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Blind Taste Test of Soft-drinks – A Comparison Study on Coke and Pepsi

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ABSTRACT

What distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers' perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand. By creating perceived differences among products through branding and developing a loyal consumer franchise, marketers create value that can translate to financial profits for the firm. This marketing activity resides in the mind of customers and as a result customer shapes a perception about the brand, biggest challenge here is creating positive perceptions by ensuring that customers have right type of experiences with product so that both functional experiences as well as emotional experiences become associated with the product. Thus Brand perception is the image which a brand creates in the mind of the customers due to the various associations linked with the brand. How does brand matter? Brand matters how it has been differentiated or created competitive advantage. Competitive advantage can developed in two ways; some brands create with product performance and some brands create through non-product-related performance. For example Coca-cola has been a leader in soft-drink category for decades by understanding consumer motivations and desires and creating relevant appealing images surrounding their products. Often these intangible image associations may be the only way to distinguish different brands in a product category. Thus this study tries to understand how these imagery associations or non-product-related performance plays important role in product differentiation.

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Introduction

Many times so happens that competing products or services has attributes which are very like and differentiation just by using the product becomes a hard nut to crack. Here brand equity though intangible plays a significant role of differentiating the products and guides customer to make a decision. Brand equity is "*The differential effect that brand knowledge has on consumer response to the marketing of that brand*" (Keller-1993). Brand equity is the added value a product acquires as a result of past investments in the marketing activity for the brand. This marketing activity resides in the mind of customers and as a result customer shapes a perception about the brand, biggest challenge here is creating positive perceptions by ensuring that customers have right type of experiences with product so that both functional experiences as well as emotional experiences become associated with the product. Thus Brand perception is the image which a brand creates in the mind of the customers due to the various associations linked with the brand. In particular, two fundamental questions marketers face are: What do different brands mean to customers? and How does the brand knowledge of consumers affect their response to marketing activity? The principle of the customer based brand equity model is the power of a brand lies in what customers have learned, felt, seen, and heard about the brand as a result of their experiences over time. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, etc become linked to the brand.

Why Blind Test?

The simplest way to understand what brand equity is to understand the typical results of product sampling and comparison tests. One such test is blind taste test in which consumers sample a product without knowing the brand what they consume and consuming the same product knowing brand i.e., open test. Invariably the two both tests have different opinions despite the same product. Collecting perceptions of the both tests and comparing the results. Blind test is not the new thing various studies have been done by many researchers. For example, Larry Percy done beer tasting experiment that showed how discriminating consumers could be when given names of brands of the beer they were drinking, but how few differences could detect when they did not know the brand names. Even fairly knowledgeable consumers can have difficulty distinguishing different brands. When consumers report different opinions about branded and unbranded versions of identical products, it must be the case that knowledge about the brand has changed their perceptions. Thus, consumers' perceptions of product performance are highly dependent on their impressions of the brand that goes along with it.

How could you really know which soda you liked best? Clearly the only way out was to put prejudice and branding aside and focus on pure taste by doing a blindfold. Now in order to gauge the truth behind the superiority of which brand of cola drinks, weather coke or Pepsi which one of these is superior or is it just the perception in the head due to branding that people favor one brand over other, ran two taste tests at MBA department, Karnatak University, Dharwad the methodology of the tests as follows:

Methodology used

A researcher sets up a table with two blank cups: one containing Pepsi and one with Coca-Cola. Respondents are encouraged to taste both colas, and then questionnaire is given to fill it up. The blind test has been done first and followed by open test separate questionnaire was given for both the tests.

1) **Blind Test:** Here respondents were given the sample (a cup) of both the drinks one after one and asked to drink and then fill the questionnaire about the soft-drink after consumption to know their perception. Consumers were not known which brand they consumed, whereas only researcher knows that. Once they complete blind test questionnaire open test has been followed.

2) **Open Test:** Here the same respondents were given the same quantity of both the brands soft-drinks, but this time they knew what which brand they are consuming and then open test questionnaire filled by the consumers to record their perception.

Statement of problem: How does brand matter? Brand matters how it has been differentiated or created competitive advantage. Competitive advantage can developed in two ways; some brands create with product performance and some brands create through non-product-related performance. For example Coca-cola has been a leader in soft-drink category for decades by understanding consumer motivations and desires and creating relevant appealing images surrounding their products. Often these intangible image associations may be the only way to distinguish different brands in a product category. Thus this study tries to understand how these imagery associations or non-product-related performance plays important role in product differentiation.

Objective of the study: To understand the consumers' perception about Pepsi and Coca-cola. To understand the importance of creating right customer perception and to understand how the non-product-related performance plays important role in developing competitive advantage.

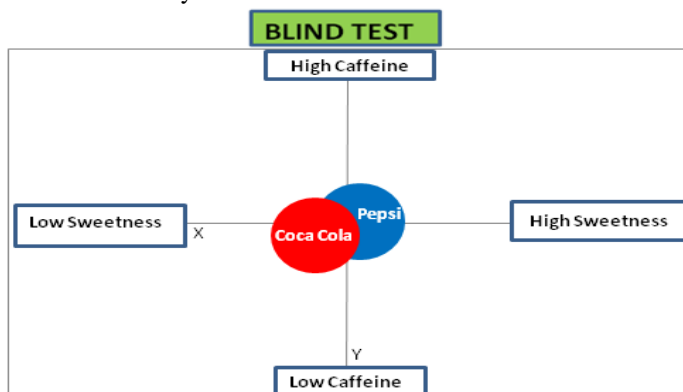
Research Design: The objective of the study has been achieved by using both primary and secondary data. The primary data obtained was mainly from the taste tests. Secondary information was also referred and collected from internet and various books, journals and magazines etc.

Population: Consumers of soft drinks who are students of MBA department, Karnatak University, Dharwad, Karnataka.

Sample: For the purpose of survey 50 respondents from the total population are taken as sample size.

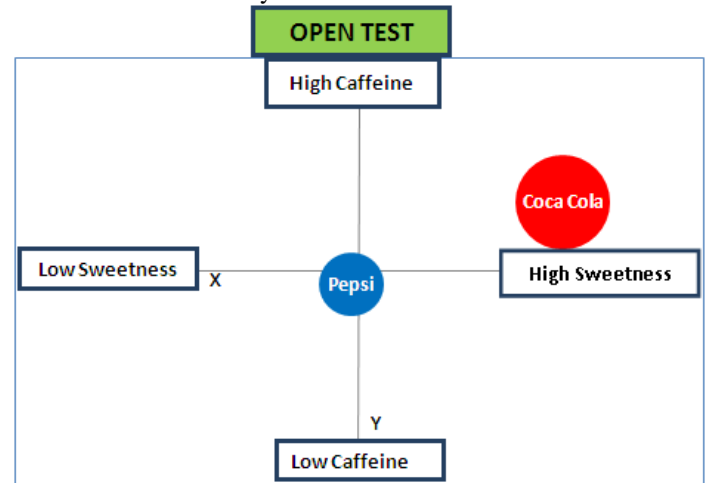
Results of the experiment

First test being a blind test where the sample were asked to taste two drinks they were blind to the brand names of these drinks which were Pepsi and coke and coded as product A and product B respectively. Samples were asked to rate the drink on a scale of 5 for the attributes Sweetness Caffeine and Likeability, they were also asked to guess the brand name of the drinks which they tasted.



The above figure is the perception map of the blind test, in the graph we see x-axis which is plotted with attribute of sweetness and y-axis is plotted with attribute caffeine and radius of the circle determines likeability, blue circle which represents Pepsi and red circle represents Coca cola. Through the survey we can see that people perceive both the brands more or less identical, but Pepsi to have little higher sweetness and higher caffeine compared to coke. And likeability of coke and Pepsi is almost the same, in blind test.

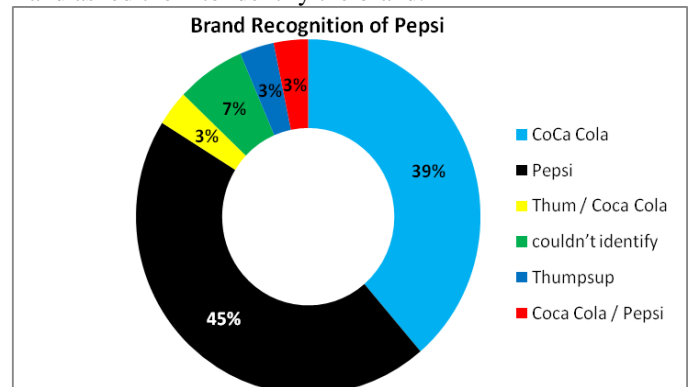
Second test was the open taste test where sample were given two more drinks to taste, coke and Pepsi and but this time they knew what drink they consuming and were again asked to rate the drinks on the same attributes those being Sweetness Caffeine and Likeability.



The above figure is the perception map of open test, in the graph we see x-axis which is plotted with attribute of sweetness and y-axis is plotted with attribute caffeine and radius of the circle determines likeability, blue circle represents Pepsi and red circle represents Coca cola. Through the survey we can see that people perceive Coca Cola to have high sweetness and caffeine as compared with Pepsi, and people when they know what they are drinking they vote for Coca Cola over Pepsi and hence likeability of Coca Cola is much high when compared with Pepsi, in open test.

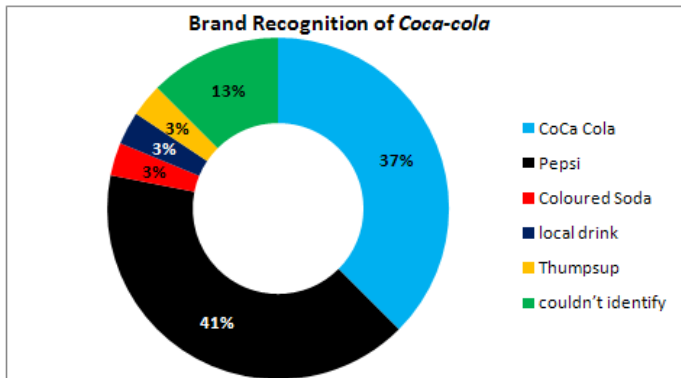
During Blind test the respondents were asked to identify the drinks A and B and results are as follows:

Drink A: Pepsi brand has given to the respondents as soft-drink A and asked them to identify the brand.



Here in the graph we can see that only 45% successfully identified the product to be Pepsi through taste. 39% wrongly identified as drink to be Coca Cola and others voted the drink as Thumps up and some failed to identify the drink and gave up.

Drink B: Coca Cola brand has given to the respondents as soft-drink B and asked them to identify the brand.



Here in the graph we can see that only 37% successfully identified the product to be Coca Cola through taste. 41% assumed the drink to be Pepsi and others voted the drink as Thumps up, local drink and some failed to identify the drink and gave up.

Comparison of Blind and Open Test

In blind test people favored Pepsi in all aspects sweetness, caffeine content of Pepsi had higher ratings when compared with Coca Cola but during open test we see people perceive Coke to have high sweetness and caffeine as compared to Pepsi and likeability of coke is also very high as compared to Pepsi. This is the importance of branding though consumers preferred Pepsi as a product during the blind test they behaved very contrary during open test and voted for coke, there is such a thing as brand imagery. So Coke is more likely to light up the brain parts related to things like memory and cognitive control. In most cases Pepsi did not have the same effect.

During the blind test 55% failed to identify the product A which was Pepsi and 61% of the sample failed to recognize the taste of coke which was coded as product B.

This makes us re-think whether does a brand name really has to do anything with the product or is it all **IN YOUR HEAD** and branding has nothing to do with the product. So it may happen sometimes a product having better quality remains on the shelf until its shelf life and consumers pick a product over it just because it has not created the right kind of brand equity.

This clearly throws light on fact that differentiation of competing products without brand equity is very challenging.

Conclusion

It can be concluded that it is not sufficient to produce quality product, quality in terms of product features to build strong brand and sustainable brand equity it requires creation of right brand image and positioning your product in customers' mind. Coca-cola became the quintessential global brand not because of its product features but because of the brand knowledge it has created worldwide. Brand building is a continuous process, orkut once upon a time was the top social networking site used but now it's not too seen anywhere, and Face-book took over the market. Once your brand has a negative perception to the majority of consumers, it's hard to change that unless you either invent some revolutionary product that changes the world or change your name, rebuild and start from scratch. So it is very important that a company product or a brand creates right and positive perception once this is created the brand sells by itself and doesn't need sales force to make the selling. Malcolm Gladwell proved and suggests that Pepsi's success over Coca-Cola in the "Pepsi Challenge" is a result of the flawed nature of the "sip test" method and tasters will generally prefer the sweeter of two beverages based on a single sip or small quantity, even if they prefer a less sweet beverage over the course of an entire can. This is also the limitation of our present study.

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