

Exploring the Role of Promotional Strategies on Product Brand Loyalty: A Focus On Carbonated Soft Drinks Consumers in Kenya and India

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Abstract

Kenya and India share common fact that its citizens are regular consumers of soft carbonated drinks. Whereas many studies have attributed the loyalty to specific brands to soft drinks consumptions, few have focused on promotion undertaken by the players in the soft drink sector. This paper seeks to establish whether firms who market soft drinks are justified to make huge budgetary allocations to promote soft drinks by creating brand loyal customers. Soft drinks market segment like all other FMCGs is a highly competitive market. As a result to remain competitive the players appeal to their customers by continuously adjusting their marketing mix components. Promotion is such important element that communicates a products' Unique Selling Points (USP). This study focused on brand loyalty among soft drinks Consumers both in Kenya and Kerala (India). The sample population was drawn from students in three public universities in Kenya; Nairobi, Maseno and Moi universities to represent the youth consumers. In Kerala state, Universities of Kerala, Cochin and Calicut were sampled. From the ascertained member of students 1.2% of the whole population was drawn. A total of 478 and 925 of respondents from Kenya and India respectively was sampled. The study findings were that there is a positive and significant correlation between soft drinks consumer brand loyalty and product promotion of the soft drink.

Key Words: *consumer, brand loyalty, soft drinks, youth unique selling proposition*

Introduction

Kenya and India share common fact that its citizens are regular consumers of soft carbonated drinks. Whereas many studies have attributed the loyalty to specific brands to soft drinks consumptions, few have focused on promotion undertaken by the players in the soft drink sector. This paper seeks to establish whether firms who market soft drinks are justified to make huge budgetary allocations to promote soft drinks by creating brand loyal customers.

Promotion

Soft drinks market segment like all other FMCGs is a highly competitive market. As a result to remain competitive the players appeal to their customers by continuously adjusting their marketing mix components. Promotion is such important element that communicates a products' Unique Selling Points (USP). Promotion includes all the activities the company undertakes to communicate and promote its products to the target market [1]. Promotion creates demand in target markets and gives information to the customers about products. Promotional activities should be conducted to give information, make believe, motivate, persuade, influence, and remind the customers about products. Such activities greatly as well as positively affect sales and distribution of the products. Promotion provides sufficient information to the consumers of target market about the features, quality, price and place of availability of goods. Promotion is taken as an important element of marketing mix. Marketing experts may give valuable suggestion to producers to produce goods, according to the interest, wants and needs of the customers by studying and researching markets. One of the key things to understand is the brand loyalty. The primary reason that brand loyalty is important is that it is a major driver of

profitability: 65% of revenue in most companies comes from repeat business with existing clients—and existing customers loyal to brands purchase 90% more frequently than new customers,[2]

Soft drinks consumption

Soft drinks are a category of fast moving consumer goods (FMCGs) and consumer devotion to particular brand for such category of products has been observed to be fragile and short lived[6]. Here the behavioral (frequent purchase) cognitive (e.g. appealing commercial), affective (e.g. color) and predispositional factors (e.g. past experience) are considered.

In the past seven years, it is estimated that the world population has increased at a rate of 1.2% per year, and the consumption of commercial beverages has grown 3.6% per year. Therefore, during this period a market of 297 billion liters of beverages was created, bringing the total market for commercial beverages to approximately 1.6 trillion liters in 2009, equivalent to 231 liters per capita per year. The leading beverage category in market share in 2009 was hot tea (at 20.9 %), followed by bottled water (15.3 %), milk (12.8 %), carbonated soft drinks (12.5 %), beer (11.2 %), hot coffee (8.2 %), still drinks (2.7 %) and juices/nectars (2.6 %). Carbonated Soft drinks market in Kenya covers about 26 per cent of the beverages sector [4]. Others are tea (45%), fruit beverages (15%) alcohol (8%), dairy beverages [3]. The consumption volume of soft drinks was about seven billion liters in India in 2023. There was a gradual increase in the consumption volume from 2020. The volume is forecasted to increase to about 7.82 billion liters . [5]

This study focused on brand loyalty among soft drinks Consumers both in Kenya and Kerala (India). The sample population was drawn from students in three public universities in Kenya; Nairobi, Maseno and Moi universities to represent the youth consumers. In Kerala state, Universities of Kerala, Cochin and Calicut were sampled. From the ascertained member of students 1.2% of the whole population was drawn. A total of 478 and 925 of respondents from Kenya and India respectively was sampled.

Study Findings

This study sought to establish if there is a relationship between soft drinks consumer brand loyalty and product promotion. To achieve this objective, the participants were requested to respond to items on a five likert scale in the questionnaire on product promotion at the same time a null hypothesis was formulated. The null hypothesis stated that: There is no positive and significant correlation between soft drinks consumer brand loyalty and product promotion of the soft drink. The means of the statements on product promotions were tabulated and the results are presented in table 1.00

Table 1.00: Promotion Means in the Two Markets

Statement	Kenyan Market		Indian market	
	Mean	Std. Deviation	Mean	Std. Deviation
The promotional campaign of the product appeal to me highly to buy the product.	3.1695	1.23278	3.4501	1.23483
Ads of the brand attract me to purchase	3.2518	1.12324	3.3671	1.33662
Window displays are attractive	3.1792	1.16871	3.8909	.94889

From the table 1,00, it was found out that the means of 3.1695 ± 1.23278 and 3.4501 ± 1.23483 were obtained for the Kenyan and Indian responses on the statement that ‘the promotional campaign of the product appeal to me highly to buy the product’. Indicating that majority of the Kenyan respondents were more neutral on the statement while the Indian respondents were more in agreement with the statement implying that the promotional campaigns used to market the soft drinks in India are more attractive to the Indian youths as compared to the promotional campaigns in Kenya.

The statement that ‘Ads of the brand attract me to purchase’ had a slight mean difference between the respondents from the two markets with a mean of 3.2518 ± 1.12324 and 3.3671 ± 1.33662 for the Kenyan and Indian markets respectively. It can be deduced that respondents from the two markets were neutral with majority of them being in agreement with the statement an implication that promotional advertisements may attract soft drink consumers to consume more of their preferred soft drinks in both Kenya and India.

The statement that window displays are attractive had a mean of 3.1792 ± 1.16871 from the Kenyan respondents while it showed a mean of $3.8909 \pm .94889$ from the Indian respondents. This shows that the Kenyan responses were more neutral on the statement and at the same time lower than the Indian responses which was higher and in agreement with the statement. It can therefore be shown that window displays attracts more Indian soft drink consumers to buy their brands but may/may not attract the Kenyan youth soft drink consumers.

To test the null hypothesis that: There is no positive and significant correlation between soft drinks consumer brand loyalty and product promotion of the soft drink simple regression was perform on brand loyalty and product promotions using Enter method. This was to determine any significance for the assumed relationships based on the magnitude and direction of the relationship. Product promotion was the predictor representing the independent factor as shown in table 2,00. R represents the values of simple correlation coefficient between the predictor used and level of brand loyalty. The predictor used in the model represent only a simple correlation between the level of brand loyalty and product promotion. The R^2 represented the measure of variability in level of brand loyalty that is accounted for by the predictor (product promotion). From the model, ($R^2 = .406$ for Indian Market and $R^2 = .602$ for the Kenyan market) shows that the predictor account for 40.6% in the Indian market and 60.2% in the Kenyan market variation for level of brand loyalty.

Table 2,00: Model Summary on Influence of product promotion on Brand Loyalty

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
1	Indian Market	.638 ^a	.406	.406	.58828
1	Kenyan market	.776 ^a	.602	.601	.43103

a. Predictors: (Constant), Promotion

From the model, it was found out that in the Kenyan market, product promotion ($R^2 = .602$) was higher as compared to the Indian market ($R^2 = .406$). this shows that promotion for soft drinks in the Kenyan market affects brand loyalty more as compared to the Indian market.

Further ANOVA was performed to test the hypothesis and the results are presented in table 3,00 (a) and (b).

Table 3.00 (a): Product Promotion ANOVA for Indian Market

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	153.802	1	153.802	444.426	.000 ^a
	Residual	224.599	649	.346		
	Total	378.402	650			

a. Predictors: (Constant), Promotions

b. Dependent Variable: loyalty

Table 3.00(b): Product Promotion ANOVA for Kenyan Market

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.120	1	115.120	619.629	.000 ^a
	Residual	75.987	409	.186		
	Total	191.107	410			

a. Predictors: (Constant), Promotions

b. Dependent Variable: Loyalty

From the table 3.00 (a) and (b) the product promotions in both markets were found to be significant $F(1 = 619.629, p < .05)$ for the Kenyan market and $F(1 = 444.426, p < .05)$ for the Indian market.

Conclusion and recommendations

From above findings the null hypothesis which stated that: There is no positive and significant correlation between soft drinks brand loyalty and product promotion was rejected and the alternative accepted indicating that there was a positive and significant correlation between product promotion and brand loyalty in the two markets. This is in line with studies done to confirm this. Similar studies concur that well targeted advertisements will help in changing consumer's perception towards the product attributes and hence influence his or her tastes for the product leading to loyalty [7]. Some other studies, suggest that promotion, especially in form of a well targeted advertisement cannot only make the consumers less price sensitive and more loyal, but also change their knowledge, attitude and behaviors towards the product[8]. Hence we can conclude that soft drinks producers firms will stand to gain most by investing in aggressive and targeted promotion. This applies to firms in both countries of India and Kenya.

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