

A STUDY ON RETAILERS PRACTICES TOWARDS SOFT DRINKS

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A word about the product genesis of soft drink industry, no one can attribute specifically the exact date of its start. At the very first time, the gold spot the international drink has introduced in Indian market about 55 years ago. After this, coke came on the Indian scene in 1958. The cola market dominated the Indian scene right from the date of its entry and it commands 25% of demand. Pure drinks (New Delhi) Ltd was started in 1950 and Pure drinks group has three companies and these have been started by late Sardar Mohan Singh and he was a man of courage and endeavour. After the death of Sardar Mohan Singh his son Sardar Daljeet Singh continued its work with his, Professionalism. Parle exports Pvt. Ltd. the first Indian multinational company has 35 franchise units in India and opening further units all over the world. It introduced "Limca" in 1970 and this soft drink has shared very well in the Indian market. Presently, it is said that Limca is a zero bacteria soft drink, which has further increased its share. Many new soft drinks has been introduced in the Indian many new soft drinks has been introduced in the Indian market because of sad farewell to Coca Cola in 1977. Earlier, the soft drink industry was not expecting to grow more than 10% a year because Indian manufacturers were not trained in the formulating of an adequate marketing technique and in improving marketing infrastructure. These days, Indian manufacturers in soft drinks are learning new techniques to packed hygienically the soft drink bottle. Today, Campa Cola, Thums up, Campa Lemon, Limca, Gold Spot, Tripp, Campa Orange, Double Seven, etc. are the household words in all the country.

OBJECTIVE OF THE PRESENT STUDY

- (a) To examine, how retailers are aware in knowing purchasing habits of the consumers.
- (b) To ascertain whether retailers act as promotional measure for the manufacturers and their relations with them.

DATA COLLECTION

We often collect the data after the sample has been decided. The present study relates with retailers so it was not possible to contract each of the person so we have contacted the selected persons by preparing a pre-tested questionnaire. The questionnaire was of a structured and non disguised types. Most of the questions were in the form of multiple choice or dichotomous questions and there were also a few questions of open ended.

DATA ANALYSIS

After the collection of data, that has been tabulated first and after this, that collected data has been analyzed and interpreted in order to find out the true meaning of the research. Results and discussion of the present study on the basis of collected data has been shown in different tables.

SAMPLING

Simple Random sampling technique has been used for the selection of the retailers. Roughly there were 2000 retailers in Jalandhar and Ludhiana city and 50 retailers have been finally selected by lottery method. Finally among 50 retailers, it comprises the following categories of retailers.

1.	Retailers exclusively selling soft drinks.	14
2.	Tea stall owners also selling soft drinks.	12
3.	Confectioners also selling soft drink	14
4.	Others those who were selling soft drinks along with some other merchandise goods	10

LIMITATIONS OF PRESENT STUDY

1. Due to limitation of time factor the coverage of this study has restricted to selected retailers and all types of retailers were not included in the study.
2. There is no denying the fact that the questionnaire has been framed with utmost care and attention and still there is a possibility of some biasness creeping into present study.
3. The accuracy of the results is limited to the reliability of methods of investigations and measurement and analysis of the data.
4. Since the present study was restricted to Punjab state and its findings results may not be applicable to other areas.
5. The findings of the present study may be affected by the limitations and biasness of sampling techniques used the study i.e. random sampling.

RETAILER'S PRACTICES TOWARDS SOFT DRINKS (ANALYSIS AND INTERPRETATIONS)

I. Role of Retailers in the Marketing of Soft Drinks

It was one of the objectives of the present study to see the role of retailers in the marketing of soft drink and retailers has been asked in first question of the retailer's questionnaire, "Which brand of soft drinks do you stock." The retailers are here free to give as many brand names as they stock at the time of filling the questionnaire. The retailers replies have been recorded in the below table.

TABLE 1
Table Showing the Brands of Soft Drinks Stocked by the Retailers

Name of Brand	Number of Retailers	Percentage of Retailer
1. Pepsi	50	100
2. Thumps up	50	100
3. Campa Cola	50	100
4. Limca	50	100
5. Gold Spot	46	92
6. Campa Orange	40	80
7. Mazza	38	76
8. Campa Lemon	34	68
9. Double Seven	28	56
10. Funday	20	40
11. Tripp	16	32
12. Thrill	16	32
13. Sprint	14	28
14. Rush	14	28
15. Tingle	14	28
16. Merry	12	24
17. Pick up	10	20
18. 7-Up	2	4

As it is apparent from the Table 1, it was found that, retailers generally stock eight or nine brand of soft drink in large number. On an analysis, it was found that Thumps Up, Campa Cola and Limca soft drinks has been stocked by all the retailers i.e. 100 percent of the retailers, Campa orange by 80percent of retailers, Mazza by 70 percent of retailers, Campa Lemon by 68 percent of retailers and double seven by 56 percent of retailers. Some other brands of soft drinks have also been stocked by few retailers but their number is very less and these brands includes, Funday, Tripp, Thrill, Sprint, Rush, Tingle, Merry, Pick up, 7-Up, Rim-Zim, Cola Lite, Ski and Bisleri Club Soda. Only one retailer each has stocked 7-Up, Rim-zim, Ski and Bisleri Club Soda. From this table, we come to know that retailers stock only those brands of soft drink of which demand is there but retailers have to stock some other brands even if the demand is very low.

II. MOSTLY BRANDS SOLD BY RETAILERS

It was asked from the retailers, "which brand of soft drink do you sell most." The main purpose of asking this question was to know the sales of a particular brand. Only one brand has been asked from each retailers and the retailers replies in this regard has been recorded in the Table 2 given below :

TABLE 2
Table Showing Mostly Brands Sold by Retailers.

Name of Brand	Number of Retailers	Percentage of Retailers
1. Pepsi	12	24
2. Thums up	12	24
3. Limca	8	16
4. Gold Spot	6	12
5. Mazza	6	12
6. Double Seven	2	4
7. Tripp	2	4
8. Campa Cola	2	4
Total :	50	100

Table 2 shows that, 24, percent retailers each in case of Pepsi and Thums Up say that their sales is more in these brands. Next comes Limca soft drink and 16 percent retailers have recorded more sales for this brand. After this comes, Gold Spot and Mazza i.e. 12 percent retailers each in these brands have shown their more sales.

For Double Seven, Tripp and Campa cola, only 4 percent retailers each have recorded their highest sales in these brands. On the basis of this table, we can say that consumers have more preference towards Cola taste of soft drink i.e. 13 retailers sales in more in case of Campa Cola, Thums Up and Double Seven brands of soft drink.

ATTITUDE OF RETAILERS FOR STOCKING ANY SPECIFIC BRAND OF SOFT DRINK.

In order to know the attitude of retailers for stocking any specific brand of stock, Question has been included in the retailer's questionnaire and the retailers responses in this regard have been shown in the table given below :

Table 3 explains that 56 percent of retailers were stocking any specific brand of soft drink, while 44 percent of the total number of retailers (22 retailers) were found not specific about stocking of any particular brand of soft drink. In simple words, we can say that more than half of the total retailers were stocking specific brand of soft drink. Those who are specific, they have shown Campa Cola, Thums Up. Limca, Double Seven, Mazza etc. as specific brands of soft drink.

TABLE 3
Table Showing the Attitudes of Retailers for Stocking any Specific Brand.

Category	Number of Retailers	Percentage of Retailers
Specific about Stocking	28	56
Not specific about Stocking	22	44
Total :	50	100

SOURCE OF SUPPLY OF SOFT DRINKS

Retailers have been asked "Please state the source of supply of soft drink" and their responses have been shown in the following table: Regarding the source of supply. It was found that 92 percent (46) of the total number of retailers gets the supply of soft drinks from wholesalers, 4 percent (2) from manufacturers and 4 percent (2) of total number of retailers receive the supply of soft drinks from agents. From this table, we clearly come to know that wholesalers play an important role in supplying the soft drinks to retailers and manufacturers has directly no link with retailers.

TABLE 4
Table showing the source of supply of soft drinks to retailers.

Source of supply	Number of Retailers	Percentage of Retailers
1. Manufacturer	2	4
2. Wholesaler	46	92
3. Agent	2	4
4. Any other	-	-
Total :	50	100

SOURCE OF SUPPLY PREFERRED BY THE RETAILERS

Which source of supply the retailers prefer and this has been shown in the following table.

TABLE 5
Table Showing the source of supply preferred by the Retailers

Source of Supply	Number of Retailers	Percentage of Retailers
Manufacturers	-	-
Wholesalers	48	96
Agent	2	4
Total :	50	100

Table 5 shows that 96 percent (48) of the total number of retailers prefer to deal with the wholesaler while 4 per cent (2) wants to receive soft drink from the agent source of supply. No one prefers to deal with the manufacturer source of supply. From retailers (dealing in soft drinks) point of view, wholesalers were found the best source of supply of soft drinks and they always establish good relations with the wholesalers.

NATURE OF DEMAND OF SOFT DRINKS

In order to see the nature of demand of soft drink, whether it is seasonal or not and this has been explained in the table given below :

TABLE 6
Table showing the nature of demand of soft drinks

Nature of Demand	Number of Retailers	Percentage of Retailers
Seasonal	22	44
Non-seasonal	28	56
Total :	50	100

Table 6 explains that 56 per cent (28) of the total number of retailers were such who are of the opinion that nature of the demand for soft drink is non-seasonal, i.e. it remains throughout the year and 44 per cent (22) were of the opinion that nature of the demand for soft drink is seasonal, i.e. its demand is restricted only for selected months. As some retailers thinks that the demand for soft drinks is seasonal and from their point of view, we can classify the demand of soft drinks in the below given table :

Table 6 (A) clearly shows that some retailers are in the opinion that demand for soft drinks is seasonal and demand, is maximum in the months of April, May, June July and August; demand is normal in the months of September, October, November and March and demand for soft drinks is minimum in the months of December, January and February.

Table 6 (A)
Table Showing the Demand for drinks as month wise

Demand	Months
Demand is Maximum	April/May/June/July/August
Demand is Normal	September/October/November/March
Demand is Minimum	December/January/February

What is the trend of stocking of soft drinks when the demand for soft drinks is maximum and this has been shown in the following table :

Table 6 clearly tells us the hoardings motives of the retailers. This table shows that 96 percent (48) of the total number of retailers prefer to stock 3 little more than demand so that he may not face any difficulty in the season of soft drinks and 4 percent (2) of the total number of retailers prefer to stock just equal to demand and no one is there who is keeping the stock of soft drinks little less than demand.

TABLE 6 (B)
Table Showing the Trend of Stocking of Soft Drinks

Pattern of stocking	Number of Retailers	Percentage of Retailers
1. A little more than demand	48	96
2. Equal to demand	2	4
3. Little less than demand	-	-
Total	50	100

In order to see the facilities desired by the retailers from the different source of supply, a question has been included in the retailers Questionnaire and their responses have been shown in the following table :

TABLE 7
Table Showing facilities Desired by Retailers from Different Sources of Supply.

Facilities	Number of Retailers	Percentage of Retailers
1. Commission	6	12
2. Quantity Discount	22	44
3. Incentives	4	8
4. Credit Facilities	18	36
5. Any other	-	-
Total :	50	100

Table 7 explains that 44 per cent (22) of the total number of retailers wants that they should be given quantity discount while the time of purchase of drinks. Thirty-six percent (18) of the total number of retailers wants to obtain credit facilities from different sources of supply. There are few number of retailers those who wants commission and incentives on soft drinks purchase but its number is 6 (12%) and 4 (8%) respectively. On the whole we can say that majority of the retailers either wants quantity discount or credit facilities at the time of purchase of soft drinks from the different sources of supply.

FACTORS FOLLOWED BY CUSTOMERS WHILE THE TIME OF PURCHASE IN THE OPINION OF RETAILER

Retailers have been asked to state the factors which are followed by the consumers at the time purchase of soft drinks and they were asked to rank three factors, viz. brand, price and availability which were most significant for the consumers when they purchase soft drinks and retailers replies in this regard has been explained in Table 8.

Table 8 explains that 76 per cent of the total of retailers said that consumers give preference to brand of soft drink at the time of purchase. Next comes availability factors, i.e. 16 per cent of the total number at the time of purchase, this table also shows that price is not as much important as the other two factors, i.e. brand and availability. Regarding the brand loyalty of consumers, retailers opinion has been asked and this has been explained in Table 9 shown below. From this table, it was that 56 percent (28) of the total number of retailers say that consumers have no brand loyalty as they purchase another brand if the particular brand is not available in his shop.

TABLE 8
Table Showing the Important Factors Followed by Customers While the Purchases
(In the Opinion of Retailers)

Factors	Number of Retailers	Percentage of retailers	Place
Brands	38	76	I
Available	8	16	II
Price	4	8	III

Forty-four percent (11) of the total number of retailer's opinion is that consumers have preference for a particular brand only. In other words, if the particular brand is not available in his shop then customer goes to another shop and this action of the customer shows the brand loyalty.

TABLE 9
Table Showing Brand Loyalty in Customers. (In the Opinion of Retailers)

Brand Loyalty	Number of Retailers	Percentage of Retailers
Buy another brand	28	56
Go to another shop	22	44
Total :	50	100

PROFIT MARGIN IN SOFT DRINKS

The retailers have been stated the profit margin in soft drinks and the retailers response in this connection have been recorded in the Table 10. this table shows that majority of the retailers says that they are earning same profit for all brands of soft drinks i.e. 80 percent (40) of the total number of retailers are receiving equal profit for all brands and 5 retailers says that their profit margin differs with different brands of soft drinks. This shows that these relatives charge the price of drink bottle according to the type of customer visiting his shop.

TABLE 10
Table Showing Profit Margin in Soft Drink by Retailers

Category	Number of Retailers	Percentage of Retailers
Equal for all Brand	40	80
Differ with Brands	10	20
Total :	50	100

In order to see whether retailers suggest a particular brand of soft drink to their customers or not and all this has been explained in the Table 11 give above. This table shows that 80 percent of the total number of retailers does not suggest any particular brand of soft drink to their customers and 12 percent of the total number of retailers suggest particular brand to their customers sometimes. Eight percent of the total number of retailers recommends a particular brand of soft drink to their customers.

TABLE 11
Table Showing Recommendation of Particular Brand by Retailer to Their Customers.

Category	Number of Retailers	Percentage of Retailers
Yes	4	8
No	40	80
Some Times	6	12
Total :	50	100

Now the question arises if retailers suggest a particular brand of soft drink, whether customer listen to retailers or not and again this has been explained in the Table 11 (A). This table shows that 92 per cent

of retainers says that customers listen always and 8 percent of the total number of retailers says that customers listen their recommended brand sometimes and this we can understand clearly from the table given below :

TABLE 11 (A)
Table Showing Attention by Customers for Recommending Brand by Retailers

1. Percentage of retailers those who says customers listen.	-	92
2. Percentage of retailer those who says customers does not listen	-	-
3. Percentage of retailers those who says customers listen something.	78	8

DISPLAYS ITEM RECEIVED BY RETAILERS

In order to see what type of display items, retailers received from the different source of supply and the retailers responses in this connection have been recorded in the following table :

This table shows that 60 percent 30 of the total number of retailers has received soft drink display board, 20 percent (10) of the total number of retailers each have received soft drink model and soft drink decoration from the different source of supply.

TABLE 12
Table Showing Display Item Received from the Source of Supply

Display Item	Number of Retailers	Percentage of Retailers
Soft Drink Model	10	20
Soft Drink Display Board	30	60
Soft Drink Decoration	10	20
Total :	50	100

Soft drink decoration items included electric things, clock etc. all these items are provided to the retailers as advertisement for soft drinks and as incentives to the retailers.

FINDINGS

It was found that an average retailer stock six or seven brands of soft drink; ‘Campa Cola’, ‘Thums Up’, and ‘limca’ are the most stocked brands by the retailers. Most of the retailers specifically sell ‘Campa Cola’, Thums Up’, ‘Limca’, Gold Spot’, and Mazza brand of soft drinks.

It was also concluded that source of soft drinks was mainly by wholesalers and majority of the retailers preferred supply from wholesalers only. Most of the retailers were specific about stocking of a specific brand of soft drink.

Most of the retailers said that demand for soft drinks is non seasonal and demand is maximum in the months of April/May/June/July and August and in December/January and February demand for soft drinks is minimum and in the remaining months demand for soft drinks is normal and almost all the retailers stock a little more than demand in their shops.

Most of the retailers desired ‘quantity discount’ from the source of supply and followed by ‘credit facilities.’ In the opinion of retailers, consumers considered brand factor most important while purchasing, consumers are not loyal to their preferred brand and they often change their brand, in case their preferred brand is not available. Majority of the retailers have equal margin for all the brands of soft drinks and retailers does not recommend a particular brand of soft drinks to their customers and in case if they recommend, customers listen them though they buy or not. Retailers get soft drink display board from the source of supply’ followed by ‘soft drink model’ and ‘soft drink decoration items.’

CONCLUSION

In the Present study related with retailers practices towards soft drinks brought out some important findings which have been given above. As we examined in the study that the retailers should be

kept in mind by the manufacturers of soft drinks. We cannot generalize the findings of this study as this is an exploratory nature and only a small sample of 50 retailers has been taken from Punjab state. This small sample has been taken because of the limitations of time and resources. If we want to reflect the overall situation of a country then we cannot do the same with the study.

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