Food and Non Alcoholic Beverages: Branding through Social Media

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ABSTRACT

Food and non-alcoholic beverages industry in India has shown major growth and development as one of the fastest growing sectors in India in terms of new products introduced and markets captured. The young population of India who are the major consumers of this sector have meanwhile grown up with internet and a majority of them are prolific users of social media. Brands have discovered social media as a vehicle for marketing communications during this last decade. Major food and non-alcoholic beverages companies are now using popular social media to reach their customers. This article describes a study on the use of social media by the brands in this sector. Facebook, Twitter, and YouTube users have been studied through a survey to understand the impact of brand communications by food and non-alcoholic beverages brands. Overall satisfaction with social media brand communications, brand equity. and purchase intention has been studied.

Keywords: Food and non-alcoholic beverages, Brand communications, social media, Facebook, Twitter, You Tube

INTRODUCTION:

Social media has connected the world like nothing before it. It has made it possible for people across continents to not only share information and media, but it also facilitates projects and activities where people from across the globe participate virtually. Statistics reveal that close to half of the world's population of 7.8 billion use internet and more than half of them are active social media users. India is also following this trend with nearly 250 million social media users according to wearesocial.org social media statistics for 2017. Marketers have now begun to understand the importance of so many people using this media and are catching up quite fast – by using social media to reach their customers where they are and talk to them directly.According to an industry report, of the total spending in digital advertising media, Rs. 1,911 crores or 28% is made on social media. Facebook, Twitter, and YouTube are the primary medium for the major food and non-alcoholic beverages brands.

Social Media:

Andreas Kaplan and Michael Heinlein define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content" (Kaplan & Haenlein, 2010). Social media is built on the capabilities of web 2.0 which allows content creation and collaboration using tools available freely on the internet and no restrictions on age and entry. A large number of people can access such content using mobile technologies. Thus social media refer to web and mobile based technologies used to create highly interactive platforms that turn communications into interactive dialogue using ubiquitously accessible and scalable technologies. (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011). Social media are defined as "those interactive web platforms via which individuals and communities share, co-create, discuss, and modify user-generated content" (Kietzmann et al., 2011) (Page 241).

Food and Non-alcoholic Beverages:

India is one of the largest producers and exporters of food and non-alcoholic beverages in this world according(IBEF, 2017). Even though a large part of the industry still remains in the unorganized sector, a large number of multi-national as well as Indian companies operate in this segment. Some of the major players in this industry are Hindustan Unilever, ITC, Nestle, Pepsico, Coca Cola, Britannia India, Cadbury (Mondolez), Kraft Foods, GlaxoSmithkline Consumer Healthcare, Parle Agro, Haldirams, Amul, Future Group, MTR, Kwality Walls etc. It is a fast-growing and vibrant industry that has seen tremendous growth in the recent years. According to a study, much of this can be attributed to the changing demographics in our country – a young population with higher disposable income, more women in the work place, urbanization and expansion of the organized retail sector(FICCI, 2015). This young population of men and women are educated and use internet as well as social media. They purchase online and are comfortable ordering their groceries through the internet. Their buying behaviour is characterized by the increasing choice of convenience food items which can be quickly made and consumed. At the same time, they seek healthier options with better quality(Grant Thornton, 2014). This young generation does most of their activities including banking, reading news, watching movies, listening to music, connecting to friends and family and even working online. Theirs is a digitally empowered world and their number is increasing. Hence it is imperative for food and non-alcoholic beverages to be present online especially on social media(Green Hasson Janks, 2013) as is observed worldwide.

OBJECTIVE OF THE STUDY:

The influence of social media brand communication on the customer value, brand equity metrics and the final purchase intention with specific reference to the food and non-alcoholic beverages industry is yet to be studied. To address this research void, a conceptual model was developed and the following research objectives have been formulated.
1. To understand customer value gained through brand communications on social media of food and non-alcoholic beverage brands
2. To identify the impact of customer satisfaction with social media brand communication on brand equity metrics and purchase intention

LITERATURE REVIEW:

According to the Customer Value Theory (Slater, 1997), a customer's choice is a function of multiple value dimensions. Baird and Parasnis(Heller Baird & Parasnis, 2011)indicate that understanding what customers really value is critical for companies that intend to use social networking sites for marketing their brands. Sweeney and Soutar (J. Sweeney & Soutar, 2001)identify customer value as consisting of three dimensions: functional, social and emotional.

Functional value has traditionally been recognized as the principal driver of a customer's value perception. Sweeney and Soutar (J. C. Sweeney & Chew, 2002) conceptualize functional value as deriving from customer's evaluation of the quality, performance and economic aspects of the products. In the context of brand pages on social media, the quality of information delivered to the customers, the product – related knowledge gained though these pages and economic benefits gained such as discount coupons, gifts, and other monetary gains derived as members of the brand pages are considered as functional value gained. Therefore, in this study three factors are used to measure functional quality in the context of brand pages; information quality, product related learning and economic benefits.

Social value in this context refers to the perceived benefits of enhancing customer's social well-being and relationships. Followers of a brand's communications through various platforms are people who share some common interest on a certain brand. The social aspects enable customers to share information and help others solve product related problems. The interactions and collaborations available through the brand page may help customers feeling of social warmth. Hence interactivity, collaboration and social presence are identified as the sub dimensions of social presence in this study.

The emotional value customers derive from a brand page represents the arousal of their inner feelings or affective states. It depends on how much fun it is to use, how it stimulates customer's inner feelings, how it creates feelings of satisfaction. When customers find emotional value, they tend to share their feelings though positive word of mouth. Hence, it has been decided to confine the measure of emotional value to a positive word of mouth.

Brand equity is the added value that is endowed by a brand name to the market offering. It is a multi-faceted construct which has been measured from various points of view. Aaker (D.Aaker, 1991)defines it as a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a

product or service to a firm and/or that firm's customers. It involves brand assets such as brand associations, perceived quality and brand loyalty as well as the proprietary brand assets.

Brand awareness(D A Aaker, 1991)is already there in case of branding efforts made on social networking sites such as Facebook or Twitter which require users to "like" or "follow" a brand in order to receive its communications. Thus the major brand metrics that are considered for online brand building through social networking sites are brand awareness, brand associations, perceived quality and brand loyalty(David A. Aaker, 1996). Aaker defines brand awareness as the strength of a brand's presence in the consumers' mind.

Brand associations (Keller, 1993)can be understood as whatever that consumer relates to brand and can include consumer image-making, profile of the product, consumer's conditions, corporate awareness, brand characteristics, signs and symbols. Brand loyalty(Jacoby & Kyner, 1973) is a deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour. Perceived quality (V. A. . Zeithaml, Berry, & Parasuraman, 1996)can be defined as the consumer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives.

Purchase intention refers to a customer's expressed willingness to purchase the brand in the near future(Cobb-Walgren, Ruble, & Donthu, 1995; Grewal, Krishnan, Baker, & Borin, 1998).The brand communications made through social media should ideally generate purchase intention among the receivers. The proposed research model was as follows:

Figure 1: Proposed Research Model
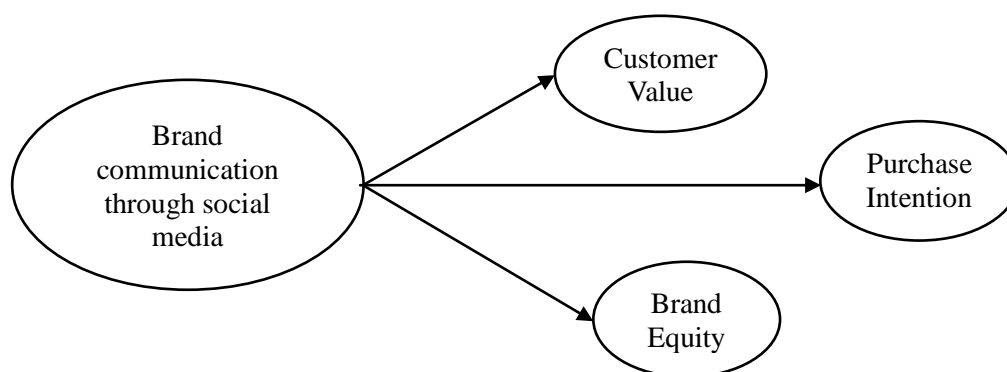
RESEARCH METHODOLOGY:

A sample of 500 respondents were collected using random sampling methods. The questionnaire was created on Google Forms and administered online through popular social media. It was posted through social media with a message inviting participants who have subscribed or followed a food and non-alcoholic brands on Facebook, YouTube or Twitter to answer the questionnaire. Likert scaling is used due to its popularity in empirical research, enabling the adoption of items used and tested in previous research for all dimensions of customer value, brand equity metrics as well as other variables (Yoo, Donthu, & Lee, 2000). (J. Sweeney & Soutar, 2001)(V. Zeithaml, 1988)(Jacoby & Kyner, 1973). Secondary data was collected from journals, research papers, online publications, and books.

FINDINGS:

There is an almost equal distribution of both men and women in the sample. Nearly 61% of the sample belongs to the 18-25 age group, followed by 12.5% in the 25-35 age group. Thus the sample conforms to the general pattern followed by the population where almost 70% of social media users are from this age group. Majority of the respondents are post graduates, graduates or professionals. Their educational qualifications and familiarity with internet and web 2.0 technologies ensure that they have a higher participation in social media. It was observed that 60% of the sample consists of students followed by professionals, businesspeople and private employees. This is also consistant with the age groups where majority are between 18-25 since most people study during this age.

Out of the respondents, almost everyone who is a social media user was a user of Facebook as well. After Facebook, YouTube enjoys almost 80% patronage of all users followed by Twitter which enjoys just 20% of following. It was observed that a significant number of users who follow brand communications use Facebook alone as their primary social media platform. Social media users were found to be mostly satisfied with brand communications on Facebook followed by YouTube. A large majority of users do not follow brands on Twitter. Among those who follow, satisfaction with brand communications is very low across all sectors.

Functional Value:

The functional value of the brand pages was examined through information quality, product – related learning and economic benefit as shown in Figures 1-3. The information quality of the brand pages was found to be sufficiently high for respondents to find the pages informative and useful. A significant product-related learning was happening and the respondents found the communications useful in solving product-related problems. The brand communications offered considerable economic benefit in the form of discounts and freebies as well as participation in contests and games. According to the respondents, social media was used to provide satisfactory services includes answering queries and complaints. Thus it was concluded that the brand communications were providing functional value.
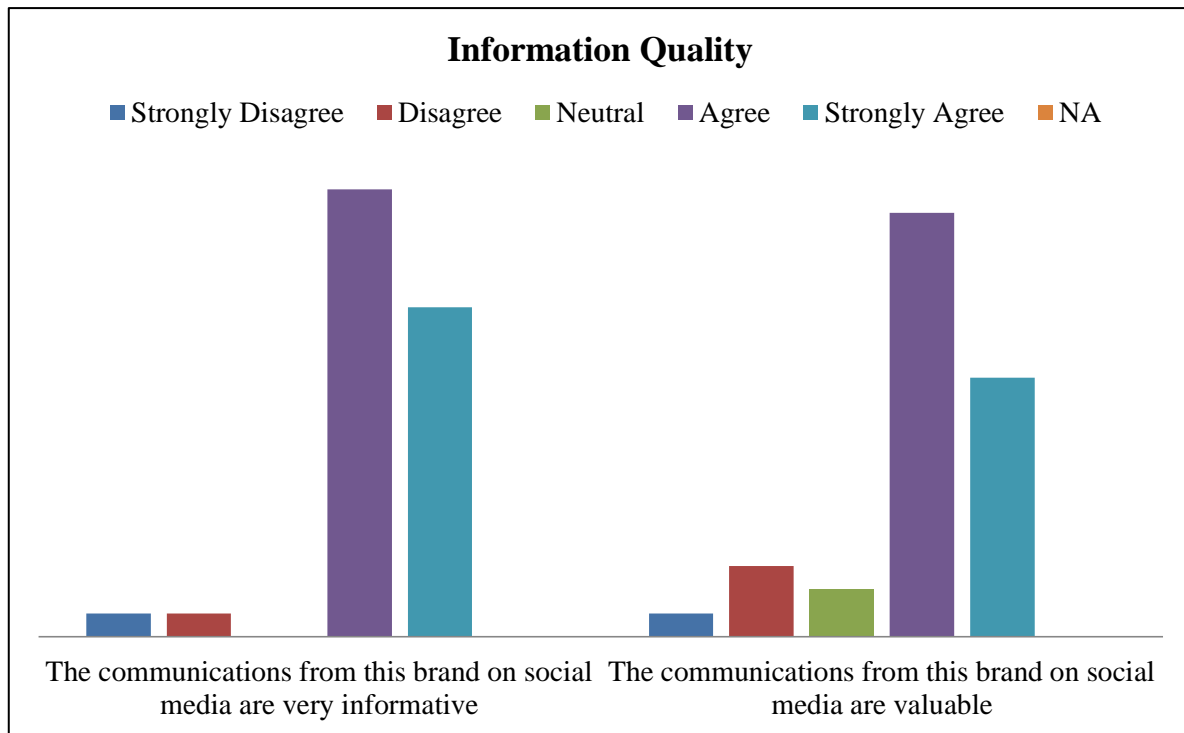
Figure 2: Information Quality

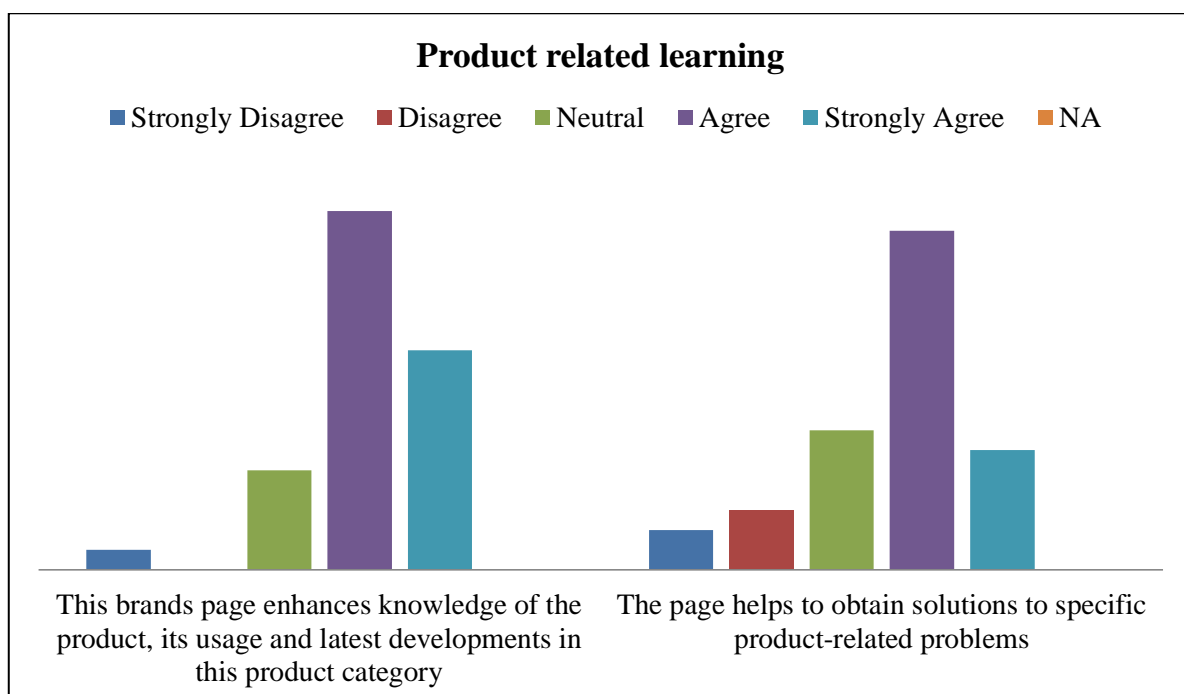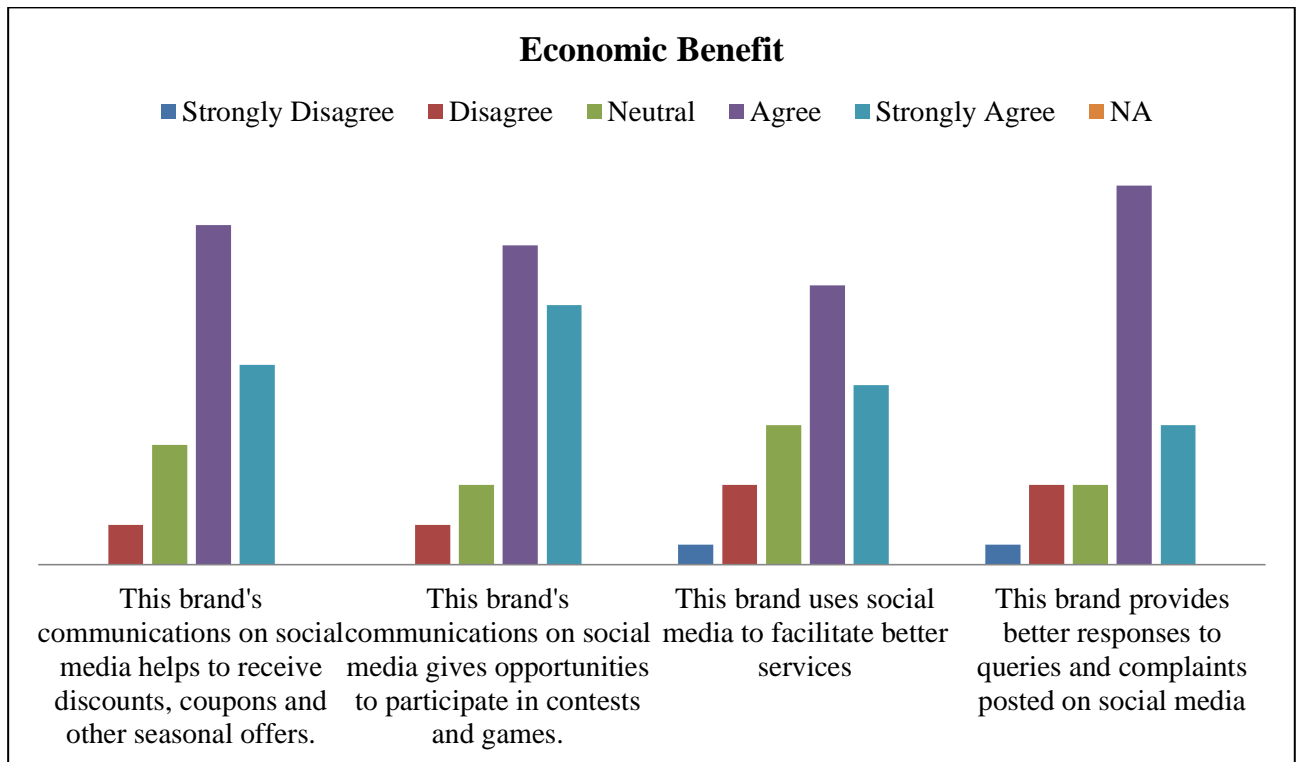**Figure 3: Product Related Learning**

Figure 3: Economic Benefit

Social Value:

The social value gained by the customer is measured in terms of the opportunities available for interactivity and collaboration within the brand pages as well as the possibility of social presence as shown in figures 4-7. The social media were found to offer considerable opportunities to interact through responses received for comments and queries. Collaborative practices such as sharing of ideas and thoughts with each other was also found though helping others was found to be much less. The members of the pages were found to be warm and close to each other and felt a sense of human contact, signifying a social presence. Therefore, it was concluded that the respondents received social value from the brand communications.
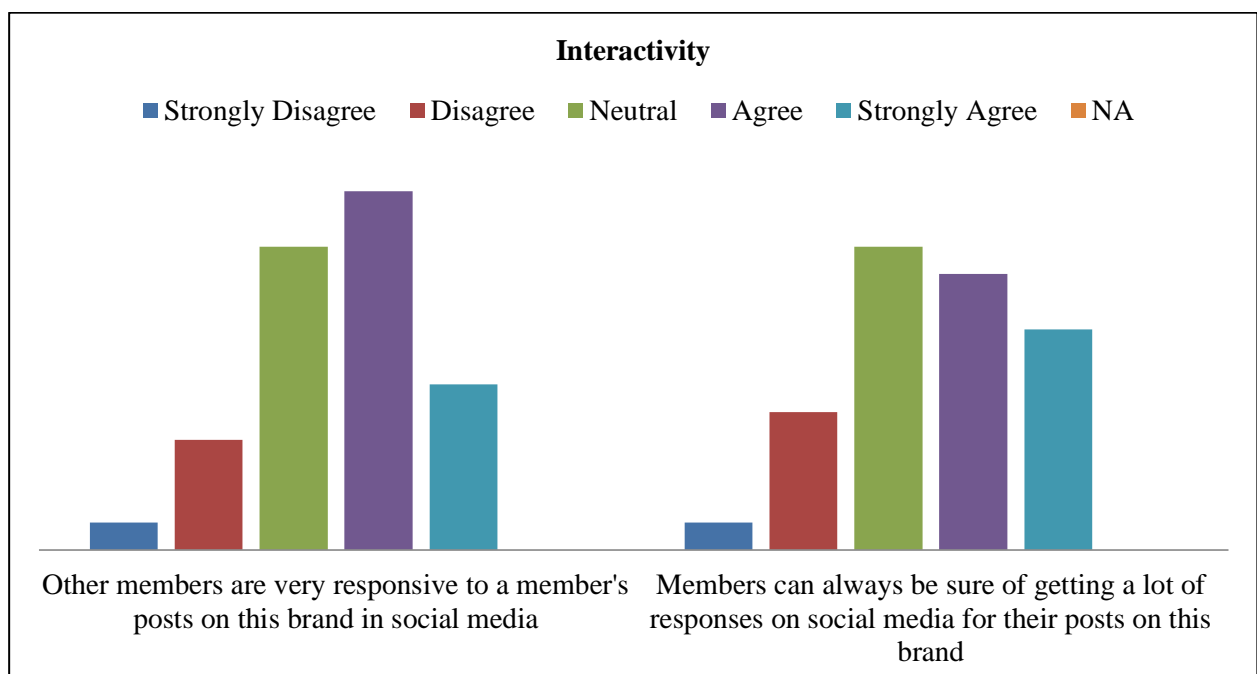
Figure 4: Interactivity
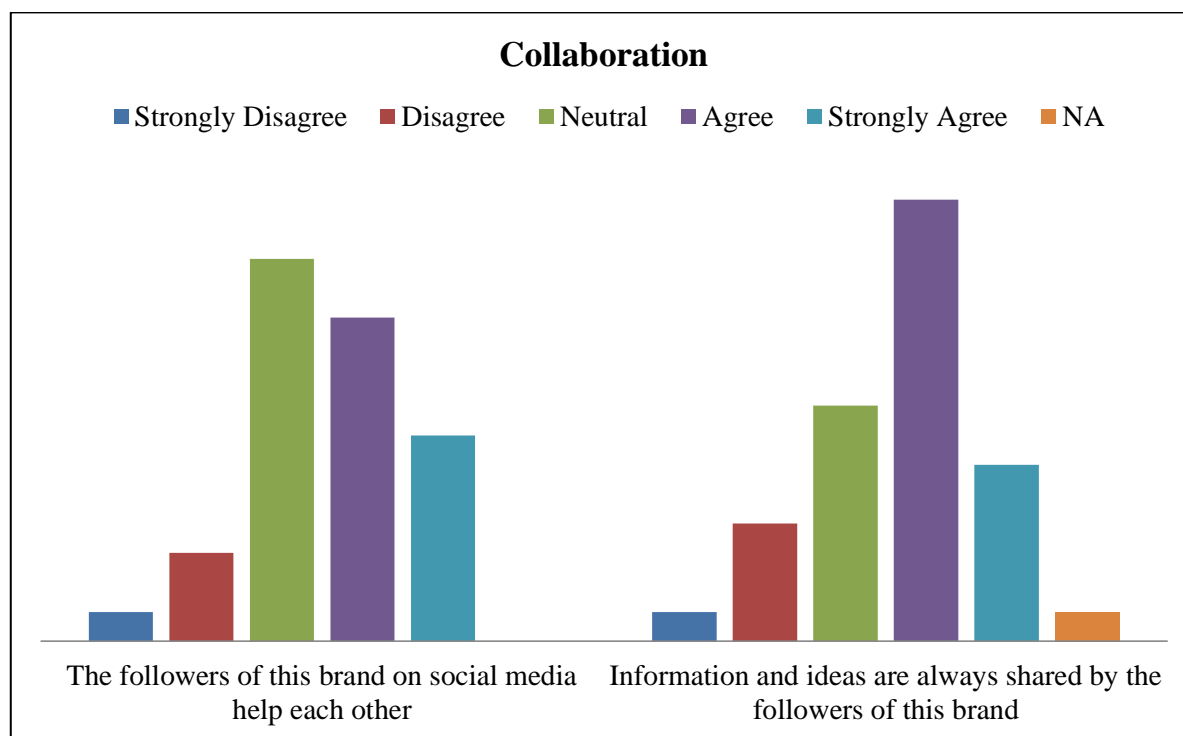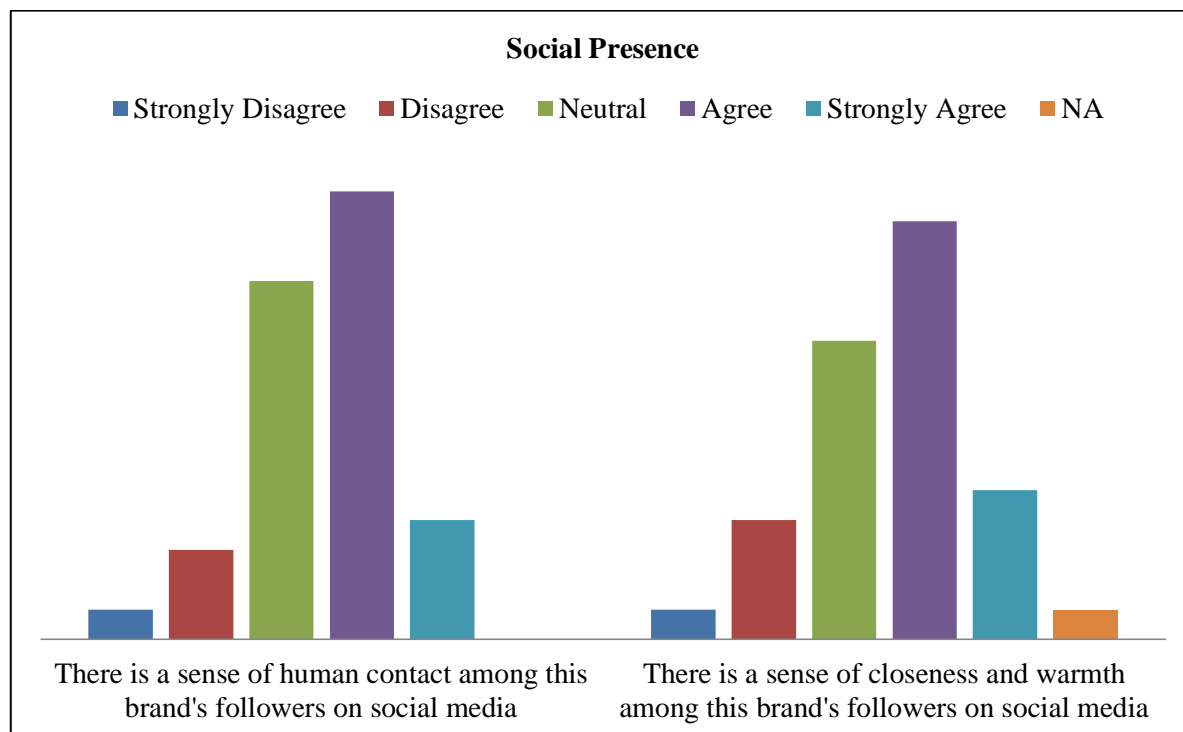
Figure 5: Collaboration

Figure 6: Social Presence

Emotional Value:

The emotional value gained as a result of the good experiences with the brand communications create warm feelings which generate positive word of mouth about the brand. It was found that the respondents showed very strong tendency to spread positive word of mouth about the brand and a very high level of willingness to recommend it to others. Consequently, it may be inferred that the brand's communications on social media have generated very string and positive emotions and feelings providing very strong and substantial emotional value to the customers.

Figure 7: Positive Word of Mouth
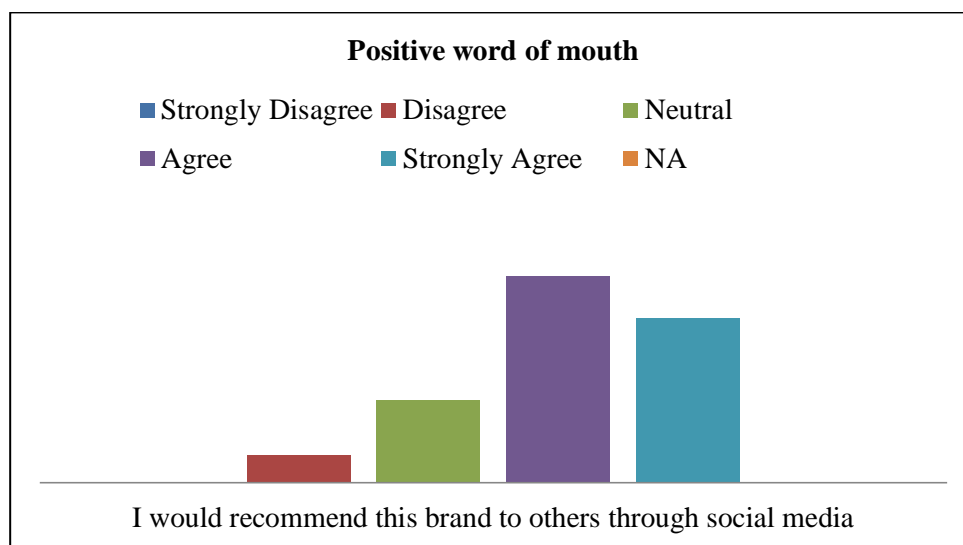
Brand Equity and its Dimensions:

The constituent elements of brand equity are brand awareness, brand associations, perceived quality and brand loyalty. They were measured individually along with a separate measure for brand equity as shown in figures 8-12. A large number of respondents were able to quickly identify the brand communications on social media. The brand associations were found to be clearly defined and had a high recall with specific brand characteristics being very well known among the respondents and remembered in relation to the brands. The brand personalities were also well understood.

It was observed that the respondents had a high level of brand loyalty andregularly recommended the brands. The brands were the first choice in comparison with other brands appearing on social media. The respondents also showed a very low tendency to switch over to other brands which was a clear indication of loyalty.

The brands of this sector were found to enjoy a considerable level of perceived quality. While majority of the respondents have indicated that the reliability and quality of the products to be quite high. Nevertheless, a lower level of agreement was found among them in case of value offered and customer care.

A strong positive brand equity was experienced by brands who communicate through social media. The respondents also showed a higher likelihood of purchasing the said brands instead of others as they considered it to be a smarter decision – indicating the essence of brand equity namely; brand loyalty, purchase intention and brand value that is bestowed on the brand.

Thus it may be concluded that in case of food and non-alcoholic beverages, the brand communications through social media generate a significant amount of brand equity
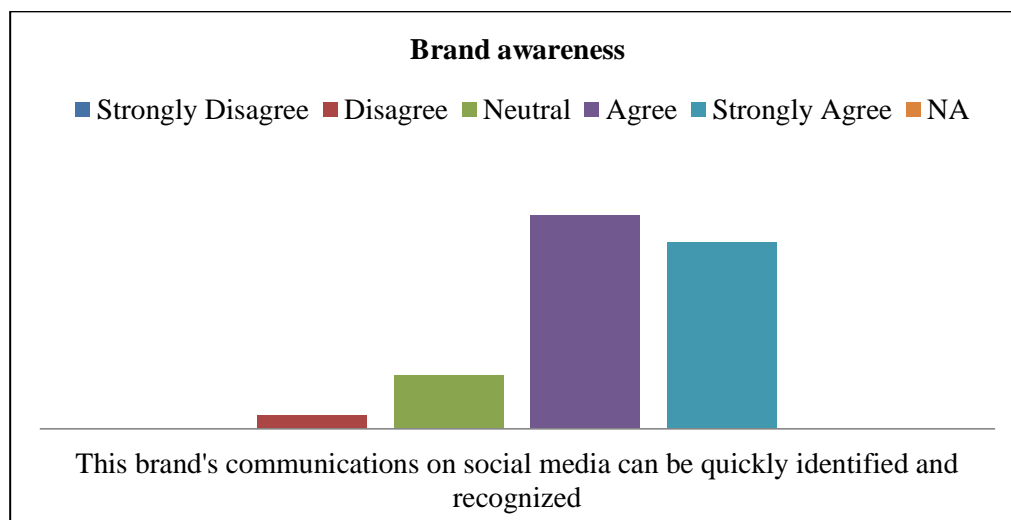
Figure 8: Brand Awareness
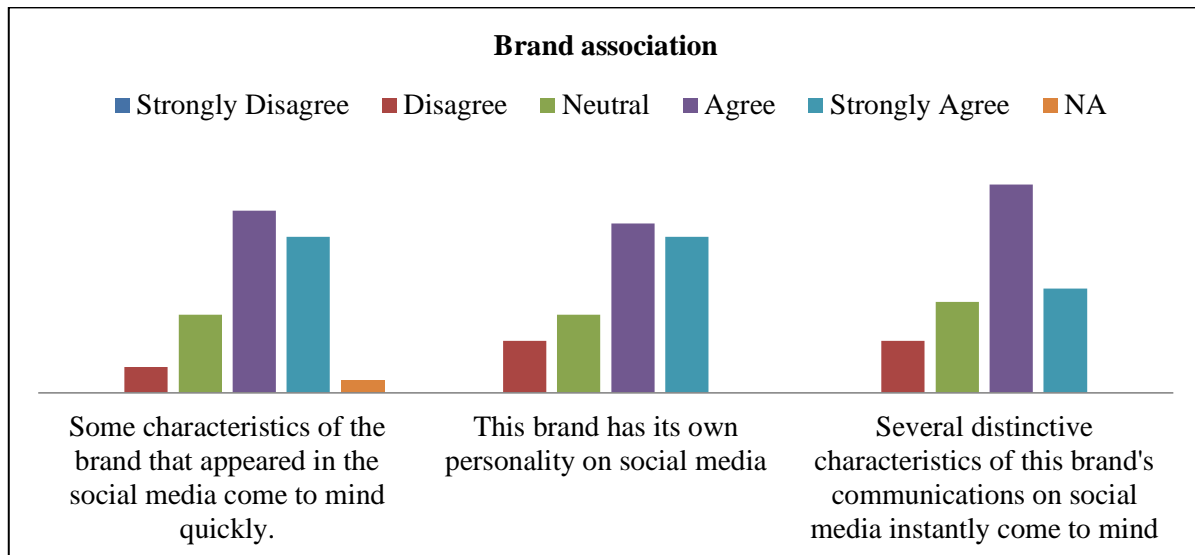
Figure 9: Brand Association

Brand association
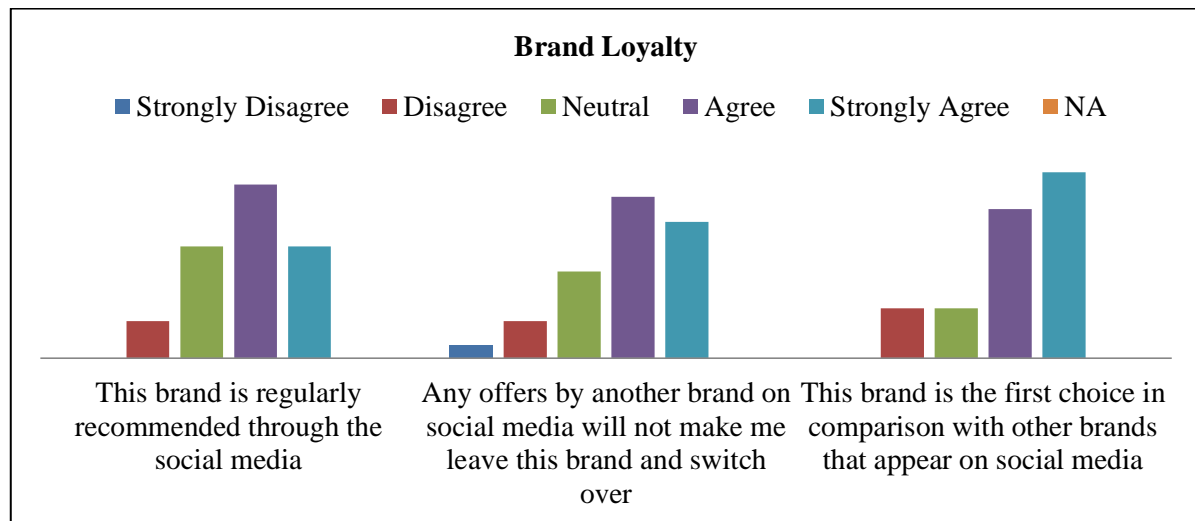
Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree ■ NA

Some characteristics of the brand that appeared in the social media come to mind quickly. | This brand has its own personality on social media | Several distinctive characteristics of this brand's communications on social media instantly come to mind

Figure 10: Brand Loyalty

Brand Loyalty

Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree ■ NA

This brand is regularly recommended through the social media | Any offers by another brand on social media will not make me leave this brand and switch over | This brand is the first choice in comparison with other brands that appear on social media

Figure 11: Perceived Quality

Perceived quality

Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree ■ NA

Most of the products of this brand are of great quality | The likelihood that the products are reliable is very high | The products are worth their price | The brand provides prompt customer care
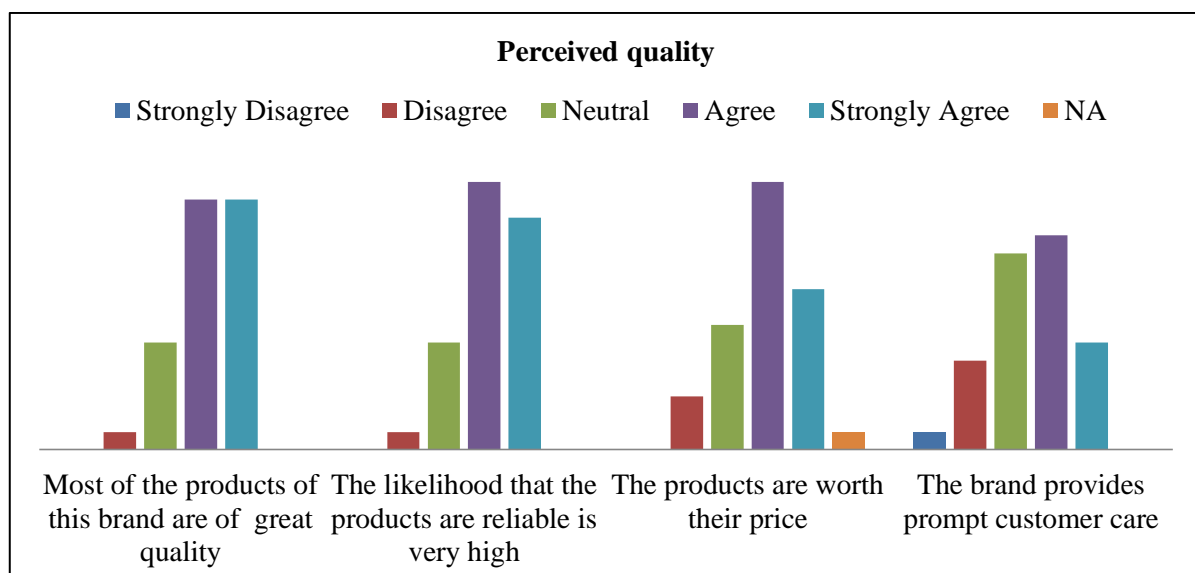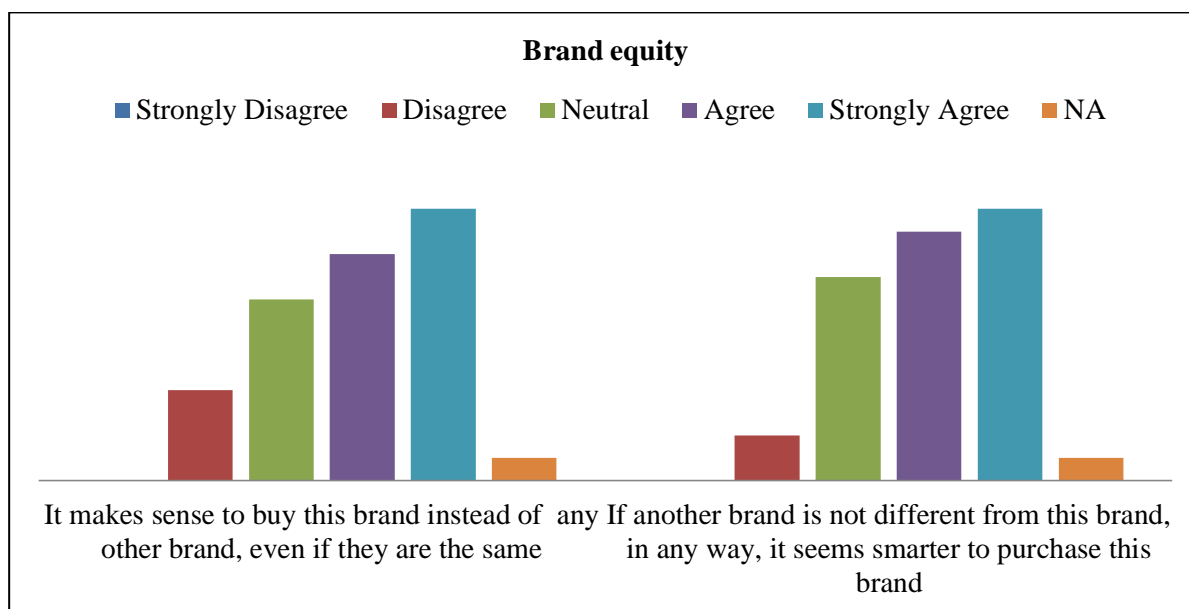
Figure 12: Brand Equity

Purchase Intention:

The intention to purchase the brand in the future is the principle indicator of brand loyalty and equity and has been measured here as shown in figure 13. The respondents have expressed a strong intention to purchase the brands in this sector. They have also strongly agreed to preferring them over other comparable brands of this sector. Therefore, it is established that in case of food and non-alcoholic beverages, the brand communications through social media generate considerable willingness in the minds of the customers to purchase the product.

Figure 13: Brand Purchase Intention
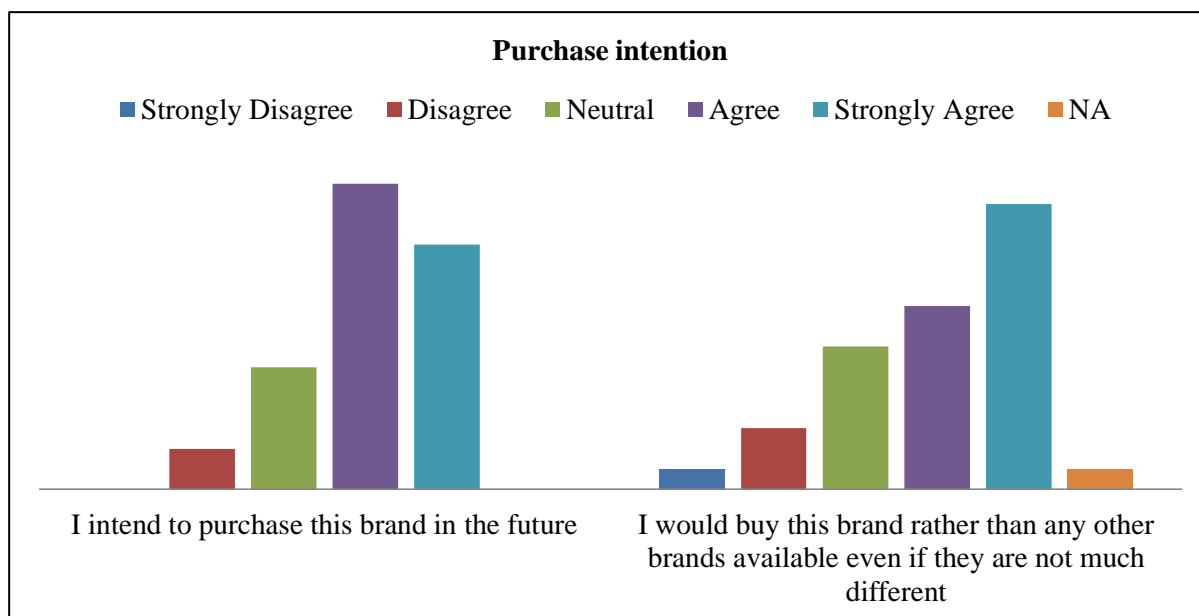
CONCLUSION:

From the above findings, it may be concluded that in case of food and non-alcoholic beverages, there exists significant benefits on using social media for brand communications. It has been observed to provide considerable customer value, brand equity as well as generate significant amount of purchase intention among the users. The respondents agreed that the marketing communications received through social media had value in terms of information received. The social media facilitated social networking, interaction and collaboration. The messages created strong positive emotions and feelings and resulted in valuable positive word of mouth

which translates to the best advertising and endorsement that brands can receive.

The brand communications also produced significant levels of brand equity which was expressed as a strong likelihood of purchasing the brand over others. They exhibited high levels of awareness and recognition of brand communication and symbols. They identified and recalled brand associations quickly and clearly understood the brand personalities as well. Respondents also perceived their brands to have a higher level of quality and displayed considerable brand loyalty - regularly recommending their favourite brands to others online. This is very important in a sector where brand switching can be quickly and easily done. Moreover, the respondents expressed their strong desire to purchase the brands on a future date indicating a strong and significant purchase intention. Therefore, it may be concluded that food and non-alcoholic beverages brands in India have been successful in their use of social media.

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