



NORTHPOINT
CENTRE OF LEARNING

IMPACT OF CELEBRITY ENDORSEMENTS
ON SALES OF COCA-COLA
& THE MIND SPACE FOR COLAS



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PGPMR 2018-19
MR 15



BUSINESS PROBLEM

Map how celebrity endorsements have impacted the sale of Coke over a 3 year period and ascertain if celebrity endorsements work for this brand. Suggest a way forward for the brand, looking at the consumer spaces for the brand.



METHODOLOGY

Target Group:

Age: 15-35

Gender: Male & Female

SEC: A & B

Qualitative Research:

SEC A- 25

SEC B- 20

Total= 45

Quantitative Research:

SEC A- 63

SEC B- 40

Total= 103

Non-users of Carbonated Soft Drinks: 6

Users of Carbonated Soft Drinks: 97



HYPOTHESIS

Celebrity Endorsements:

- useful for a new product in order to create trialists
- an established brand need not invest in it
- the category is predominantly driven by taste preferences
- recall for celebrities does not necessarily translate into sales

Mind Space for Colas

- most colas taste more or less similar
- brand's communication plays a major role in creating a certain brand imagery
- this affects people's buying patterns, although this might take place at a sub-conscious level



CELEBRITY ENDORSEMENTS SECONDARY RESEARCH

- 1 celebrity endorsement can result in a 4% increase in sale almost immediately
- Legitimacy in the eyes of the audience

- Negative attributes of personality can easily transfer to a brand
- A celebrity may over power the brand
- Not required for an already strong and established brand

- Coca Cola has used various celebrities in the past such as Aamir Khan, Aishwarya Rai, Deepika Padukone, Ranbir Kapoor etc.
- They have, however, had several campaigns without any celebrities such as the 2018 “Share a Coke” campaign



GROWTH WITHOUT CELEBRITY ENDORSEMENTS

- The overall value of the Carbonated Soft Drink category stands at 26,000 cr. as of MAT (Feb) 2019
 - The category grew at a rate of 5.1% in MAT (Feb) 2018 & 10.6% in MAT (Feb) 2019.

MARKET SHARE (VAL)

	MAT (Feb) 2017	MAT (Feb) 2018	MAT (Feb) 2019
Coca-Cola	8.0%	7.4%	7.3%
Pepsi	7.6%	6.7%	5.9%
Thums Up	17.6%	17.9%	18.7%

GROWTH

	MAT (Feb) 2018	MAT (Feb) 2019
Coca-Cola	-2.3%	9.2%
Pepsi	-7%	-3%
Thums Up	6.9%	15.2%

Despite having no celebrities in the summer campaign of 2018, there was an increase in growth in the MAT (Feb) 2019 period for Coca-Cola



SALES VALUE

	2016			2017		2018	
	March 16	April 16	May 16	April 17	May 17	April 18	May 18
CSD Category	1,7302,096.7	2,28,54,045.8	2,84,38,908.9	2,35,73,252.0	2,92,91,150.2	2,36,86,483.7	2,93,84,722.8
Coca-Cola	12,81,782.0	16,92,790.9	21,16,680.7	17,16,773.5	20,63,370.7	16,16.896.4	19,38,047.5

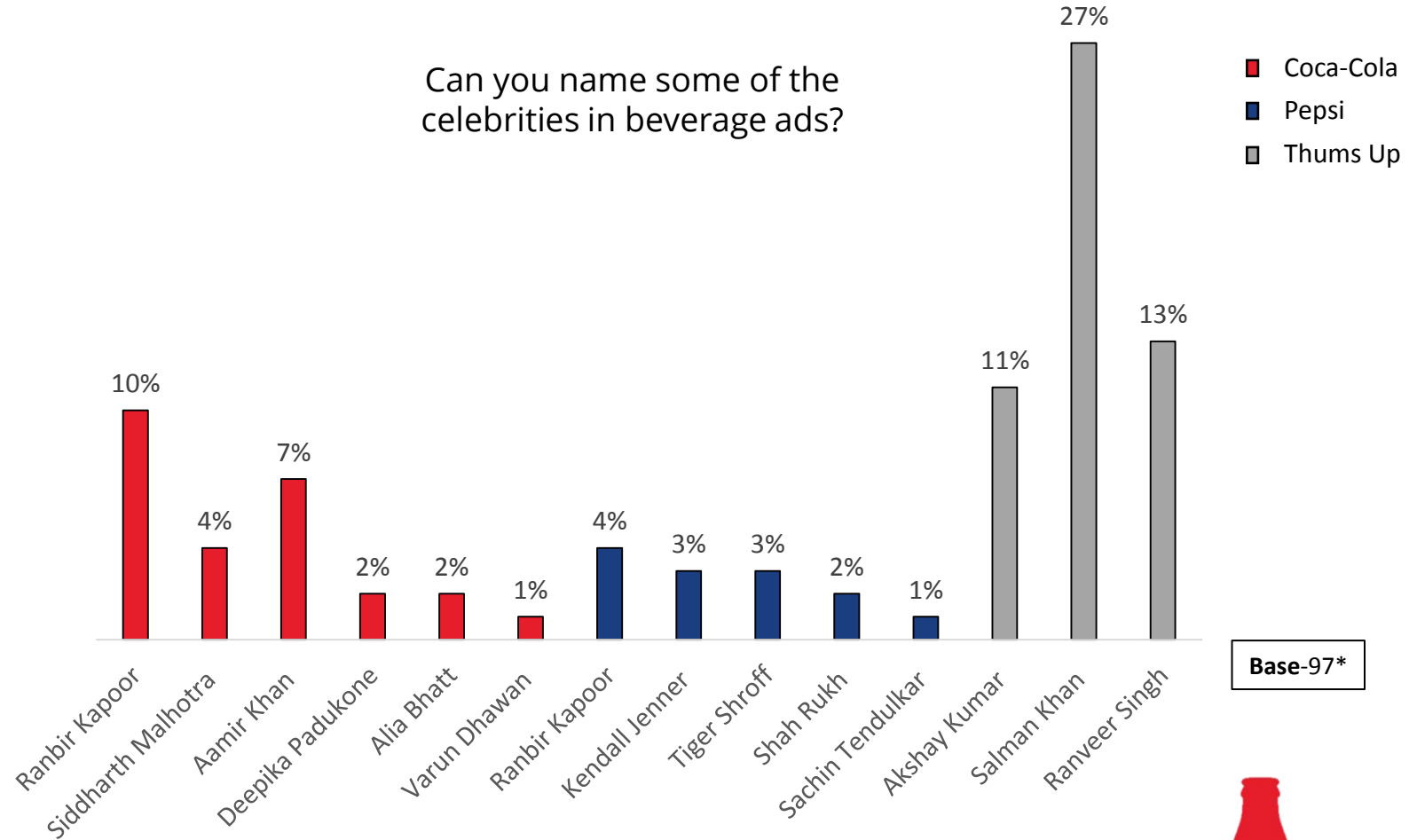


Ads with celebrities see only a marginal spike in sales as opposed to the other ads

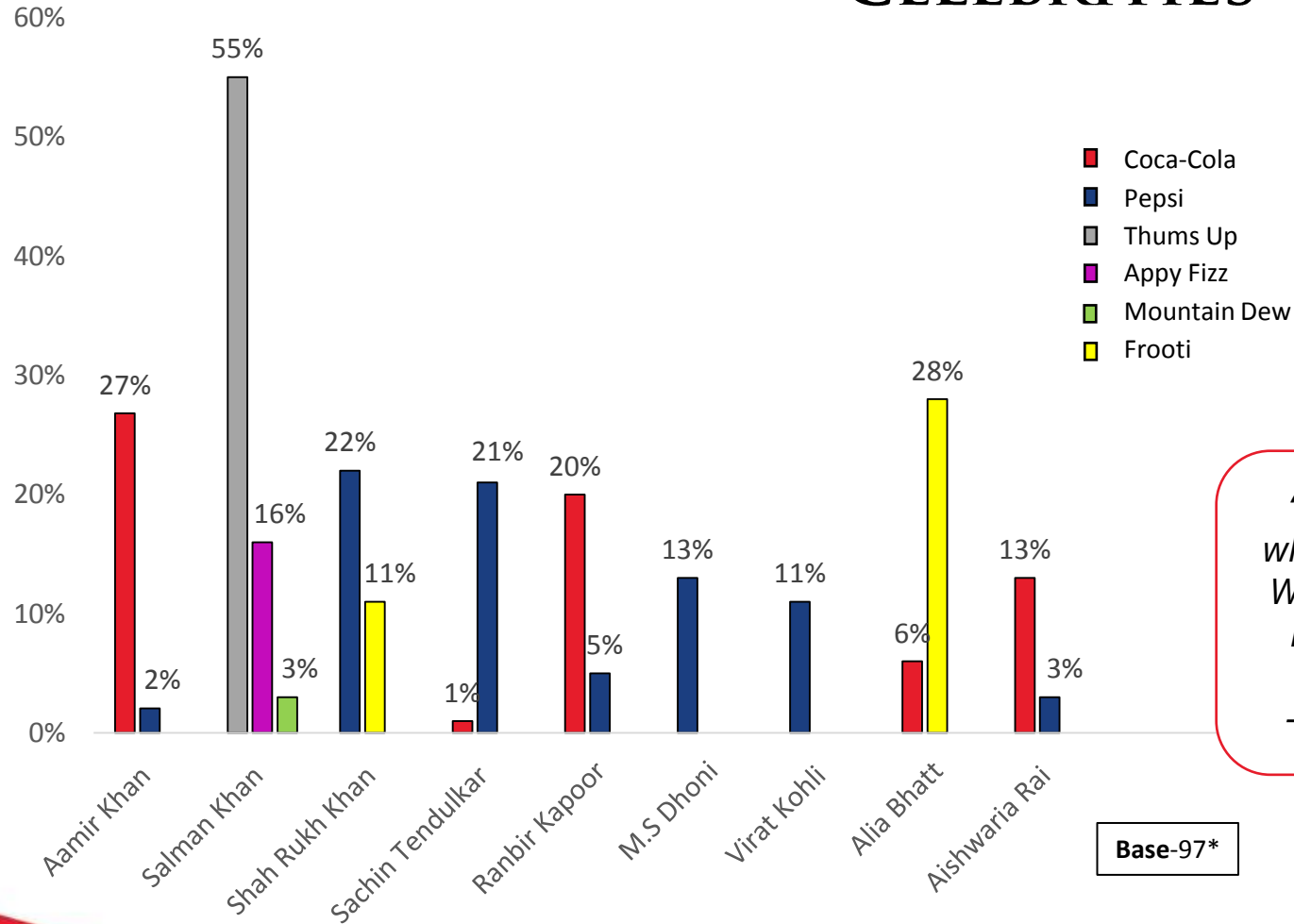


CELEBRITIES IN BEVERAGE ADS

Can you name some of the celebrities in beverage ads?



BRANDS ENDORSED BY THE CELEBRITIES



Base-97*

61% of the total respondents made at least 1 incorrect match between the celebrities and the brands being endorsed

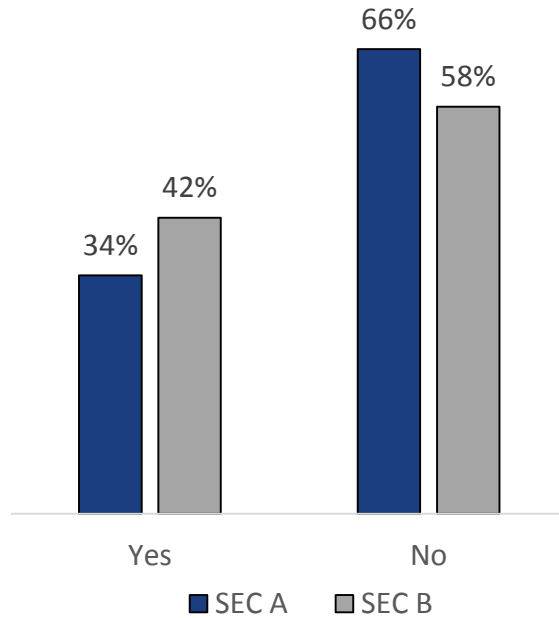
"It doesn't really matter which brand they endorse. Whoever gives them more money, they'll endorse"
- Male, 21 years, SEC B

"All I remember is that he endorses 1 one of black drinks so I don't know, Coke or Pepsi maybe?"
- Female, 28 years, SEC A



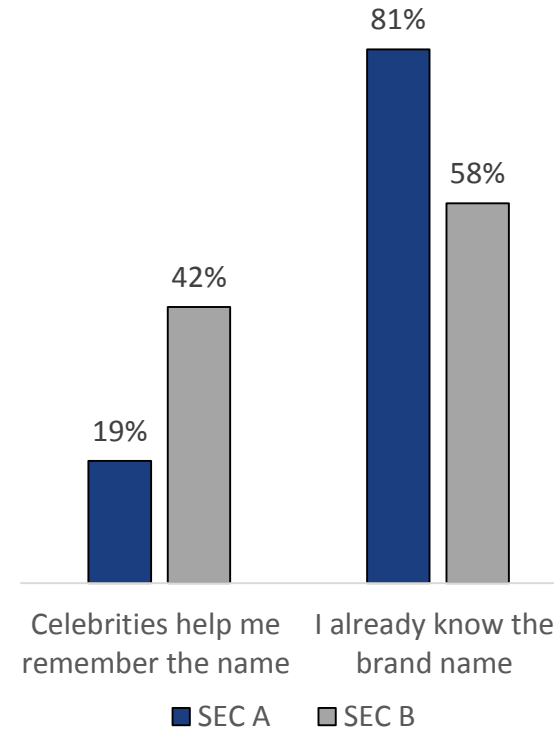
DO CELEBRITIES HELP BRAND RECALL?

As a viewer, do you enjoy watching ads with celebrities more than the other ads?



Base:
SEC A- 59
SEC B- 38

Do you think celebrities help you recall the name of a beverage brand or do you know the brand name and then have to think about which celebrity endorses it?

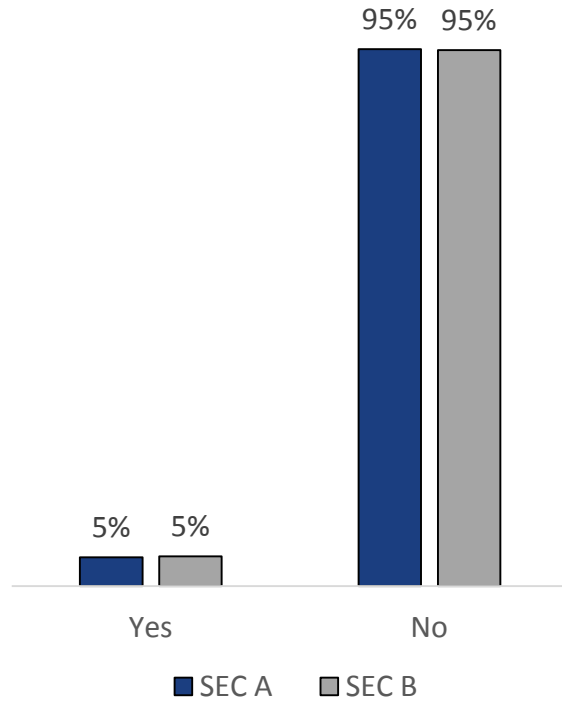


Base:
SEC A- 59
SEC B- 38



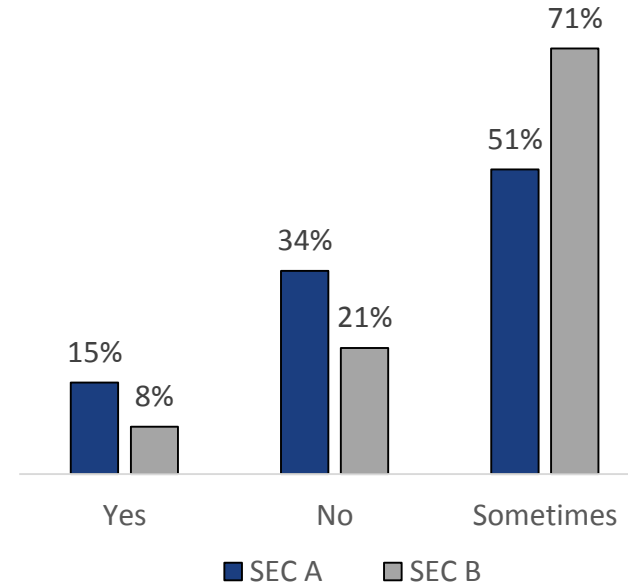
ARE CELEBRITY ENDORSEMENTS NEEDED?

Have you ever bought a beverage because of the celebrity endorsing it?



Base:
SEC A- 59
SEC B- 38

Do you think celebrity endorsements are necessary in beverage ads?



Base:
SEC A- 59
SEC B- 38



REASONS

YES

"They help in brand recognition"

- Male, 35 years, SEC A

"People love following their lifestyle"

- Female, 32 years, SEC B

NO

"Celebrities create a distance, whereas a family scenario is more relatable"

- Female, 27 years, SEC A

"People already know what the drinks taste like, so I don't think they would be swayed by the celebrity"

- Male, 23 years, SEC A

SOMETIMES

"There are lots of beverages that are doing well even without ads or celebrities"

- Male, 20 years, SEC A

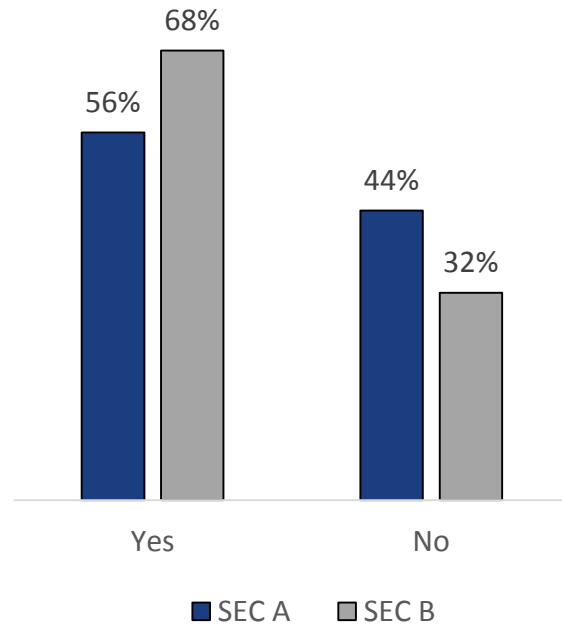
"The children/youth get affected even though we don't"

- Female, 34 years, SEC A



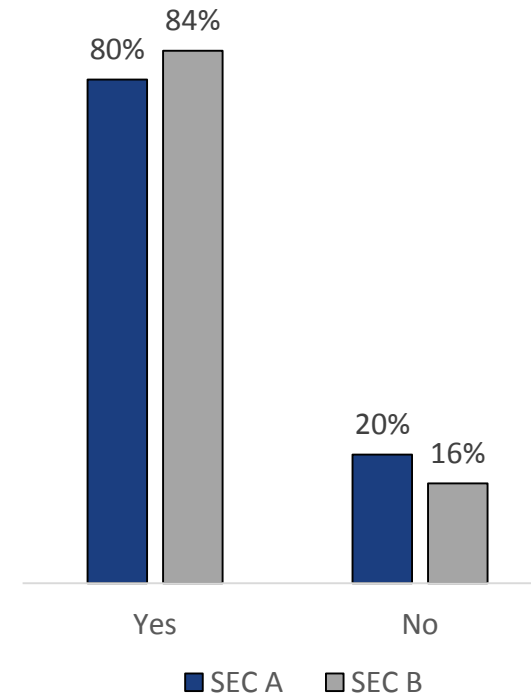
IMPACT OF CELEBRITY ENDORSEMENTS

Do you think celebrities help create a more positive impact of the brand in your mind?



Base:
SEC A- 59
SEC B- 38

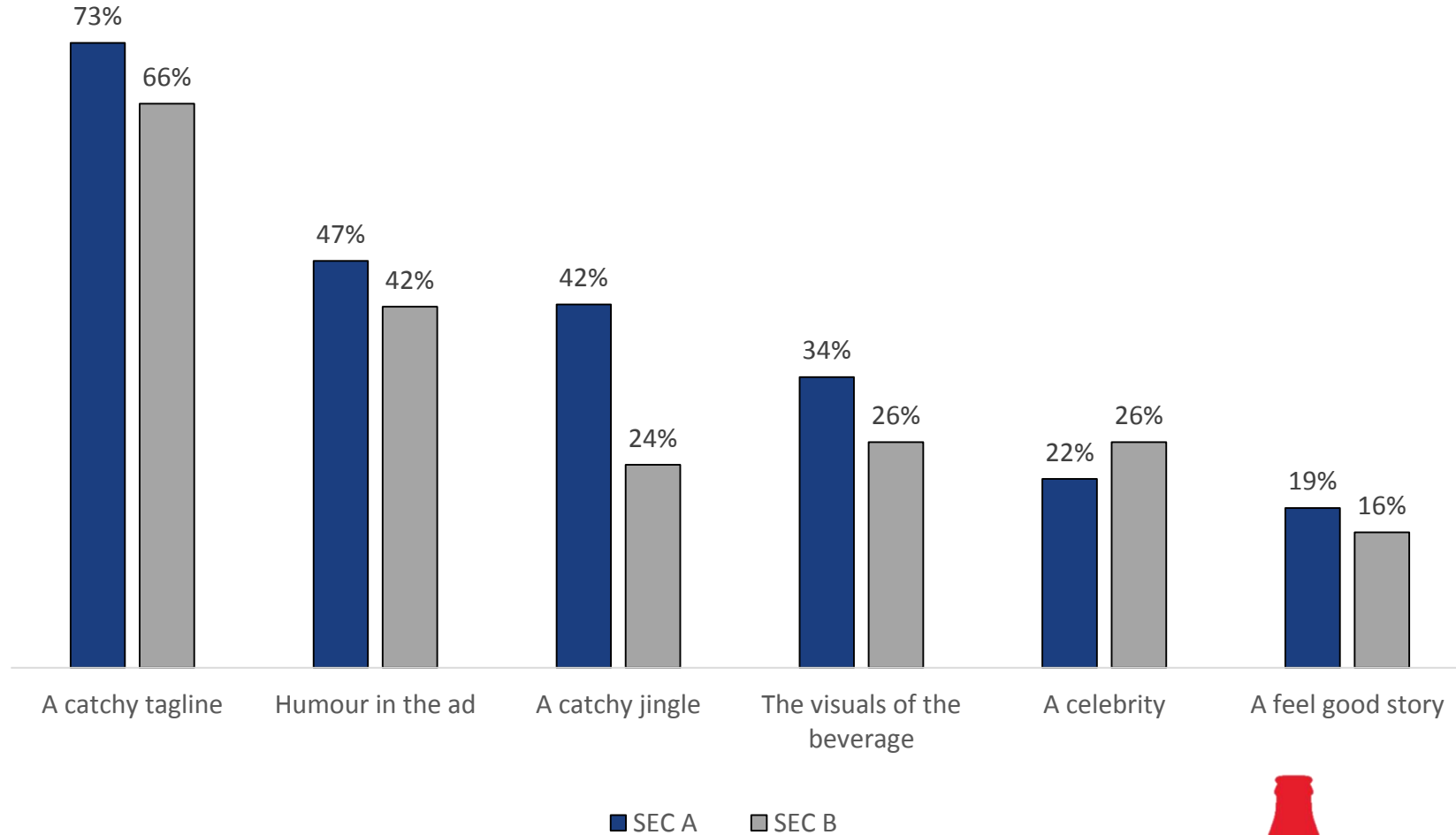
Do you think celebrity endorsements are more effective for new products?
Do you think it influences people to try the new product?



Base:
SEC A- 59
SEC B- 38



WHAT WORKS IN A BEVERAGE AD?



Base:
SEC A- 59
SEC B- 38



COCA-COLA ADS

- More people tend to remember the recurrent themes of the ads such as friendship, family, celebrations etc. than the actual ad
- Most people remembered the message/tagline from the ads more than the specifics of it



"The 'Share A Coke' bottles were extremely cute. I would look forward to buying the different ones, especially since I was away from home in the past year"

- Female, 22 years, SEC A

"Their Diwali ads are usually very nice especially the 'Khushiyon ki Diwali' series"

- Female, 31 years, SEC A

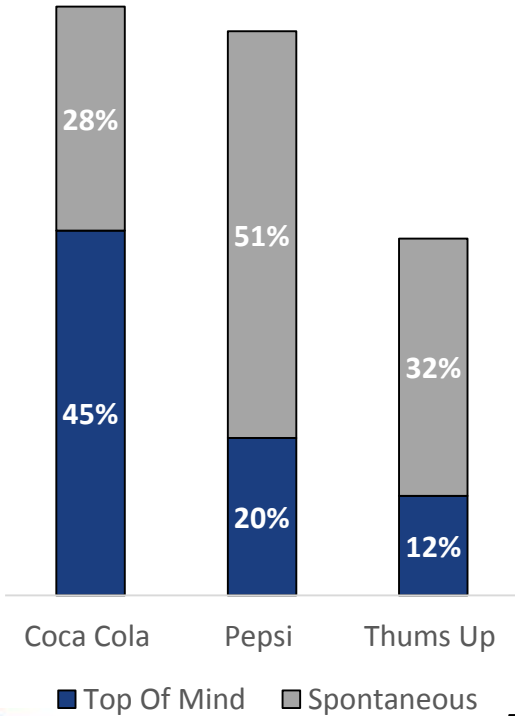


COLAS



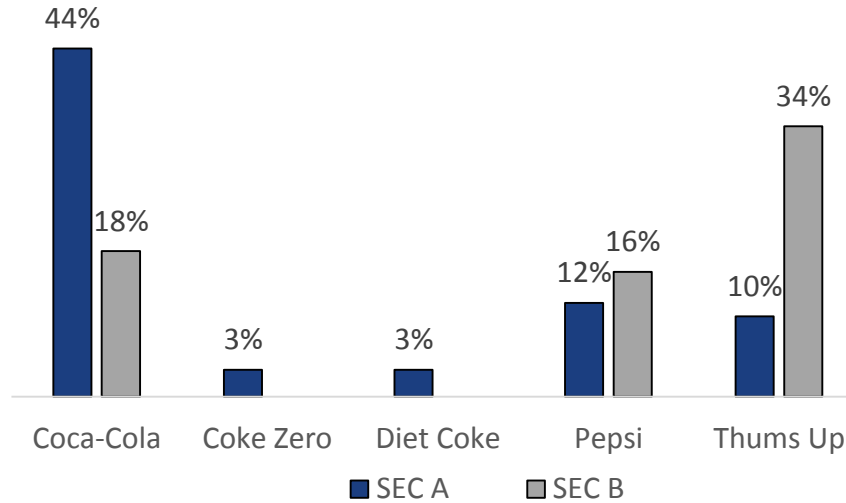
PREFERENCE FOR COLAS

Awareness



Base-97*

Favourite Brand/MOUB



"Colas are better because I don't like orange drinks and the clear ones are basically tasteless"

- Female, 35 years, SEC B

"I think Colas have a very different flavor which you don't get anywhere else"

- Female, 22 years, SEC A

"I think since childhood, every party has been symbolized by cola drinks only"

- Male, 27 years, SEC A

Base:
SEC A- 59
SEC B- 38



REASONS FOR PREFERENCE



- The perfect balance (not too mild or harsh)
- Not too sweet
- Right amount of fizz
- Grown up having it
- Easily available
- The marketing and packaging
- Pepsi: too sweet & flat;
Thums Up: too strong and fizzy

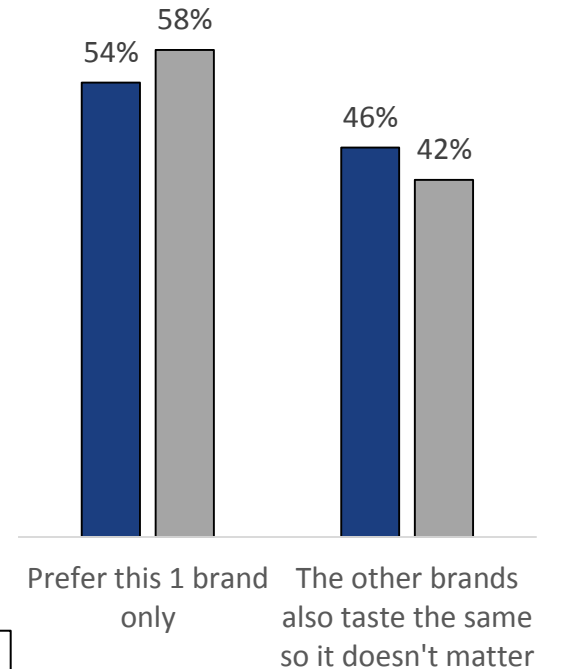


- It is sweeter
- It has less fizz
- Pepsico brand name
- Easily available
- Bottle shape and logo is fascinating



- More fizzy
- It has a different taste
- Not as sweet as the others
- Always been having this: used to the taste

Do you prefer buying only this brand or don't really mind the other brands?

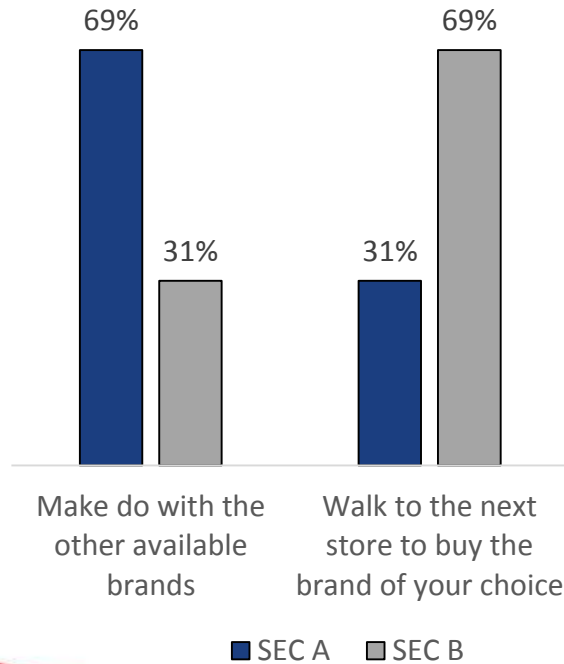


Base:
SEC A- 39
SEC B- 26



BRAND LOYALTY

If the brand of your choice is not available in the shop what do you do?



Base:
SEC A- 39
SEC B- 26

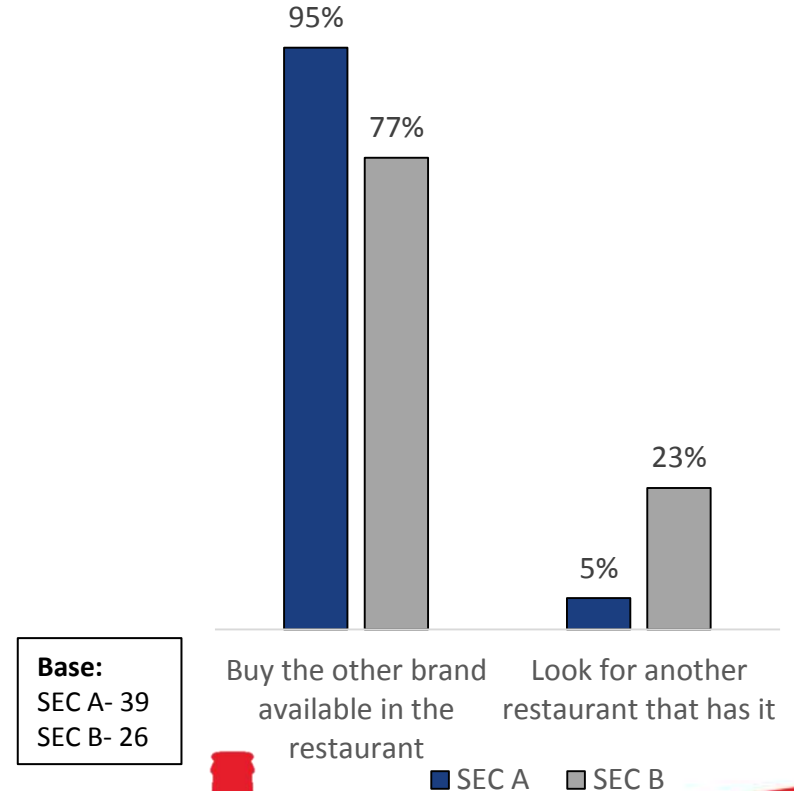
"It depends actually. If there are a lot of shops close by then I look in the other ones but if its slightly far away then I don't really bother"

- Female, 33 years, SEC B

"It's more of a hassle in the mall.. It's more convenient to just buy it from where you buy the food. Plus they have meals and combos in the restaurant for the beverages"

- Male, 19 years, SEC A

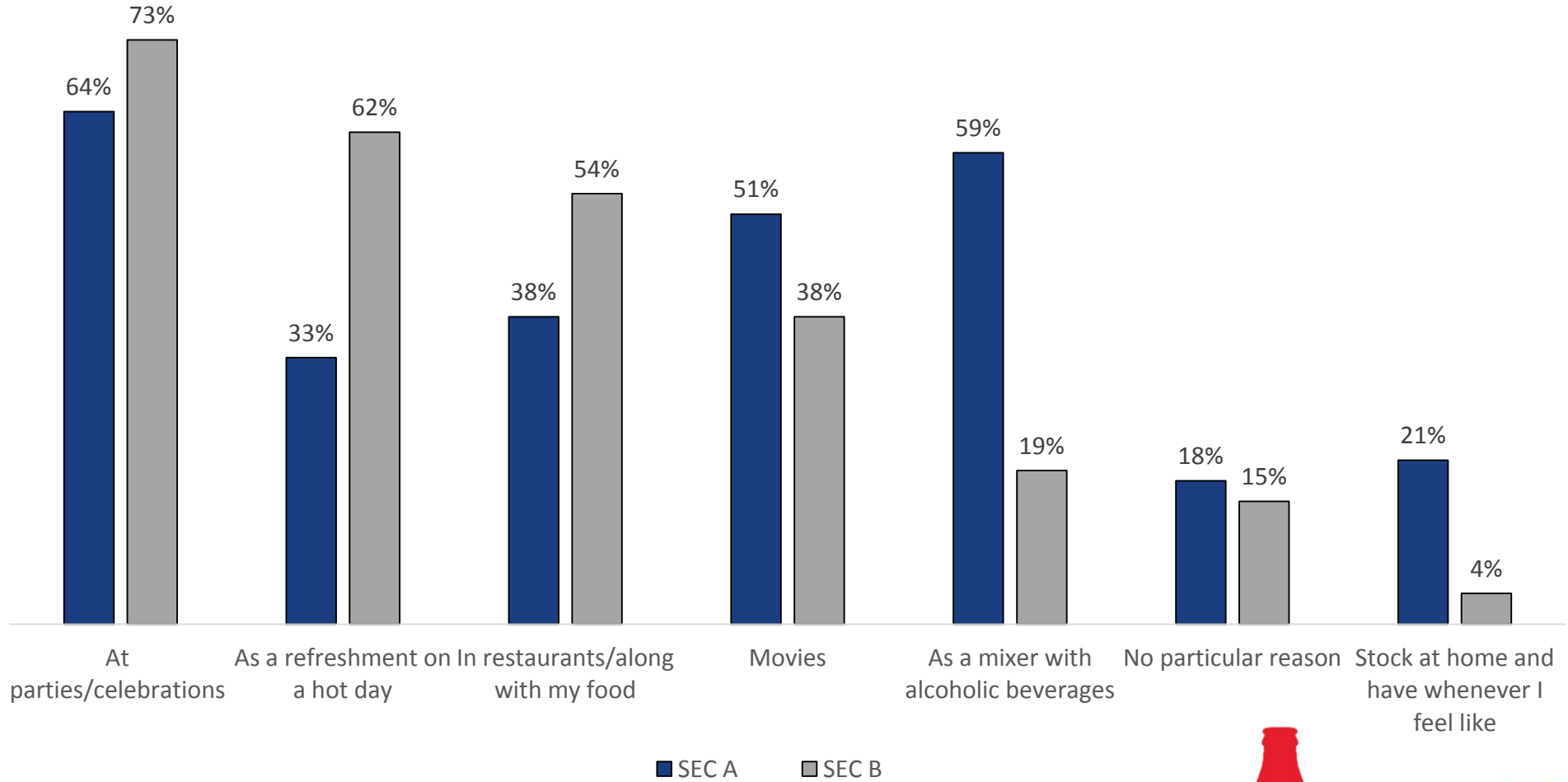
If the brand of your choice is not available in the food court of a mall, what do you do?



Base:
SEC A- 39
SEC B- 26



OCCASIONS FOR CONSUMPTION



Base:
SEC A- 39
SEC B- 26

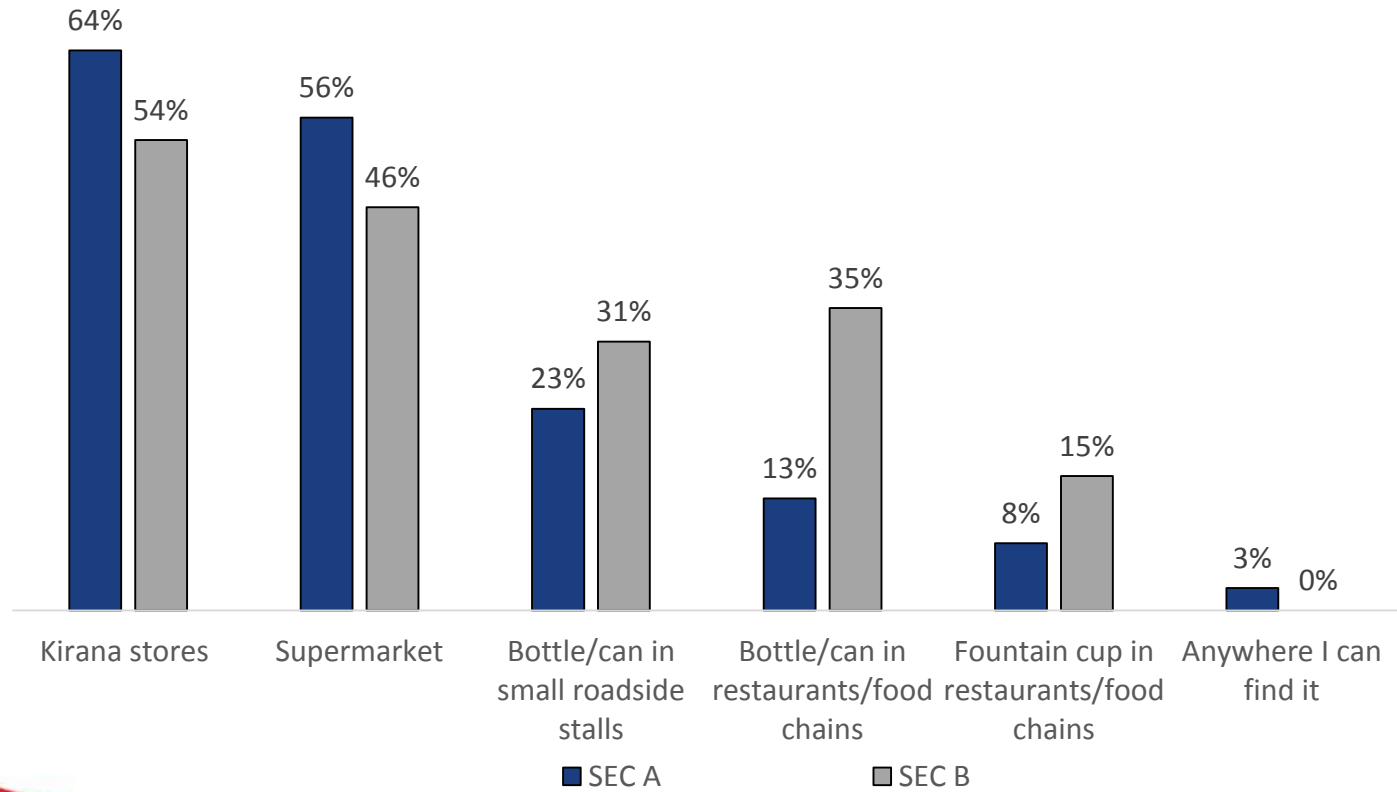


CONSUMPTION PATTERNS

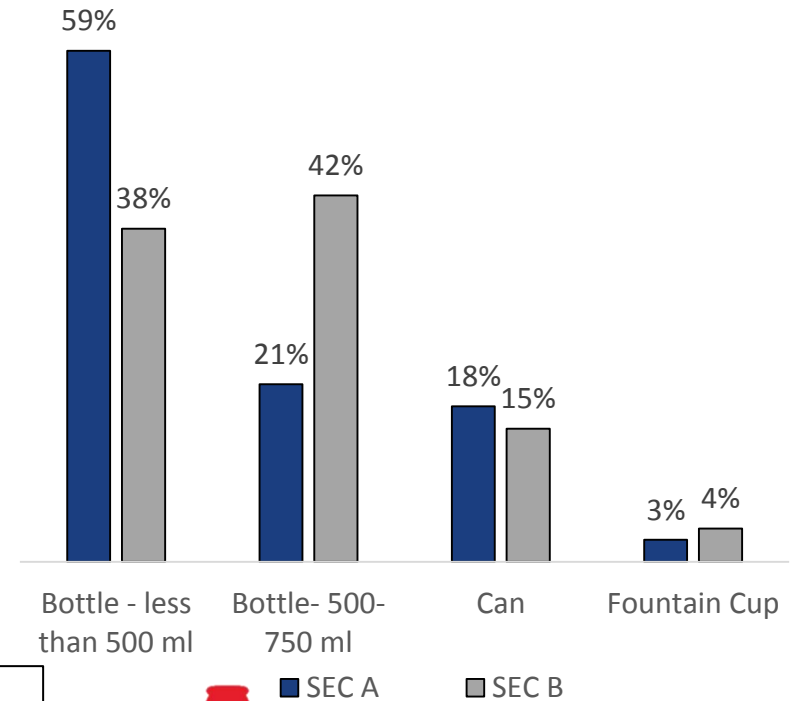
When you want to consume soft drinks for immediate consumption where do you generally buy them from?

When you want to consume soft drinks for immediate consumption which size do you usually prefer to buy?

Base:
SEC A- 39
SEC B- 26



Base:
SEC A- 39
SEC B- 26



MINDSPACE FOR COLAS



TASTE TEST

Most respondents were unable to distinguish between Coca-Cola and Pepsi in a taste test, whereas Thums Up stood out because of its strong taste

Despite taste being an important factor in choosing a cola brand, the brand's communication over the years also plays a major role in creating a certain imagery of the brand, which then affects people's buying patterns, although this might take place at a sub-conscious level



TYPE OF CONSUMER



- Young college crowd at restaurants or families having it together at parties & celebrations (could be with alcohol)



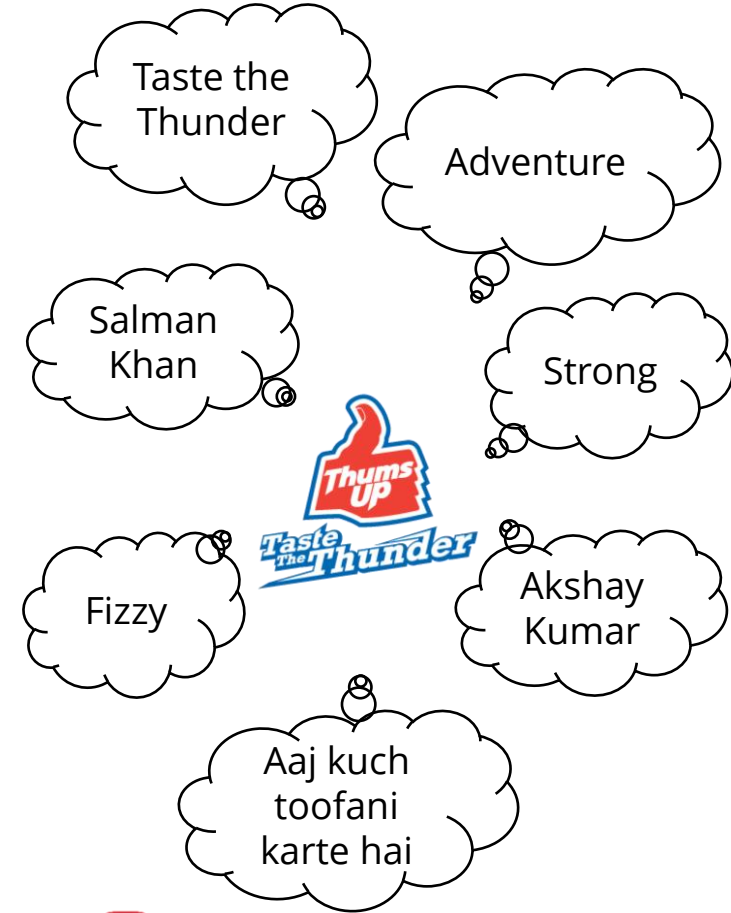
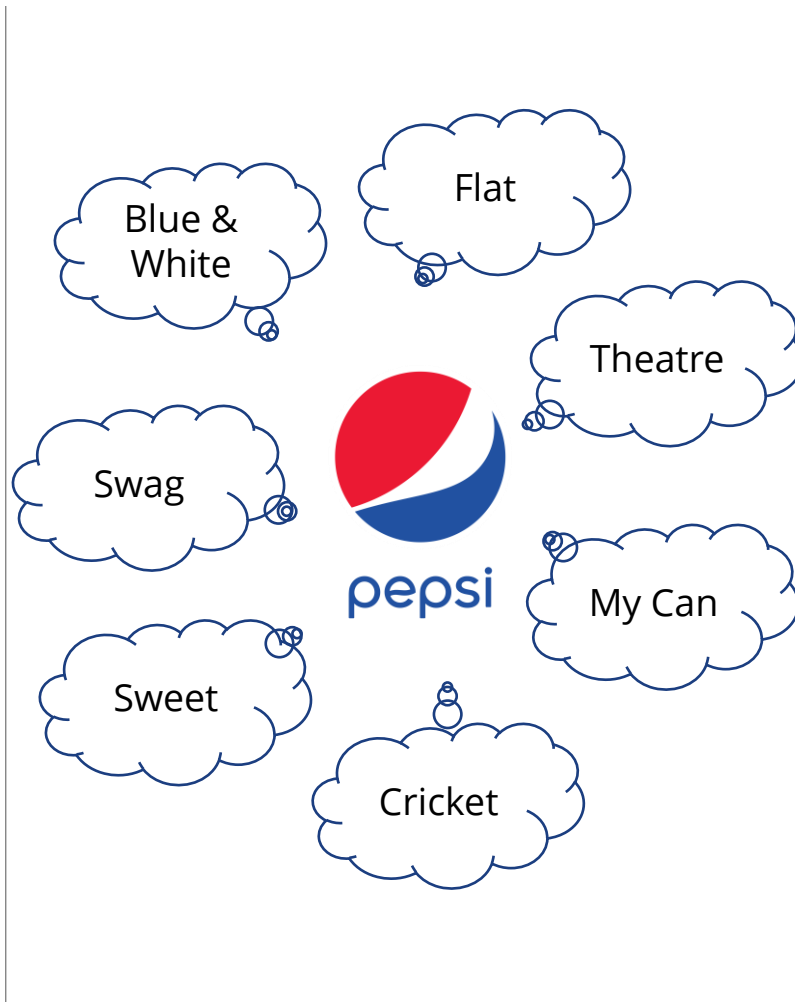
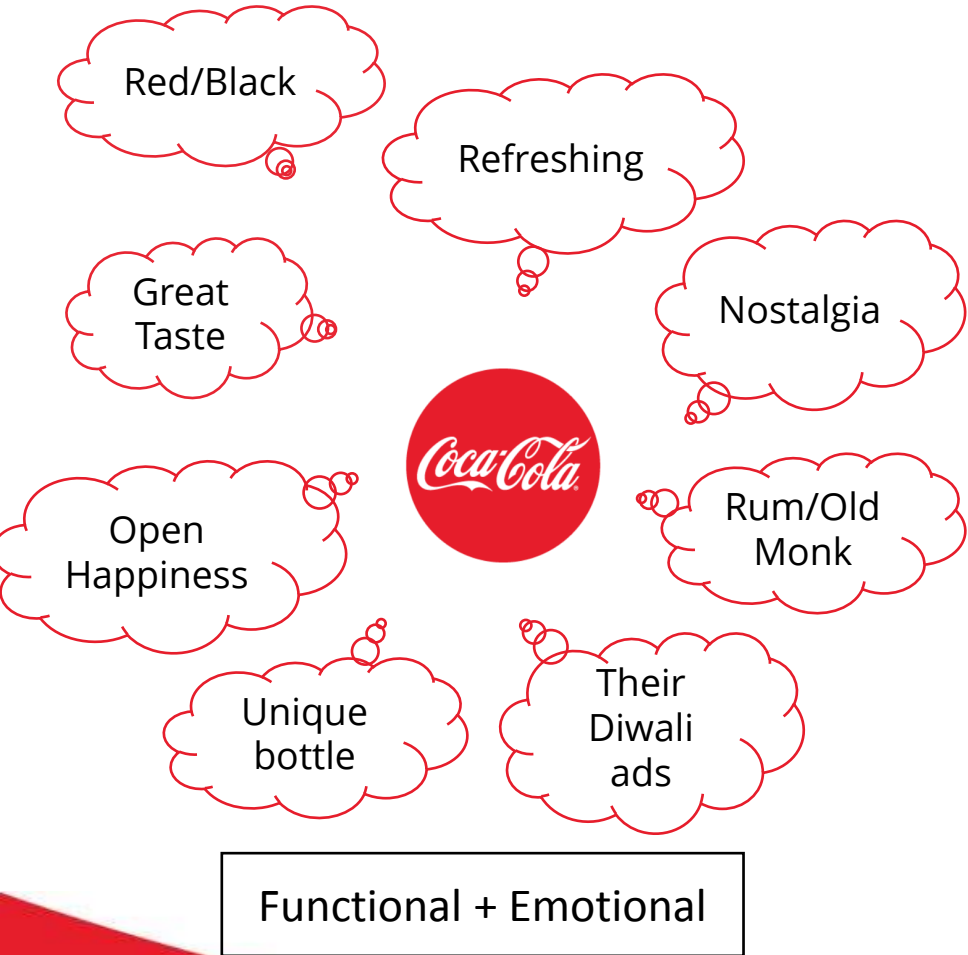
- Young group of friends chilling together outside college or watching a movie/gossiping



A slightly older crowd (with alcohol)/youngsters but those who have always been consuming this and are therefore used to the strong taste



WORD ASSOCIATION



BRAND IDENTITY PRISM

Constructed Source

Physique

Facets

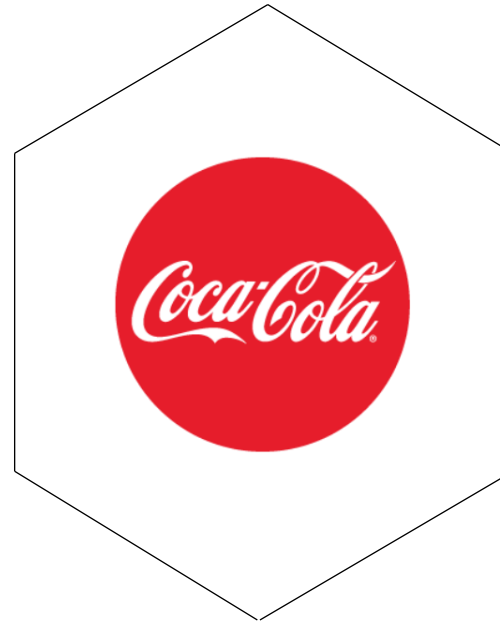
- Unique bottle shape
- Red/black
- Sweet

Relationship

- Togetherness
- Friendship/Family

Reflected Consumer

- Young
- Family oriented



Personality

- Happy
- Empathetic
- Helpful

Culture (Values)

- Happiness
- Sharing

Consumer Metallisation

- Empathetic

Externalisation

Internalisation

Constructed Receiver



CONCLUSION

- Taste preferences – biggest driver
- Celebrity endorsements may help create trialists for a new product, it does not seem necessary for a well established brand
- Messaging of the Coca-Cola ads are recollected more than the specifics/celebrities

- Consumer Say they buy on taste, but on deeper analysis, brand history & imagery are higher considerations
- Consumers have better resonance with the emotional connect of Coca-Cola than any other cola drink
- Celebrity endorsements matter less against the emotional connect

- Over the years Coca-Cola has built an image of providing not just a drink, but rather an experience of happiness to it's consumers
- The general imagery in the mind for Coca-Cola is that it is a drink meant to be had with family/friends at occasions/celebrations. It includes a sense of togetherness and maturity as opposed to Pepsi which is looked at as a drink for the youth with an underlying theme of rebellion



RECOMMENDATIONS

- Despite the fact that consumption is based on taste preferences, there is not much loyalty in this category. The mind space for these drinks is thus created through the advertisements, so it is important to maintain the emotional connection that consumers currently have with the brand
- Continue to create campaigns such as the “Share A Coke” campaign and the “Say it with Coke” campaign, including the innovative packaging along with it
- Create more advertisements with regular people depicting family and friends, since they are more relatable to the audience
- Ensure the ads have a catchy tagline/jingle in order to remain relevant to the people even over time
- A humorous ad is also well appreciated, along with the visuals of the beverage which catch people’s attention and create a need for the product almost immediately



THANK YOU!

