

AN EMPIRICAL INVESTIGATION OF BEVERAGE MARKET OF SRI LANKA WITH
PERSPECTIVE TO READY TO DRINK FRUIT BEVERAGES

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Ready to Drink (RTD) fruit beverage industry is important in beverage market in Sri Lanka worth of US\$ 12 million and has an annual growth rate of 12 percent though it has comparatively a less value to total soft drink market.

This study was carried out to investigate the consumer preference of beverage market of Sri Lanka with a perspective to RTD beverages. More specifically, it aimed to determine the most preferred beverages in the domestic market, the state of brand loyalty towards different RTD fruit beverage brands, factors affect on consumers' decision and finally to measure the attitudes of consumers towards different attributes of RTD fruit beverages.

Information was gathered through survey research technique using a pre tested questionnaire. A sample consists of 100 respondents was selected by stratified random sampling technique, equally from Anuradhapura, Colombo, Kurunegala, Puttalam, and Chilaw municipalities.

The results revealed that, non-carbonated fruit beverage is the most preferred beverage category among the consumers, while mixed fruit beverages are the most preferred beverage product. "Smak" is the most preferred RTD fruit beverage brand by getting 55, 48, 67 percent votes respectively. Even though, fruit beverage industry has been failed to create a hard core loyalty among consumers, it can be said that it shows a switching or shifting loyalty since only 95 percent of consumers give up the fruit brands at out of stock conditions. Among the characteristics tested, flavour, quality and

nutritive values are the most important in the purchasing decision. The attitudes of consumers towards the certain attributes of fruit beverages claimed that there is a necessity of some sort of further development in the production. Based on the findings, it can be recommended that, implementing actions on further development of the standards of the product will create more loyalty among RTD beverage consumers and it would be needed to implement different kind brand positioning programs to create sound brand awareness among consumers. Finally localized collusion of domestic entrepreneurs should emphasize to defeat the challenges in the market and break the hegemony of the carbonated beverage giants in the current beverage market.

Key words: Ready to Drink fruit beverages, Consumer preferences, Brand loyalty