

Brand Awareness and Brand Preference for Carbonated Soft Drinks: Evidence from Cadbury Schweppes Ethiopia *Research Evidence from Life Experience*

Tesfaye Wolde¹

¹ Faculty of Business, St. Mary University, Addis Ababa, Ethiopia

Correspondence: Tesfaye Wolde, Faculty of Business, St. Mary University, Addis Ababa, Ethiopia. E-mail: teswol@yahoo.co.uk

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Abstract

When Schweppes entered the Ethiopian soft drink market viable competitors were Pepsi and Coca Cola. However, its entry into the soft drink market was largely meant to realize its potential to serve a large chunk of the Ethiopian soft drink flavor market which was under-served by the two giants. Whether this market niche provided sustained and superior returns was dependent on the business environment. It was in this environment that Schweppes had carried out a series of promotional campaigns to increase the sale of its wide range products in the market. The research on the effectiveness of the promotional campaign showed that quite significant number of potential consumers was exposed to the brand advertisement. The research result also indicated the awareness rate as measured by the frequency of exposure to the media within a short span of time. The analysis highlighted the rate of brand recall, brand trial and favorite brand usage. The method used in this sample testing survey sampling 2171 consumers made no pretense of being exhaustive. Commercial recall testing was carried out in different outlets by interviewing a random sample of consumers using a standard questionnaire. Consumers were sampled from groceries, hotels, restaurants, supermarkets, clubs, crowded streets and Mercato depot area. The survey was carried out in 2000. The author developed this research in his capacity as marketing development manager for Schweppes-Summit International.

Keywords: brand recall, brand awareness, brand trial, brand usage

1. Introduction

1.1 Introducing the Problem

Consumer advertising research presupposes and implies an effort to improve the effectiveness of advertisement. At the time of setting up the objective of advertisement one should consider its immediate impact on sales and its consideration to the long term buildup of the general attitude or behavior of consumers. To achieve any meaningful result by way of rendering attitudinal change the objective of advertisement should satisfy the following requirements:

- It should attract attention
- It should be understood and
- It should be convincing. (Boyd, 1997)

To maximize brand awareness and improve off take Schweppes Summit used TV and radio as primary vehicles based on the strategy of rotating commercials to maximize novelty and alternate media to maximize frequency.

The promotional campaign which is above the line advertisement had been going on for eight months with a two month break in the TV media campaign. The purpose of the research survey was to find out the impact of the promotional campaign during this period. Whether the period of low intensity campaign had an adverse impact on the general attitude of consumers were not singled out for separate assessment. It was believed that it was essential to put the advertisement campaign into scrutiny at an earlier stage of the campaign's life. The aim of this paper is to give a full account of the analysis of commercial recall testing which was carried out in different outlets of the CSD market. It meant to determine whether Schweppes commercial had been watched, understood and have an impact in creating awareness. It was the general belief that Schweppes would have a great potential

to serve a large chunk of the soft drink flavor market which was underserved by the major rivals. Summit's strategic direction would largely be determined if key strategic issues were properly addressed with prompt management action. The information required to address the central issues influences the types of marketing research to be undertaken was the core belief.

1.2 Exploring the Importance of the Problem

Brands such as Schweppes Pineapple, Crush Orange, Sport Cola and Canada Dry were launched in August 1999 with some media advertising, sampling cooler placement and in store support. Operating 18 trucks the bottler has initially opened 5700 outlets, finally reaching 6339 outlets in Addis. A distribution consultant and myself conducted a four weeks every dealer survey. It was believed that the rerouting exercise would address most of the distribution problems facing the bottler by dramatically reducing the non-productive performance which was running at 70%. The rationale behind the route control was mainly to monitor and measure sales performance—performance of salesmen and supervisors. It was meant to help analyze route productivity and success story pertaining to average sales per calls made, reducing no sale calls, average sales per mile against constant parameters of scheduled calls.

The initial half-baked promotional effort with the in store support brand and advertising awareness were picking up for the newly introduced brands. Brands still required development regarding favorite brand rating. A monthly brand share or brand contribution to total sales amounted to SP-47%, CD-24%, C-12%, ST-8%, SC-9%. Schweppes brand preference was based on its strength as an international brand—true for both Canada Dry and Schweppes flavor soft drinks. Schweppes was established as adult beverage of choice. The Ethiopian carbonated soft drink industry is characterized by poor quality, poor packaging and unmet demand. Carbonated soft drink volumes have declined for about 40% in the last 7 years despite increasing demand throughout the period. The country has had only the two giant bottlers and these bottlers had very little experience in competitive market situations. The rationale behind the entry of Summit-Schweppes into the CSD market was that the Ethiopian market was ripe for the entry of Summit Beverages and Cadbury Beverages International.

The industry enjoyed favorable tax environment. Both Pepsi and Coca Cola have been privatized and each needed restructuring and building up program to take effect. It would be slow for both bottlers to rebuild. Schweppes products would be launched while Pepsi and CC remained bogged down with rebuilding. Summit's soft drink products which are the Schweppes family were distributed based on the demand of customers through the sales and distribution channels in the soft drink flavor market niche. Time was the major factor to consider in determining whether the market niches provide sustained and superior returns. Information on the major rivals, Pepsi and Coca Cola was based on nothing more than the casual observations made by the sales team.

Major issues which required immediate attention were in line with

- Evaluating the potential contributions from each of the products
- Forecasting demand for new and existing product flavors
- Customer perception of price, price sensitivity
- Analyzing the effects of the half-baked campaign
- Channel, sales outlets coverage studies, design and location of distribution sites
- Comparisons of competitive soft drink products
- Market profiling on major urban centers to determine optimal geographical distribution of the products
- Working on product portfolio and assessing portfolio management issues

1.3 Relevant Scholarship

Summit promotional campaign in the area of above the line advertisement has been going on for some time now. There has been a two months break in the media campaign probably having an adverse effect on the general attitude of the consumers. So far the effect of the campaign has not been evaluated. At this stage of the campaign's life it is believed that an advertisement survey should be undertaken in order to gauge whether Schweppes-Summit's advertising is fulfilling its objectives. In other words, the objective of the survey is to determine whether Schweppes commercial have been watched, understood and have a positive impact in creating brand awareness among carbonated soft drink consumers.

The advertising pyramid (Keller, 2003) is widely employed as a measure of progression of advertising effect. Enhancing brand position will not occur overnight. A lot of effort is required to reach the higher level of action, i.e. increasing incidences and frequency of consumption. The advertising pyramid depicts the various tasks that

could be performed by advertising. Applying the pyramid principle when Schweppes introduced its flavored carbonated soft drink it is known that potential consumers were totally unaware. So the first objective of the promotion campaign was to create awareness. It was to make potential customer realize the existence of Schweppes flavored brands. The company used multi-media approach to develop comprehension and conviction and thus stimulate craving or desire for the drinks. Finally, it was assumed that the process would culminate in more incidence of immediate consumption.

1.4 Hypotheses

The hypothesis of the survey is if the advertising resources were effectively used certainly these incidence of immediate consumption would occur. In other words, the advertising pyramid of Schweppes would result in action, i.e. following the process of progression. Consequently, greater awareness of all brands would be established among the different age bracket in the population. This would increase penetration, meaning increase volume which should improve operating efficiency by raising the level of production. More sales equals more efficiency. The survey revealed that brand and advertising awareness is high for Schweppes flavored products. The majority of the consumers sampled said that the commercial persuaded them to buy the brands. In Schweppes brand category, Schweppes pineapple enjoyed the highest brand awareness rate. The brand trial rate for pineapple flavor is also the highest and naturally it is the favorite brand used by consumers. The survey result is meant to provide us with an insight on PPR—positive product response that seeks to measure public attitude. The findings further revealed that advertising exposure is mainly through television. 76% of those sampled said their major source of commercial information is the TV.

2. Method

2.1 Survey of Brand Consumers

To provide an analysis of the impact of television and radio campaigns in creating brand awareness among carbonated soft drink consumers and thus provide the bottler with an insight on PPR that seeks to measure public attitude survey was undertaken by employing the following methods:

- Commercial recall testing was carried out in different outlets;
- Consumers were sampled from groceries, restaurants, hotels, super markets, clubs, crowded streets and *Mercato* depot area;
- Focus group discussion—opinions, suggestions and comments from experts and various stakeholders;
- Secondary data analysis.

The potential for Schweppes in Ethiopia was assessed by the Research International and opportunities were uncovered. The Ethiopian water market was reviewed in the study. Ethiopians have consumed packaged water for 60 years and it is not a new concept. The package water is a popular aspect of our culture. Perception of Schweppes carbonated water by consumers was initially a surprise. The new pack was related to Schweppes Tonic and Pineapple. Acceptance of Schweppes carbonated water would largely depend on the current openness to the Schweppes carbonated drinks.

2.2 Survey Participant

There is a clear target market, the young and the trend setters. Available brands include Ambo carbonated water which is the dominant brand in the market with 85% market share. Consumers believe that Ambo drink can relief stomach pain. Consumers perceive quality of packaged water through its quality of taste. Schweppes must differentiate itself from the carbonated market by offering trendy and innovative products. Promotion was not sustainable.

2.3 Characteristic

The consumer survey focused on 301 outlets. Out of the 301 outlets sampled 35% are hotels. Customers were sampled by trade channels. Both males & females participated in the survey. Demographics used as criteria are age and income or purchasing power. In determining the advertising media schedule assumption is made relative to the number of people reached and the frequency required. Greater exposure ensures high reaches.

2.4 Sampling Procedure & Sample Size

Total number of consumers sampled was 2171. Consumers were sampled using trade channels or outlets. The highest sample was taken from hotels. Demographics used as criteria were age, sex and income. Commercial recall testing was carried out in different outlets by interviewing a random sample of soft drink consumers using a standard questionnaire. Wording of the questionnaires were carefully chosen. Peter Whiting of Schweppes

made useful suggestion regarding the wording used which has been successful in other markets on many occasions.

3. Results

The interpretation of the findings focuses on the following major impact assessment issues.

3.1 Advertisement Exposure

The greatest source of information for the potential consumers sampled is the national television. 76% of those sampled said their major source of the commercial information is the television. 20% said their source of information is the radio. A chunk /4%/ of those sampled indicated that “other” is their source of information. Further analysis would reveal that the “other” kind of source of information would come from different areas. This area should be further explored. Any purchase of sale material, billboards or words of mouth all fall into this category. This could rather supplement the commercial aired using the mass media. The survey revealed that quite a number of people, 1918 were exposed to Schweppes’ brand advertisement. In determining the advertising media schedule assumption is made in relation to the number of people reached and the frequency required. Greater exposure ensures high reaches.

3.2 Advertising Awareness

Potential consumers were asked which brands have they seen advertised within the last 3 months. 12% of those sampled have seen Schweppes Pineapple advertisement. It was also found out that 9% of the respondents have actually seen the Orange Crush advertisement; and another 9% have seen Canada Dry advertisement. Sport Cola advertisement had been seen by 7% of the respondents whereas Tonic’s advertisement ha been watched by only 6%. In other CDS category the Seven Up had been watched by 11% of the respondents; whereas 11% of the respondents had actually watched Pepsi and another 11% had watched Coca-Cola advertisement. 24% of the consumers surveyed had not seen the advertisement.

3.3 Brand Awareness

According to the survey, Schweppes Pineapple enjoyed the highest brand awareness rate/24%/. Orange Crush and Canada Dry closely follow at 22% and 21% respectively. Opinion survey indicates that 19% of the potential consumers sampled are aware of Sport Cola brand whereas 14% of those sampled are aware of Tonic brand. This is a result of unaided commercial testing. In other words, although initial findings indicated that in Schweppes brands category Schweppes Pineapple has registered the highest rate of brand recall, the others are not doing bad. Schweppes-Summit beverages should more than double its effort to raise the level of brand trial at target market. Although it was found out that a lot of people are aware of Summit brands/97%/ the bottler is very far away from attaining the set objective of converting potential consumers into real users at the current level of the promotional effort in terms of marketing resources. To maintain this level of recognition which comes as a result of brand awareness repetitive and aggressive campaign should be set in motion.

3.4 Brand Trial

Respondents were asked which of the CSD they have tried in the last four weeks. 33% of the respondents said they have tried Schweppes Pineapple in the last four weeks. On the other hand, 25% of the respondents claimed that hey have tried Orange Crush flavor. 28%, 7%, and 7% of the respondents have tried Canada Dry, Sport Cola and Tonic respectively in that order. The result of the survey does not suggest any kind of brand preference on a large scale. However, there is a good indication that consumers were eager to try the new flavors. There is an indication of a slight shift from Orange Crush to Canada Dry in recent trial in favor of one flavor to another. Further analysis indicates that earlier brand trial does not necessarily end up in repeat purchase or brand loyalty.

3.5 Favorite Brand Usage

Potential consumers were asked if they had any favorite brand. 57% of those sampled said Schweppes Pineapple is their favorite brand. Orange Crush has got good followers too, 27% of the potential consumers sampled reported that hey favor Orange Crush; whereas 25% of those sampled favor Canada Dry. A lower rate of 5% for Sport Cola and 6% for Tonic confirms the actual lower level of sales of these flavors in the last four weeks. The brand usage rate suggests that be it in peak or slack period, those brands which are in the lower spectrum of the usage gauge require a large scale of marketing effort. What is more interesting is the promotional work already done for them is not enough to warrant sufficient awareness that triggers brand preference and usage.

3.6 Place of Purchase

The large places of purchase naturally coincide with the major channels of distribution—HORECA: hotels, restaurants and cafes, but not necessarily in that order. 25% of the consumers sampled said they would buy their

brand from the “kiosk”. 23% of the respondents said they would prefer to purchase their brand from the hotels; whereas 18% of the consumers reported that their preferred places of purchase are bars and restaurants. 14% of the consumers sampled get their brands from the groceries; whereas 16.95% of them get their brand from the pastries. A limited number of consumers reported café / 0.14%/, super markets /0.17%, clubs /0.24% and “other” /2.5%/ as the major points of purchase. This point of sale analysis would help the bottler determine the target markets where it should put the marketing effort into.

3.7 Place of Consumption

Over 2000 consumers were asked where they consume their brands. 49% of the consumers sampled said they do consume their brands at the place of purchase on premises. 14% of the consumers said they do consume their brands off premises. 37% of the consumers sampled used both on premises and off premises as major places of consumption. This type of analysis would certainly help the bottler the places where it should concentrate putting its POS materials.

3.8 Quality Opinion

Consumers were asked what they think of the quality of Schweppes brands. 41% of the consumers sampled said the quality of the brands, especially the most popular ones, is excellent. On the other hand, 41% of the consumers sampled said the quality of the brand flavors is just good enough. Only 18% of the consumers sampled reported that the brands are of average quality. In fact this should not be dismissed as not being significant because all CDS consumers should at least be happy with one of the varieties of the flavors the bottler has to offer.

3.9 Refreshing

Do consumers feel that Schweppes brands are refreshing? The answer is positive for 52% of the consumers sampled. In fact, for these consumers the brands are highly refreshing. However, 36% of the consumers sampled feel that the brands are moderately refreshing. 12% of the consumers sampled expressed that the brands are not refreshing at all.

3.10 What Schweppes-Summit Commercials Make Them Do?

Finally consumers were asked to indicate what Schweppes commercial make them do. The survey revealed that 58% of the consumers sampled said that the commercial persuaded them to buy the brands. Quite a significant number, 42% of the consumers sampled were indifferent towards Schweppes commercial.

3.11 The Customer and End Users

Out of the 301 outlets surveyed, 35% belong to the hotel category. We have 37% of the respondents in a relatively better income category. Since affordability is a key factor in the bottlers marketing strategy, this sector should be targeted. A good chunk of the bottlers’ marketing effort should be concentrated here. It is highly likely that the products should be established here as the favorite flavor drink. Products should be priced to optimize affordability by maintain modest packaging premium. Price management calls for effective placement of channel oriented price and by introducing outlet monitoring.

4. Discussion

4.1 Opportunities Identified

The brand preference and awareness survey has revealed that brand marketing should be improved. Rigorously employ strategy to create awareness by using the traditional media cost effectively. Television, radio and outdoor promotions top the list. Different areas need to be explored to find out and pin point the major constraints hampering growth in sales. Although the survey revealed that brand awareness is high for Schweppes flavor drinks, brand positioning need yet to be developed to acquire favorite brand status. The challenges restricting sales growth fall under three major categories:

- Below capacity level of production and inefficiency
- Inefficiency of distribution
- Lack of commitment to develop the market regarding resource availability

Greater awareness of all the brands comes with an increasing rate of marketing effort. This would help increase market share, growth in volume of sales. Improved operating efficiency can raise the level of production.

4.2 Demand Creation

The level of Schweppes market intimacy depends on how fast and by how much the bottler manages to increase consumer knowledge of its products. Cost effective promotional activities tend to do that and establish awareness by brand. However, ample marketing resource should be allocated which is directly proportional to the volume of sales.

4.3 Distribution Strategy & Market Development

A rerouting exercise had been carried out and implementation of the new route has been effected to raise the level of efficiency in the market. Vertical growth should be attained by employing various strategies including by investing in cold drink supply operations such as equipment and processes. Horizontal growth scheme should also target developing new outlets to gain more customer base. The effort to convert the 1478 potential into Schweppes loyal clients should be a case in point. The strategy to increase availability of Schweppes products in the CSD market warrants success if only a rerouting program takes effect. The purpose of this exercise was to maximize efficiency in Addis. The other strategy is to extend coverage in the regions. The bottler should take steps to become a low cost producer. To improve production capability measures taken should include: investigation of alternative suppliers for crowns, closures; maintaining raw material stock holding to 4 months; managing lead time on raw materials; improving raw material yields and operating to forecast volume.

5. Conclusion

The survey revealed that quite a significant number of people were exposed to Schweppes brand advertisement. The level of carbonated soft drinks' market intimacy depends on how fast and by how much the bottler manages to increase the consumer knowledge about its products. Cost effective promotional activities tend to do just that and help establish awareness by brand. The more TV and radio announcement is made, the higher the level of advertisement awareness to be observed. Although it was found out that a lot of people are aware of Schweppes/Summit brands, 97%, we are very far away from attaining the set objective of converting potential consumers into real users at the current level of promotional effort. To maintain this level of recognition which naturally comes as a result of brand awareness, repetitive and aggressive campaign should be set in motion.

The brand preference analysis showed no indication of brand loyalty by consumers. Initial findings indicated that in Schweppes category Schweppes Pineapple has registered the highest rate of brand recall. Schweppes beverages should do more than double its effort to raise the level of brand trial at target market. Further analysis indicted that earlier brand trial or flavor does not necessarily end up in repeat purchase or brand loyalty. Tests like post test results are not a one off operation. The performance of such kind of advertising commercial should be measured with repeated studies. The bottler used TV advertising to utilize television's potential to combine the effects of sight, sound and momentum in demonstrating the various flavors. In fact, 76% of sampled viewers said that TV is a major source of the commercial. Such aided recall test largely meant to measure what respondents noticed, not whether the respondents actually bought the Schweppes drinks. Thus, this test has definite limitation. To measure advertisement effectiveness in creating a favorable image a variation of posttests such as TES, Tracking Efficiency Study, would provide better measuring techniques.

It is believed that the findings of the survey would provide the basis for the marketing effort which is needed to raise the sales to the required level. It would help determine the objectives of Summit's advertisement and sales promotion schemes and develop a media plan as well. In the future advertisement research should concentrate in providing a proof into sales after commercial and determine how many customers are brought in. although it is difficult to assess the real effectiveness of advertising, the ultimate purpose of advertisement is to impart information, develop attitude, induce action and trigger volume sales.

Challenges and opportunities are identified for further studies. Active program must be drawn for effective promotional campaigns. Distribution changes had been effected to raise the level of distribution efficiency. The fact remains that large advertisement expenditure has to be incurred. However, the large investment in promotion would be profitable in all carbonated soft drink markets.

Enhancing brand position will not occur overnight. A lot of effort is required to reach then higher level of action, i.e. increasing incidence and frequency of consumption. Apply the pyramid principle. When Schweppes introduced its flavored carbonated soft drink potential consumers were totally unaware. Thus, the first objective of the promotion was to create awareness that is to make potential customers realize the existence of Schweppes' flavored soft drinks. The bottler used multimedia approach to develop comprehension and conviction to stimulate a desire for the drinks. This would lead to the identification of the key success factors. Distribution capability and efficiency will increase availability by improving outlets distribution. In production efficiency and

capability the bottler should take steps to become low cost producer. The market development strategy calls for improved professionalism of the distribution function.

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