

**THE STUDY OF CUSTOMER SWITCHING BEHAVIOUR  
TOWARD CARBONATED SOFT DRINK MARKET  
“WITH SPECIAL REFERENCE TO MANMUNAI NORTH  
DIVISIONAL SECRETARIAT AREA”**



**JEBARAJAKIRTHY WILLIAMS ABARAJITHAN**



FCM1138



Project Report  
Library - EUSL

**DEPARTMENT OF MANAGEMENT  
FACULTY OF COMMERCE & MANAGEMENT  
EASTERN UNIVERSITY, SRILANKA**

**2010**

## ABSTRACT

Marketers are expected to attract more customers and fulfilling the needs and expectations of their customers. With the continuous growth of competition in the market place, understanding customers has become more and more important method of marketing. Therefore customers are more mobile and knowledge than ever before, searching for a best alternative in their purchasing process, and finally switch to their best brand. This process known as customer switching behaviour. Meanwhile concerns and awareness of customer switching behaviour have increased among the society and marketers in the past few decades. Therefore society and customers expect to be satisfied in each and every aspect of their newly emerged needs by marketers. Thus it becomes necessary for the market orientated businesses to adopt customer switching behaviour to fulfill the customers' expectations.

This study examined the research problem of whether there is customer switching behaviour in the carbonated soft drink market; and if so, what is the most basic factor that contributes for customers' switching behaviour toward the selection of carbonated soft drinks with special reference to Manmunai -North Divisional secretariat area. This research was carried out with the objectives of evaluating customer switching behaviour and to analyze the influence of marketers' marketing mix offerings, customers' demographic factor and psychographic factor on such tendency of repurchase. Four research questions were formed to test the influence of customers switching behaviour on repurchase of carbonated soft drinks. Furthermore conceptual model has been developed to understand the level of influence of three research variables on customer switching behaviour.

Quantitative methodology has been applied for this research and questionnaires were used to collect data. 200 questionnaires were issued and collected data were analyzed and evaluated as low, moderate, and high level influence of research variables on switching behaviour in carbonated soft drink repurchase. This study found that there is a customer switching behaviour in the carbonated soft drink market and also the loyal tendencies and non purchase tendencies present in the marketplace. Out of 200 respondents, 167 were switching, 29 were loyal customers 4 were nonusers of soft drinks.

Research found that, higher level influence driven from soft drink marketers' marketing mix offerings and customers psychographic factors on switching behaviour and also on loyal tendency of loyal customers. Hence, this also found that international soft drink marketers are mostly attracting switching customers while most of the customers are loyal to domestic marketers. Anyhow, it is concluded that the carbonated soft drink marketers' offering has to be improved according to customers' demographic and psychographic expectation in order to ensure long term survival of the company. In addition, the study offers suggestions to attend to the consideration on the variables for losing companies in order to increase their market share in carbonated soft drink market.

**Key Words:** Switching behaviour, loyal tendency, marketing mix, consumers' demographic factor, buyer psychographic factor.

# TABLE OF CONTENTS

	Page No
Acknowledgement	i
Abstract	ii
Table of contents	iv
List of tables	vii
List of figures	viii
<b>Chapter One</b>	
<b>Introduction</b>	
1.1 Background for the area of study.....	2
1.2 Problem Identification.....	4
1.3 Research problem.....	5
1.4 Research objectives.....	7
1.5 Purpose of the study.....	7
1.6 Scope of the study.....	7
1.7 Significance of the study.....	10
1.8 Research methodology.....	12
1.9 Assumptions of the study.....	13
1.10 Limitations of the research.....	13
1.11 Chapter framework.....	14
1.12 Summary.....	15
<b>Chapter Two</b>	
<b>Literature review</b>	
2.1 Introduction.....	16
2.2 Consumer Behaviour and Customer Switching Behaviour.....	16
2.3 Marketing Mix.....	20
2.3.1 Product.....	22
2.3.2 Price.....	24
2.3.3 Promotion.....	25
2.3.4 Place.....	26
2.4 Demographic Factor.....	28
2.4.1 Personal Factors.....	28
2.4.2 Economic Factor.....	30
2.4.3 Cultural Factor.....	31
2.4.4 Social Influence on Consumer Behaviour.....	32
2.5 Psychographic Influence on Consumer Behaviour.....	39
2.5.1 Consumer Perceptions.....	39
2.5.2 Emotion.....	42
2.5.3 Consumer Motives and Motivation.....	43
2.5.4 Consumer Attitudes.....	45
2.5.5 Consumer Learning.....	47

Chapter Three  
Conceptualization and Operationalizations

3.1 Introduction .....	50
3.2 Conceptualization .....	50
3.3 Operationalizations .....	62
3.4 Summary.....	63

Chapter Four  
Methodology

4.1 Introduction .....	64
4.2 Study setting, design and method of survey.....	65
4.3 Research Approach .....	65
4.4 Types of Research:.....	65
4.5 Population and sampling of research:.....	66
4.6 Method of Data collection.....	69
4.7 Method of Measurement .....	71
4.8 Method of Data Analysis and Evaluation.....	72
4.9 Validity and Reliability:.....	74
4.10 Summary.....	75

Chapter Five  
Data Presentation and Analysis

5.1 Introduction .....	76
5.2 Reliability Analysis.....	77
5.3 Personal information.....	78
5.4 Research Information.....	83
5.4.1 Brand .....	84
5.4.2 Marketing Mix .....	86
5.4.3 Demographic Factor.....	93
5.4.4 Psychographic Factor .....	100
5.5.1 Overall analysis of the determinations (variables).....	107
5.5.2 Overall analysis of customer switching behaviour and brand loyalty.....	110
5.6 Cross tab Analysis (Personal Information with Research Information).....	111
5.7 Summary.....	120

Chapter Six  
Discussion of Findings

6.1 Introduction .....	121
6.2 Personal Information.....	121
6.3 Discussion of Research information - Overall Analysis.....	131
6.4 Summary.....	148

**Chapter Seven**  
**Conclusion and Recommendation**

7.1 Introduction .....	144
7.2 Conclusions .....	144
7.3 Recommendation .....	148
7.4 Implications of the Research .....	153
7.5 Recommendation for further research.....	154
7.6 Summary.....	154
References .....	ix
Appendix:	
Marketers in Carbonated soft drink market .....	xv
Survey questionnaire – English .....	xvi
Survey questionnaire – Tamil .....	xxiii