

## **Influence of Strategic Branding in Soft Drink Market in Indian and Malaysian Context: Study on Coca Cola to remain Top of the Mind Brand (TOMB)**

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### **ABSTRACT**

The aim of this research was to understand the influence of strategic branding in Soft Drink industry located in specific to India and Malaysia. This was demonstrated by example of various marketing strategies used by Coca-Cola, a very well-known brand all over the world. It operates in more than 200 countries and is listed as one of the most trusted brands for many years. With the presence in the both countries for more than 30 years, the company uses different Segmenting, Targeting, Positioning and Differentiation (STPD) strategy to cater varying needs to the consumers. Through analysis of consumer-buying in Indian and East Asian context is base pillar for success of Coca-Cola in the countries. The objectives of the project include analysing consumer needs of India and Malaysia regarding beverages-changing trends and the strategies and campaigns undertaken by Coca-Cola to cater vast diversified consumer base over the years. Both primary and secondary data collection were analysed with adequate sampling size of 180 respondents from both countries aided by questionnaire. Based on the analysis, the conclusions were drawn regarding company and recommendations are given for further improvement for company's performance.

**Keywords:** Brand, Demographic Branding, Innovative Campaigns, Company Strategies, India, Malaysia

### **INTRODUCTION**

The modern world is so much connected by mean of incredible happening technological developments, which in turn makes an organization to be so dynamic in its operations and marketing of its products. Companies operating worldwide need to continually come up with innovative ideas, campaigns for marketing its products. This is much intense in the monopolistic market like soft drinks and beverage market. Though people share lot of common in terms of preferences and tastes as compared to time 30-40 years back, still the cultural and socio- demographic differences challenge the effectiveness of same strategy of company for enabling conversion of potential customer in penetrated market.

The selected company- Coca Cola from US operates in more than 180 countries and specifically focuses Indian and Asian Market as a new growth wheel for its business. Company operates in India as Pvt. Ltd. Company with over 25,000 direct employees while, it operates as Coca-Cola Far East Limited in Malaysia with substantial number of employees. So for Coca Cola to stay at top position in both markets, the strategies need to be effective as well as relevant to different people needs and preferences.

Also, increasing awareness of what is happening over the world forces Coca Cola to face even more challenges in its product campaigning. As a powerful player, company often perceived as big source of FDI in developing markets in Asia. But, with this FDI inflow, the company's focus on increase in profit margin in these markets poses great pressure on its sales and marketing department.

With some instances like in 2004 happened in Kerala state of India regarding closure of operations of its plant, company has faced many critics of its operations in countries like India where its ethicality was questioned. This led again to different marketing building of company starting from scratch. So, overall, the case company- Coca Cola become a great example to study its marketing strategies from both perspectives.

### **Objectives of Study**

In this research study, the objective is primarily on marketing strategies; researchers want to look into how company observe the consumer behaviour uses different techniques. Totality of demographics, cultures, traditions, costumes and social attitudes regarding perusing cold drinks and overall Coca Cola brand which would affect the changing consumer perceptions in each market is very important to study for continually being top of the mind (TOM) brand. First of all, Coca Cola's Value Chain analysis was be base pillar of our research study which then followed by analysing company's strategies of STPD i.e. Segmentation, Targeting, Positioning and Differentiation in each market with reference to pricing, packaging place and product of marketing mix 4P's. This can be illustrated with an example of shifting whole marketing strategy from "Open Happiness" to a commercial slogan that urges one to "Taste the Feeling" in Malaysia calling it as 'One Brand' Strategy. With use of digital as well as print platforms, celebrity endorsements, coming up with different supply chain innovations, and positioning of products as per pricing and using 'Sustainable Growth' as main marketing focus helping company for current market leading situation.

With this mind, researchers also wanted to focus the research on futuristic strategies that needs to be applied in coming years by Coca Cola in India and Malaysia. So overall, marketing strategies - the company is doing now, and what would be required in future also recommended in this research study project.

### **Hypothesis of Research:**

Here, main hypothesis is as follows:

**H0** = There is no significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia

**H1** = There is significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia

### **RESEARCH METHOD**

The overall research framework was designed in proper method to help the researcher to have a detailed analysis of marketing strategies of Coca Cola along with Consumer Buying Perceptions in both countries.

### **Research Design:**

The research design used in this project is Descriptive Research design as this form of research does not fit neatly into the either side of quantitative or qualitative research methodologies, but instead it can utilize elements of both. It is typically concerned with describing problem and its solution as per the report by Lal and Pankaj (2017) [2].

### **Sampling Technique:**

Here, the convenience sampling technique was used considering time and geographic constraints of the study. The researchers made use of Non-probability sampling technique, in which subjects are usually selected on the basis of their accessibility or by the purposive personal judgment of the researcher.

For this research study, total sample of 180 respondents were taken based on quick thumb rule by calculating effect size based on alpha and beta values of type I and II errors respectively. Effect size is known as the difference between the sample's statistics divided by the standard error.  $1 - \beta$  equal to the power and as the power will increase with different levels of alpha, sample size will also increase. So, with maximum acceptable error values of alpha, small effect size of 0.52, sample size of 180 was considered well enough for study of research project.

### **Research Questionnaire:**

An extensive questionnaire was prepared while conducting the research and was divided into three sections focussing on different aspects to achieve the aim of the study to test the hypothesis. The questions were directed to prove or disprove the hypothesis. As per the research done by Nikam M. et al., (2018, p. 77)[1], the unique feature of strategy of Coca Cola is, they tend to change their tag lines; this ensures that the target audience is interested in the product and they feel that the company is doing some innovation. This also has been considered in framing the questions.

**Questionnaire Formulation:** Based on various campaigning studies via online and offline media, we have formulated various questions for following:

1. To understand consumer perceptions regarding Coca Cola branding
2. To know consumer awareness of Coca Cola company about its products, segmentation, targeting
3. To know how a century old brand still effectively projects its image as Top of the Mind (TOMB) among consumers of different demographics

Here researchers have used both closed ended and open-ended questions. Multiple choices questions were preferred here to give the respondent the options. Also, the respondents should answer the questions with no ambiguity and with simple terminology. The online way of Google Form was selected as medium to record responses as the respondents were situated in both countries – India and Malaysia.

### **Data Collection and Analysis**

In this section, the data collection method and its analysis are discussed which helped researchers to find results and make required recommendations. The data analysis and findings will also include the tabulation and representation of data in forms of graphs and charts in reference to sampling techniques.

#### **Data Collection:**

Researchers have used both primary as well as secondary data collection methods for analysing the consumer behaviour and proclivity towards to the Coca Cola. Secondary data collection involved company's website, Books and journals pertaining to the topic related to brand's both effective and failed marketing campaigning. The secondary research also involved recent studies on Indian beverage and industry from where researchers collected statistical data. Both primary and secondary research have been used by the researchers to draw inferences.

#### **Data Analysis:**

Here, researchers have analysed the data with the help of SPSS version 13 as statistical tool. Here, the main hypothesis was tested against the relevant questions of which the responses were collected through primary research.

First of all, out of 180 responses 50% responses were from India. So, the responses are well balanced for both demographic locations. This leads to increased reliability of hypothesis testing as the demographic equality is an important factor. Then the age group factor which plays a crucial role in analysing consumer behaviour shows that, out of 180 respondents, almost half were of age group 21-30 years.

Coming towards the rating given for Coca Cola Products, it was found that, almost 1/3<sup>rd</sup> of total respondents were of opinion of very good rating. This is demonstrated in table 2. Here, with median of 4 i.e. Good Rating, researchers concluded that, 59% responses show consumer good-will towards the company.

When it came to asking whether the strategies used by company are effective, it was found that, almost 50% respondents were agreed on its effectiveness. But, 1/3<sup>rd</sup> of total were found to be confused about effectiveness. This is elaborated in table 3.

**Age Group in  
Years**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 10-20	41	22.8	22.8	22.8
21-30	88	48.9	48.9	71.7
31-40	28	15.6	15.6	87.2
41-50	16	8.9	8.9	96.1
51 and Above	7	3.9	3.9	100.0
Total	180	100.0	100.0	

*Table 1: Age Group in Years*

**Rating of Individual for products**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Bad	13	7.2	7.2	7.2
Not Good	20	11.1	11.1	18.3
Average	42	23.3	23.3	41.7
Good	49	27.2	27.2	68.9
Very Good	56	31.1	31.1	100.0
Total	180	100.0	100.0	

*Table 2: Rating for Individual Products of Coca Cola Company*

**Coca Cola Strategies for Branding itself effective**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	89	49.4	49.4	49.4
No	28	15.6	15.6	65.0
Maybe	63	35.0	35.0	100.0
Total	180	100.0	100.0	

*Table 3: Evaluating Effectiveness of Branding Strategies by Coca Cola*

With finding of Chi Square test between demographics and branding areas relevancy, it was found that, significance value is less than 0.5, so the H1 was accepted and H0 was rejected. This is evident from table 4.

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.097 <sup>a</sup>	20	.452
Likelihood Ratio	24.346	20	.228
Linear-by-Linear Association	3.541	1	.060
N of Valid Cases	180		

a. 19 cells (63.3%) have expected count less than 5. The minimum expected count is .16.

*Table: 4 Chi Square results for Country of belonging and Relevancy of Areas for Branding of Coca Cola*

Now, considering ANOVA test for country of belongingness and places of promotion of Coca Cola, it was found that, significance value is 0.002 which is less than 0.05. So H0 was rejected and H1 i.e. there is significant influence of strategic branding to remain top of the mind (TOMB) by Coca Cola in India and Malaysia was accepted. This is evident from table 5.

**ANOVA<sup>a</sup>**

Mode I		Sum of Squares	d f	Mean Square	F	Sig.
1	Regression	20.000	1	20.000	10.110	.002 <sup>b</sup>
	Residual	352.111	178	1.978		
	Total	372.111	179			

a. Dependent Variable: Areas where Branding of Coca Cola is Relevant

b. Predictors: (Constant), Country of Belongingness

*Table: 5 ANOVA results for Country of belonging and Places of Promotion of Coca Cola*



**Correlations**

		Country of Belongingness	Rating of Individual for products
Country of Belongingness	Pearson Correlation	1	-.294**
	Sig. (2-tailed)		.000
	N	180	180
Rating of Individual for products	Pearson Correlation	-.294**	1
	Sig. (2-tailed)	.000	
	N	180	180

\*\* . Correlation is significant at the 0.01 level (2-tailed).

*Table: 6 Correlation between Country and Rating given by respondents*

From table 6, it was concluded that, as significance level is less than 0.05, so null hypothesis was rejected, which shows low negative correlation (-0.294) between country of respondents and rating given by each individual to products of company. This proves that, irrespective of country demographics, Coca Cola is truly deep-rooted TOM brand.

With consideration of areas where respondents find branding of Coca Cola relevant, it was found that Coca Cola largely depend celebrity endorsements followed by regional language use for promotions. It was quite interesting to note that only 4 respondents considered social media campaigning as relevant. This is shown in table 7.

**Areas where Branding of Coca Cola is Relevant**

	Frequency	Percent	Valid Percent	Cumulative Percent
Using Regional Language	61	33.9	33.9	33.9
Using Celebrity Figures for Advertisements	69	38.3	38.3	72.2
Use of cultural- festival occasions for branding	21	11.7	11.7	83.9
Use of Songs and Lyrics in Ad	11	6.1	6.1	90.0
Valid Use of Hashtags on Digital Media like Twitter,				
Instagram, etc.	4	2.2	2.2	92.2

Add on with food items like Pizza, Burger, etc	14	7.8	7.8	100.0
Total	180	100.0	100.0	

*Table: 7 Branding Areas Relevancy for Coca Cola*

With considering branding places like Shop Outlets, Street Hoardings, Flex, Public Places, Digital Platforms - Facebook, Instagram, YouTube, Etc., TV and Print Media- News Papers, Magazines, Etc., it was found that, there is low positive correlation for country of belonging. With 57.8% respondents agreeing on shop outlets as main promotion place. The presence of company's branding over digital platforms seems to be not much effective as only 7% respondents have responded for same. This is shown in table 8 below.

### Correlations

		Country of Belongingness	Places where we see Coca Cola Branding
Spearman's rho	Correlation Coefficient	1.000	.158*
	Sig. (2-tailed)	.	.034
	N	180	180
	Correlation Coefficient	.158*	1.000
	Sig. (2-tailed)	.034	.
	N	180	180

\*. Correlation is significant at the 0.05 level (2-tailed).

*Table: 8 Correlation between country and branding places for Coca Cola*

## RESULTS AND DISCUSSIONS

After analysing the data collected from 180 respondents then doing data analysis, it was concluded that, celebrity endorsement has a positive effect on the perception of the respondents. Also, regular Coca Cola is top rated cold drink amongst all the products. The demographics does not affect much of branding place giving shop outlets as major promotion place. Also, with regional language promotions like Tamil, Hindi, Marathi in India and also in Malaysian regional languages, the company further catches consumer emotions. Here it can be found out that, 42% respondents agreed on fact that branding of Coca Cola in all forms affects their purchase decision. And 61.7% respondents think that Products are differentiated well and target specifically like Sprite and Thums- Up products as examples. 55% respondents opting greater customer reach of products as main reason for being number one in soft drink industry.



The relationship of age category of more than 30 years related to rating given to product shows that, people become health conscious and company need to focus on such healthy drinks as well as carbonated drinks of current portfolio. It was found that 4P's (Place, Price, Promotion, Product) as well as STPD affects the strategy used Coca Cola as for different demographic locations.

### **CONCLUSIONS**

Through this research paper, researchers have concluded that there is high importance of branding and marketing in success of any multinational company (MNC) in soft drink industry from case of Coca Cola Company. From the results and findings, we can say that almost 2/3<sup>rd</sup> of total sample size category which has Coca Cola product as primary soft drink is youth category. With the 4 Point strategy implementation by company given earlier, researchers concluded that, any demographic changes can be addressed (as in Indian and Malaysian context) by Coca Cola.

It is also concluded that, company's focus on digital platform is not well recognised well by consumers, and needs further improvement specifically aggressive approach. Lastly, it was concluded that, there is significant influence of strategic branding in Indian and Malaysian context which is demonstrated by example of Coca Cola. Both primary and secondary data analysis have agreement on this conclusion.

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**Appendix-A: Research Sample Questionnaire**

**1. Your Country**

1. India
2. Malaysia

**2. What is the Age Group you are belonging to?**

1. 10-20
2. 21-30
3. 31-40
4. 41-50
5. 51 and Above

**3. Which Coca Cola Products do you use or are aware of?**

1. Coca Cola Regular Soft Drink
2. Sprite
3. Thums- Up
4. Maaza
5. Limca
6. Fanta
7. Packaged Drinking - Kinley

**4. How would you rate Coca Cola Products?**

1 2 3 4 5 (1 being lowest rating, 5 being highest rating)

**5. Do you see various Ads of Coca Cola on TV, and various digital and print media?**

1. Yes
2. No

**6. Where ever do you see Coca Cola Branding among following?**

1. Shop Outlets
2. Street Hoardings, Flex, Public Places
3. Digital Platforms - Facebook, Instagram, YouTube, Etc.
4. TV
5. Print Media- News Papers, Magazines, Etc.

**7. In which of following areas, you find branding of Coca Cola relevant? (Tick the boxes as your answer)**

1. Using Regional Language
2. Using Celebrity Figures for Advertisements
3. Use of cultural- festival occasions for branding
4. Use of Songs and Lyrics in Ad
5. Use of Hashtags on Digital Media like Twitter, Instagram, etc.
6. As an Add on with food items like Pizza, Burger, etc.

**8. Do you find Coca Cola Strategies for Branding itself effective?**

1. Yes
2. No
3. Maybe

**9. Does Branding of Coca Cola in all forms affects your Purchase Decision?**

1. Yes
2. No
3. Maybe

**10. What do you think, various products of Coca Cola are able to target different needs, wants of Customer (Like Sprite for different need, Thumbs Up for different need)?**

1. Yes, Products are differentiated well and target specifically
2. No
3. May Be

**11. What do you think, are the reasons for Coca Cola to be one of the top brands in Soft Drink Category? (Tick the boxes as you answer)**

1. Innovative Marketing and Branding
2. Greater Customer Reach
3. Catching Emotions of Customer with Good Products