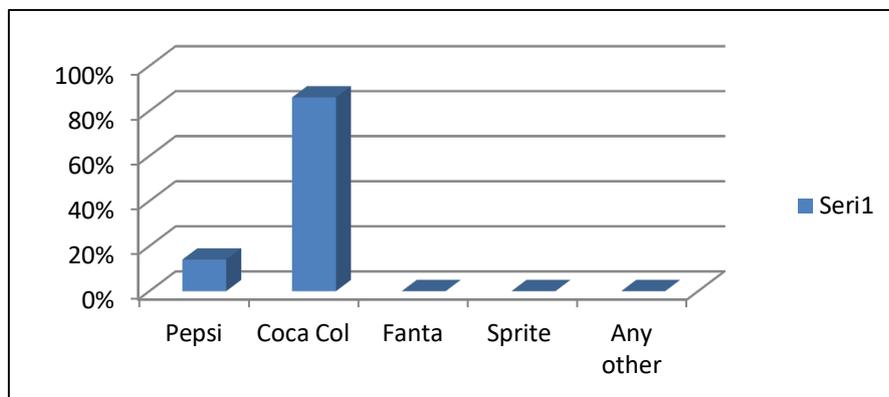
**Figure 9:** “What attracted you in the advertisement?”

In this question 78 consumers out of 100 selected creativity answer and 12 consumer said brand ambassador whereas rest 10 consumers said idea of delivering the message. So in this way majority said that it is attracted to them that is creativity



**Figure 10:** Have you prefer to buy Coca Cola drink after watching the advertisement?

Regarding this question buying after advertisement 88 consumers out of 100 said yes whereas rest 12 consumers said no we are not buying coca cola after seen advertisement of it.



**Figure 11:** Which Drink is easily available near your access?

In this last question of our questionnaire regarding availability, most of the consumers 86 out of 100 said that coca cola is easily available through rest 14 consumers said Pepsi is in their approach .

## Conclusion

This research study was aimed to determine the consumer perception about the brands Coke & Pepsi based upon the perceived quality of brand by the consumers and thus their association towards brands the objectives of the study are multi fold. Firstly to study the consumers preferences. Secondly to know which brand's advertisement mostly people have seen. Thirdly, to know the reason to buy cola drinks or Pepsi drinks and lastly, to create a top Sof mind awareness about COCA COLA in, Erbil KRI by providing the information to consumers. Sample size were selected 50 consumers of drinks (Pepsi and Coca Cola ) and following conclusion drawn from the respondents.

- *The overall research survey for Coke and Pepsi has revealed that Coke is more adopted brand then that of Pepsi.*
- *Consumer's perception and loyalty about those brands is better which are more advertised or about which more information is spread. In our case of soft drinks, coke due to its widespread awareness through its advertisement is more favorite & consumers are more likely to buy Coke then Pepsi.*
- *The research leads to an important conclusion that Customer is always looking for awareness due to several factors. Consumer always try to find more about the features of any brands and even the brands they know very well, still they want to know any new features or information about that brand.*

- *This research help to find the fact that the consumers, when they used to buy the same brand whenever they have to make purchase in same product class, their loyalty with that brand keep them sticking with that very same brand. So the brand loyalty is a major factor in making consumer's perception about the brand or in other words the brand loyalty will be higher if the consumer perceptions are higher for the brand.*
- *An important outcome from research is that when customers perception about any brand becomes good, it help them to be loyal to that brand which also comes through the brand awareness, as awareness helps to make the consumer, initially interested and then loyal to the brand. So, in case of unavailability of any brand on shelf, consumers still, don't find it easy to change the mind about purchasing other brand, which concludes that awareness and loyalty are linked strongly and awareness of a brand help the consumers to perceive good about a brand and then to stick to that brand.*
- *Research indicate that a well-known brand for which consumers have more awareness, ultimately gets closer to consumers and also find a good image and perceived value. Consumers being more aware of and loyal about these brands, tend to prefer the brand when it comes to buying that brand.*
- *This research helps us to conclude that it is obvious that if at the place of purchase consumers can visually detect their preferred brand then it means that they are well familiar with it, they can recognized a brand due to awareness about the brand and also it shows the loyalty of the consumers for that brand. At the same time, more loyal are the consumers, more likely they have better perception about the brand and they are more aware about the brand. So, in order to increase the loyalty with the brand, the brand awareness must be expanded.*

#### *Recommendations*

Concluding from the above research, following recommendations are worth considering.

- *As perception leads to the brand loyalty, thus brands in general and Coke and Pepsi needs to focus on the point that its consumers are made to perceive more value from the brand which can come through assuring them about quality of product and other factor i.e. best price, best value, availability, trend etc.*
- *The perceived value should be increased through different ways, i.e. by spreading more awareness without any discrepant information, to make the consumers feel more loyal and aware about the brand. Coke and Pepsi here can emphasize on enhancing the brand repute through more awareness or advertisement so that perception of consumers about the brand improves and hence loyalty dose too.*
- *Research suggest that brands awareness is the only way which brings a perception of loyalty and also loyalty is the key to evoke good perception and once loyalty is shown by consumer from any brand, consumer's loyalty and association with that brand will increase, so Coke and Pepsi especially in contest of research and other brands in general should focus on spreading the awareness about their brands by more and more advertising and should try to gain the loyalty and good perception by consumers by their brand to increase the consumers of their brands.*

#### *Limitations of the Study*

There were several limiting conditions which were faced as the restrictive factors during the course of this research product and they have affected the research product in one way or other.

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