CONSUMER PREFERENCE TOWARDS HERSHEYS

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ABSTRACT

The objective of this study is to analyze the association of demographic features to the factors affecting the consumer preferences in buying hersheys chocolates. This study helps in finding the perception and awareness level of consumers about hersheys brand. Empirical findings are calculated using survey technique and chi square test with a sample of 145 respondents.

The objective of this paper is to analyze the significance of demographic profile of consumers affecting the purchase decision of hersheys chocolates and to observe the consumer preferences. The results exhibit an association between the demographic factors like age, income and factors affecting purchase decisions like quantity of the product and word of mouth while buying Hershey s chocolates.

INTRODUCTION:

Consumer preference can be defined as an emotional taste of an individual, measured by the satisfaction obtained after purchasing a product. Consumer preference of an individual does not contains within the economics field. Preferences include taste, education, culture, social pressure in the form of neighbors and friends.

Consumer preference is an important concept where it determines what type of products will the consumers buy within their respective budget. By understanding the consumer preference, it gives the implication of the consumer demand. With this information, it helps us to make sure that whether the product is enough to meet the demand or not and it helps in determining the product price.

While individual customers, might not give any thought over preferring one item to another, but for marketers and organizations who make living on consumer demand, essentially it is a science.

RESEARCH METHODOLOGY

Need for the study

Consumer preference defines how a customer prefer a brand over other brands of goods or services. This study helps in knowing the level of consumer preference towards Hershey s chocolates over other brands. This study helps in finding the perception and awareness level on Hershey s chocolate.

Scope of the study

Chocolate consumption is been rising over years that it is never going to decline anytime soon. It is fact that chocolate production brings billions of dollars every year in many countries. There is a scope for finding the factors effecting the consumer buying behaviour towards Hershey s chocolate. This study has a scope for finding the setbacks of the Hershey s chocolates.

Objectives

- To study the preferences of chocolate consumers.
- To study the reasons for preferring Hershey s over other products.
- To analyse the consumer behaviour and Hershey s influences.
- To study the demographic factors for the purchase of Hershey s.

Hypothesis

1.H_0: There is no significant association between the age and quantity of the product

2.H_0: There is no significant association between the income and quantity of the product

3.H_0: There is no significant association between the age and impact through word of mouth

4.H_0: There is no significant association between the income and impact through word of mouth

Statistical tools

- Questionnaire
- Chi-Square analysis

Sampling

- Data is collected through convenience sampling.
- The number of respondents are 145.

Data collection

In order to achieve the required objectives both primary and secondary sources of data are collected.

Primary data: Primary data is a type of data where we collect the data from the source of origin i.e., primary sources. Primary data is collected through generating questionnaire using google forms.

Secondary data: The data used which has previously collected by others is called as secondary data. It can be collected through reports, publications, journals, books, internet and so on. This method is very economical and time saving.

Period of the study

The period of this study was two months.

Limitations

- As the data was collected through questionnaire the chances of unbiased information was less.
- This survey is only restricted to Hyderabad.
- The responses were limited to only 145.

DATA ANALYSIS AND INTERPRETATION

CHI-SQUARE TESTS:

1.Respondents age and quantity of the product

H_0: There is no significant association between the age and quantity of the product

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.542[a]	9	.029
Likelihood Ratio	19.409	9	.022
Linear-by-Linear Association	4.081	1	.043
N of Valid Cases	145		

a. 6 cells (37.5%) have expected count less than 5. The minimum expected count is 2.42.

From the above table, the chi square value is $0.029 < 0.05$, then the null hypothesis [H_0] is rejected. Hence it is concluded that there is significant association between the age and quantity of the product.

2.Respondents income and quantity of the product

H_0: There is no significant association between the income and quantity of the product

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	12.372a	9	.193
Likelihood Ratio	13.161	9	.155
Linear-by-Linear Association	.208	1	.648
N of Valid Cases	145		

a. 6 cells (37.5%) have expected count less than 5. The minimum

expected count is 2.78.

From the above table, the chi square value is $0.193 > 0.05$, then the null hypothesis [H_0] is accepted. Hence it is concluded that there is no significant association between the income and quantity of the product.

3.Respondents age and impact through word of mouth

H_0: There is no significant association between the age and impact through word of mouth

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.406a	12	.024
Likelihood Ratio	25.991	12	.011
Linear-by-Linear Association	16.232	1	.000
N of Valid Cases	145		

a. 7 cells (35.0%) have expected count less than 5. The minimum expected

count is 1.30.

From the above table, the chi square value is $0.024 < 0.05$, then the null hypothesis [H_0] is rejected. Hence it is concluded that there is significant association between the age and impact through word of mouth.

4.Respondents income and impact through word of mouth

H_0: There is no significant association between the income and impact through word of mouth

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.788a	12	.314
Likelihood Ratio	14.486	12	.271
Linear-by-Linear Association	8.309	1	.004
N of Valid Cases	145		

a. 6 cells (30.0%) have expected count less than 5. The minimum expected

count is 1.50.

From the above table, the chi square value is $0.314 > 0.05$, then the null hypothesis [H_0] is accepted. Hence it is concluded that there is no significant association between the income and impact through word of mouth.

FINDINGS

The primary data for this project is collected through questionnaire and the findings are as follows

- Out of 145 respondents, 29% of them are from the age group below 20, 32.4% of them are under 21-25, 17.9% are from the age group 26-30 and 20.7% of them are above 30 years.

- 52.4% of the responses are from females and 47.6% of the responses are from males.

- 44.8% of them are students, 26.2% of them are employees, 9% of them are under business, 9.7% of them are homemakers, and remaining 10.3% of them others.

- Around 48% of the respondents are having average level of awareness about the brand Hershey s and only 3% of them have very low level of awareness regarding Hershey s.

- 43.4% of the respondents are aware about Hershey from their friends and family, and 31 % of them came to know about the product from television and very few came to know about the product from newspapers and samples.

- There are different factors which influence the purchase of Hershey s. Most of the respondents(i.e.,69.7%) agreed that taste/flavour is the factor that influence mostly. 47.6% of them by brand, 26.9% with different varieties, 18.6% with price and 15.9% of them with ease of availability.

- While buying Hershey s chocolate, the alternate purchase plan when Hershey s is not available is different for all. 29% of them chose to go to other shop, 17.9% of them chose to postpone their purchase, 35.2% of them chose to shift the brand and 17.9% of the respondents chose to order for the product.

- Most of the people (i.e.,57.9% of the respondents) agreed that lack of awareness about the product among the consumers is a setback of Hershey s. 49.7% of them agreed with unavailability of the product as a setback. 45.5% of them are with high price of the product.

CONCLUSIONS

From the above study "consumer preference towards Hershey s" it is concluded that there is a significant association between the demographic factors (like age, income and occupation) and factors that are influencing consumers while buying chocolates.

It is confirmed that the demographic factors like age, income and occupation are influencing the consumer preference while buying Hershey s chocolates and it is also confirmed that the most influencing factors are level of interest, pack of chocolates, quantity and word of mouth.

SUGGESTIONS

i. Hershey s should clear out their setbacks first by spreading awareness about the brand among the customers widely.

ii. Many of the customers agreed upon the high price of the product as a setback of Hershey s. So, the price must be shifted economical to the customers.

iii. Most of the customers are influenced by their family/friends and television commercials. So, they need concentrate more on commercials, word of mouth and few other promotional activities where the customers get influenced.

iv. When the product is not available most of the customers chose to shift the brand. This results in less sales of the product and increases sales of other brands. So, they need make the product available everywhere.

v. They should concentrate more on promotional activities where it can improve the awareness about the product among everyone.

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