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Understanding Customer Perception towards Wild Brew Malt Beverage in Bangladesh

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ABSTRACT

Perception is the process through which one gathers, processes, and interprets information from the environment. In this competitive world every organization needs to know the perception of different customers towards the prices, quality, brand features, packaging, design, and their level of satisfaction so that companies can satisfy properly customer needs over their rival groups. For this reason this study attempted to understand the perception of domestic customers towards Wild Brew malt beverage, the product of Akij Food and Beverage Limited (AFBL). To attain this objective a survey was developed and administered across 315 respondents of malt beverage in Dhaka City. The findings of this research confirm the positive customer perception towards the brand and all the factors such as price, package, quality, taste, availability, brand name, and advertisement are responsible for Wild Brew brand preference.

Keywords: *FMCG, Customer Perception, Wild Brew, Malt Beverage*

1. INTRODUCTION

The Fast Moving Consumer Goods (FMCG) sector is a corner stone of the Bangladesh economy. This sector touches every aspect of human life.

The FMCG producers now realize that there is a lot of opportunity for them to enter into the rural market. The sector is excited about the rural population whose incomes are rising and the lifestyles are changing. There are as many middle income households in the rural areas as there are in the urban.

Fast Moving Consumer Goods (FMCG), also known as Consumer Packaged Goods (CPG), is products that have a quick turnover and relatively low cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large

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numbers and so the cumulative profit on such products can be large. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, teeth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, bulbs, batteries, paper products and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products and drinks, although these are often categorized separately.

Today, in this competitive world every organization needs to know the perception in the mind of the customers. Because how customer acts is influenced by his or her view of the situation. In marketing, perception is more important than reality, because perception affect consumers' actual behavior. In order to gain mind share or heart share of customers along with the market share is the main lookout for the organizations. Especially in consumer Soft Beverages (Drinks) sector, where the products are more or less same, the only way to leave positive impact on customer's mind and to gain competitive advantage is providing best possible services to the customers.

It has been found that many researchers have already studied the perception of different Fast Moving Consumer Goods (FMCG) of Bangladesh; but there are a few studies about the perception of malt beverage products, especially on Wild Brew malt beverage, is mostly preferred malt beverage by the students and professionals. Thus an attempt has been made in this research to explore the consumer perception on Wild Brew malt beverage.

Our study now focuses on the malt beverage of Akij food & Beverage limited (AFBL) the favorite brand name **Wild Brew** has been gaining popularity among all carbonated water lovers. It gained popularity particularly among teenage people and children.

Another favorite brand name *Mojo* gained popularity within a short period. Presently the company able to introduce new types of product which increase the depth of the category of AFBL..

Akij food & Beverage limited started its journey officially on July 2006 with three products but within this two years company able to add lot of products on its rosters. The products which are offering now by the company are given below:

Product Category	Brand Name	Size
Cola	MOJO	150ml can, 250ml pet and can, 500ml pet, 1 liter pet, 2 liter pet.
Cloudy Lemon	Lemu	150ml can, 250ml pet and can, 500ml pet, 1 liter pet, 2 liter pet.
Clear Lemon	Clemon	250ml pet and can 500ml pet, 1 liter pet, and 2 liter pet.
Energy Drink	Speed	250ml pet and can
Malt Beverage	Spa	500ml pet, 1 liter pet, 2 liter pet

Juice	Frutika (Mango, Red grape, Red orange)	250ml pet, 1 liter.
Milk	Farm Fresh UHT milk	½ liter tetra pack.
Malt Beverage	Wild Brew	250ml can.
Snacks	Cheeky Monkey	15 and 30 gm Foil pack.
	Cheese Puffs	15 and 30 gm Foil pack.
	O' Potato (vegetable masala, Magic masala)	15 and 30 gm Foil pack.

Consumers around the world vary tremendously in age, income, education level, and tastes. They also buy an incredible variety of goods and services (Kotler 2010). In this study the authors examine the fascinating array of factors responsible for Wild Brew brand preference.

The main objective of this paper is to study about the customer perception towards Wild Brew malt beverage of Akij food & Beverage limited and to find out the comparative position of malt beverage in the consumer mind and the factors responsible for brand choice.

This paper draws on previous research, some books, and websites to identify the relevant factors and develop a theoretical basis for the study; it presents the specific objectives and methodology of the study, the descriptive statistics that guided the analyses and the findings of the analysis.

2. LITERATURE REVIEW

Perception is defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world (Schiffman, Kanuk, 2010-11). It can be described as “how we see the world around us.” Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes, and interprets these stimuli is a highly individual process based on each person’s own needs, values, and expectations (Schiffman, Kanuk, 2010-11). Perception is the process through which one gathers, processes, and interprets information from the environment. How a consumer perceives a particular product is important for the marketer in the sense that it will affect consumer’s decision. A motivated person is ready to act. How the person acts is influenced by his or her own perception of the situation (Kotler, Armstrong, 2008). Most large companies research consumers buying decisions in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy (Kotler, 2010). Marketers can study actual consumer purchases to find out what they buy, where, and how much. But learning

about the whys of consumer buying behavior is not so easy-the answers are often locked deep within the consumer's mind (Kotler, 2010). In marketing, perceptions are more important than the reality, as it is perceptions that will affect consumers' actual behavior (Kotler, 2009).

In this paper, the researchers have tried to know the perception of Fast Moving Consumer Goods (FMCG) in Bangladesh i.e, Wild Brew malt beverage of Akij Food and Beverage Ltd (AFBL). Fast Moving Consumer Goods (FMCG) is any products sold in a supermarket. Wikipedia has a different definition which is quite acceptable "...are products that are sold quickly at relatively low cost." But this misses out a range of products that may be considered FMCG such as Pharmaceuticals and Consumer Electronics.

Fast Moving Consumer Goods (FMCG) are popularly named as consumer packaged goods. Items in this category include all consumables (other than groceries/pulses) people buy at regular intervals. The most common in the list are toilet soaps, detergents, shampoos, toothpaste, shaving products, shoe polish, packaged foodstuff, and household accessories and extends to certain electronic goods.

The FMCG industry includes food and non-food everyday consumer products. They are usually purchased as an outcome of small-scale consumer decision so they are heavily supported (advertising, promotion) by the manufacturers. Typical purchasing of these goods occurs at grocery stores, supermarkets, hypermarkets etc.

The term FMCG refers to those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year. This contrast with durable goods or major appliances such as kitchen appliances, which are generally replaced over a period of several years (source: Wikipedia).

FMCG have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly. Some FMCG – such as meat, fruits and vegetables, dairy products and baked goods – are highly perishable. Other goods such as alcohol, toiletries, pre-packaged foods, soft drinks and cleaning products have high turnover rates(source: Wikipedia 2011).

From the consumers' perspective, the main characteristics of FMCG are the following: Frequent purchase, low involvement (little or no effort to choose the item -- products with strong brand loyalty is exceptions to this rule), and low price. From the marketers' perspective, the main characteristics of FMCG are as follows: high volumes, low contribution margins, extensive distribution networks, and high stock turnover.

Malt beverage is an American term for both alcoholic and non-alcoholic fermented beverages, in which the primary ingredient is barley, which has been allowed to sprout ("malt") slightly before it is processed. By far, the most predominant malt beverage is beer, of which there are two main styles: ale and lager. A non-alcoholic beverage brewed in this fashion is technically identical to "non-alcoholic beer." Such a beverage may be prepared by either removing alcohol from the finished product or by

using a slightly altered brewing process which yields very little alcohol (technically less than 0.5% by weight).

The term "malt beverage" is often used by trade associations of groups of beer wholesalers (e.g. Tennessee Malt Beverage Association) to avoid any negative connotations associated with beer. Additionally, the term is applied to many other flavored beverages prepared from malted grains to which natural or artificial flavors have been added to make them taste similar to wines, fruits, colas, ciders, or other beverages. This subcategory has been called "malt," as in Smirnoff Ice (US & French version), or "malt," as in 3SUM, which also has energy components like caffeine. Marketing of such products in the United States has increased rapidly in recent years.

In most jurisdictions, these products are regulated in a way identical to beer, which allows a retailer with a beer license to sell a seemingly wider product line. This also generally avoids the steeper taxes and stricter regulations associated with distilled spirits.

Another offering from Akij food & Beverage limited is the malt beverage side of the portfolio. Wild Brew is non-alcoholic malt beverage in which the primary ingredient is barley, which has been allowed to sprout ("malt") slightly before it is processed. The product has been launched by AFBL in November 2008. The category of the product is slow in our Bangladeshi market and captivates only 1% of our entire beverage industry. The non-alcoholic malt beverage (WILD BREW) is promoted with the strategic marketing/communicational theme of *"The Beast Inside---Har mene Chey Shobai"*. The idea projected states that consuming the product will make the individual feel the beast residing inside.

Consumer behavior is influenced by three factors: cultural (culture, subculture, and social class); social (reference groups, family, and social roles and status); and personal (age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept). Research into all these factors can provide marketers with clues to reach and serve consumers more effectively (Kotler et al, 2009).

Our review of literature suggests to find out the comparative position of malt beverage in the consumer mind as well as to find out the consumption rate of respondents. In this article we will be more concerned about the relationship between customers' age and factors (price, package, quality, taste, availability, brand name, and advertisement) responsible for brand choice when customers purchase soft drinks.

Price: Consumer consider price when they purchase a product or service. How a consumer perceives a price – as high, as low, as fair – has a strong influence on both purchase intentions and purchase satisfaction. Consider the perception of price fairness, for example. There is some evidence that customers do pay attention to the prices paid by other customers (such as senior citizens, frequent flyers, affinity club members), and that

that the differential pricing strategies used by some marketers are perceived as unfair by customers not eligible for the special prices (Schiffman & Kanuk, 2010-11).

Packaging: Packaging involves designing and producing the container or wrapper for a product. Traditionally, the primary function of package was to hold and protect the product. In recent times, however, numerous factors have made packaging an important marketing tool as well. Increased competition and clutter on retail store shelves means that packages must now perform many sales tasks – from attracting attention, to describing the product, to making the sale. Companies are realizing the power of good packaging to create immediate consumer recognition of a brand. (Kotler & Armstrong, 2010)

Quality: Consumers often judge the quality of a product or service on the basis of a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the product or service; others are extrinsic. Either singly or together, such cues provide the basis for perceptions of product and service quality (Schiffman & Kanuk, 2010-11).

Taste: Customers also consider taste when they purchase soft drinks or malt beverage. Customer purchase intent of malt beverage was strongly related to degree of liking and to several key sensory attributes including saltiness, drinks flavor and greasiness. Tepper and Trail (1998), suggest that consumers perceive these characteristics as being most important in their choice of malt beverage.

Availability: Availability means the convenient reach of the product to the customers. Convenience is something that increases comfort or saves work at a suitable or agreeable time (Lexico Publishing Group [LLC], 2007).

Brand name: Consumer may evaluate the identical product differently depending on how it is branded. They learn about brands through past experiences with the product and its marketing program, finding out which brands satisfy their needs and which do not. Marketers need to teach consumers “who” the product is – by giving it a name and other brand elements to identify it – as well as what the product does and why consumers should care. Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm (Kotler et al, 2009).

Advertisement: Advertisement is also a valuable tool for building company or brand equity as it is a powerful way to provide consumers with information as well as to influence their perceptions (Belch & Belch, 2007-08).

3. OBJECTIVES OF THE STUDY

- To find out the comparative position of malt beverage in the consumer mind
- To show the consumption rate of the respondents
- To identify the factors responsible for Wild Brew brand preference.
- To examine whether there is any relationship between customers age and factors responsible for brand choice

4. METHODOLOGY

Descriptive research is used to conduct this research. The population of the study comprises of all the Wild Brew consumers of Dhaka City. The study adopted a non-probability convenient sampling technique to shape the sample. Hence the data required for fulfilling the objective of the study were collected by using mall-intercept technique. 315 respondents were surveyed with the help of a structured questionnaire. This study also reviewed different published articles, books, and websites to collect the necessary data. However exact references are mentioned in this study. In this research, the researchers identified seven factors (price, packaging, quality, taste, availability, and advertisement) that are responsible for Wild Brew brand preference. Data analyzes were done using descriptive statistics, hypothesis testing using t-distribution, and chi-square tests. SPSS 16.0 software was used to find out the output.

5. ANALYSIS AND FINDINGS

Table 1: Demographic Profile

Variable	Catagories	Percent
Gender	Male	78.8
	Female	29.2
Age	16-18	4.8
	19-21	15.2
	22-24	38.7
	25-27	28.3
	28-30	8.3
	>31	4.8
Education	Doctorate	1.6
	Postgraduate	3.5
	Undergraduate	22.9
	H.S.C	55.6
	S.S.C	14.6
	Below S.S.C	1.9
Occupation	Student	58.7
	Service Holder	31.7
	Businessman	7.9
	other	1.6

In table 1, a summary of findings on customer profile along four variables: gender, age, occupation, and level of education have been presented.

Out of 315 Wild Brew malt beverage consumers, 78.8% consumers are male and 29.2% consumers are female. In this study, the reason for high concentration of male may have high interest of consumption or male may consume more malt beverage than female. The majority of the malt beverage consumers lie between 22 to 24 years. Consumers who lie between 25 to 27 years of age come next. 15.2% consumer's age are 19 to 21 years, 8.3% consumer's age are between 28 to 30 years, and 4.8% consumer's age are between 16 to 18 years and less than 31 years respectively. It is found that 22 to 24 years old consumers are in the dominant position than other aged consumers. It is seen that most of the respondent's educational background is under H.S.C level (72.1%) that drinks Wild Brew malt beverage and is followed by undergraduate level (22.9%), postgraduate level (3.5%), and doctorate level (1.6%). Most of the respondents who drink Wild Brew are students (58.7%). In the next come service holder 31.7%, businessman 7.9%, and other 1.6% respectively. It can be said that students are on top as malt beverage consumer.

Table 2: Consumption rate of the respondents

Consumption rate

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <1	133	42.2	42.2	42.2
1-3	114	36.2	36.2	78.4
4-6	32	10.2	10.2	88.6
4	36	11.4	11.4	100.0
Total	315	100.0	100.0	

Table 2 shows that 42.2% of the respondents drink wild brew less than 1 time in a week, 36.2% of the respondents drink 1-3 times in a week, 10.2% of the respondents drink 4-6 times in a week, and 11.4% of the respondents drink more than 4 times in a week.

Table 3: Factors responsible for Wild Brew brand preference and its' relationship with customers' age.

Chi-Square Tests

	Value	df	P-Value
Price	1.1732	20	.000
Package	86.941	20	.000
Quality	69.307	20	.000
Taste	90.365	20	.000
Availability	74.565	20	.000
Brand Name	85.708	20	.000
Advertisement	64.243	20	.000

T-test and Chi-Square Test

The t-test results (Table 04) show that all the factors have above average preference among the Wild Brew customers. This means customers never evaluate a single factor to purchase the brand, they rather consider all the factors related to the brand. However the results of Chi-Square (Table 03) also support the above stated findings.

Table 4: T-test

	t	df	p-Value	Conclusion
Price	15.601	314	.000	
packaging	13.350	314	.000	
quality	8.287	314	.000	
taste	7.480	314	.000	
avaibility	11.363	314	.000	
brand	8.467	314	.000	
advertisement	10.234	314	.000	

Table 5: Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Price	315	1.00	5.00	3.8889	1.01126
packaging	315	1.00	5.00	3.7746	1.02981
quality	315	1.00	5.00	3.4921	1.05385

taste	315	1.00	5.00	3.5016	1.19013
avaibility	315	1.00	5.00	3.5937	.92727
brand	315	1.00	5.00	3.5238	1.09802
advertisement	315	1.00	5.00	3.7587	1.31583
Valid N (listwise)	315				

Table 05 shows that according to mean score customer perceive the price (3.89) as the most important factor to chose the brand Wild Brew. Customers perceive packaging (3.77) as the second important factor to evaluate the brand followed by advertisement (3.75), availability (3.59), brand (3.52), taste (3.50), and quality (3.49).

6. CONCLUSION AND RECOMMENDATION

This research is designed to explore the customer perception and the factors responsible for brand preference of Wild Brew malt beverage of Akij Food and Beverag Limited (AFBL). From the study regarding customer perception towards Wild Brew malt beverage, it is noted in terms of age and gender that the most of the respondents' age is between 22 to 27 years and male customers were found to be more positive to take Wild Brew malt beverage. In terms of profession, students and service holder drinks more than people in other profession. In terms of educational qualification, those have H.S.C and undergraduate education found to drink more Wild Brew malt beverage than others. It is also found that the most of the respondents (42.2%) drink Wild Brew less than one time in a week whereas 36.2% of the respondents drink one to three (1-3) times in a week. It can be said that the Wild Brew malt beverage is able to create a positive perception to the mind of customers and all the factors (price, package, quality, taste, availability, and advertisement) have above average preference among the Wild Brew consumers and there is a positive relationship between customers' age and factors responsible for brand choice. In modern world consumers' demand is changing day by day and they switch brand frequently. So, retaining the consumers is important and it will be possible when companies will be conscious about the perception of consumers and will be able to create positive image to the consumers mind according to that perception.

7. LIMITATION AND SUGGESTION FOR FUTURE RESEARCH

The study has been conducted only on the customers of Dhaka City. A more comprehensive research could be carried out throughout Bangladesh, including the rural population and it would provide a clear picture of customer perception towards this brand. Finally conducting a similar research in other developing countries to gain a deeper insight could expand the research.

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