



Karlstad Business School
Handelshögskolan vid Karlstads universitet

Miss Usamas Tantiwongwat

**“Local Brand versus Global Brand: A Case Study of the Cola
Soft Drink Industry in Thailand.”**

**Business Administration
Master’s Thesis
15 ECTS**

Term: Spring 2013
Supervisor: Lars Haglund

Karlstad Business School
Karlstad University SE-651 88 Karlstad Sweden
Phone: +46 54 700 10 00 Fax: +46 54 700 14 97
E-mail: handels@kau.se www.hhk.kau.se

Abstract

This thesis aims to investigate the cola market situation in Thailand and the possibility of a local brand to compete with global brands. Due to the high value of this market, every cola company wants to get the biggest piece of the market share pie. Moreover, there is a situation regarding a global cola brand Pepsi falling into the trouble in terms of logistics and distribution channels after having been separated from its local partner company. In addition, Pepsi's ex-partner company has launched a new cola brand into the market, a completely separate operation without any ties to Pepsi. As a result, the cola market in Thailand now has witnessed fierce competition and it attracts many players in the beverage industry to take part. Therefore, this research is designed to understand the brand preference, brand substitution, brand loyalty, taste preference, and relation between several factors from customers' perspective to answer the possibility of a local brand competing with global brands, as well as to investigate the general cola market situation.

Information was collected by questionnaire which was answered by 420 participants, 51 percent of which were female and 49 percent were male. The results of the questionnaire found that their brand preference is actually in an opposite direction with the current cola market share, due to the effect of cola brand substitution in the market. Moreover, the research found that taste preference and gender have an influence on brand preference, while frequency of drinking and other demographics do not have any effect on brand preference.

Key words: Cola brand preference, cola brand substitution, cola market in Thailand, local versus global brands

Table of Contents

1. INTRODUCTION	5
1.1 Background	5
1.1.1 PepsiCo, Inc. and Sermasuk Public Company Limited	7
1.2 Problem discussion	8
1.3 Objective of study	10
1.4 Research question	11
1.5 Research framework	13
1.6 Expected results	13
1.7 Operation definition	14
2. LITERATURE REVIEW	15
2.1 The buyer's decision process	15
2.2 Brand loyalty	16
2.2.1 Brand awareness	17
2.3 Taste preference	18
2.4 Products or brand substitution	19
2.5 Brand competitors	19
2.6 Brand choices	20
2.7 Attitudes and perceptions	20
2.8 Conclusion	20
3. RESEARCH METHODOLOGY	22
3.1 Research design	22
3.2 Data collection	22
3.3 Sample size	23
3.4 Research tools	24
3.5 Questionnaire distribution	24
3.6 Data analysis and data coding	25
3.7 Limitation	25
4. RESEARCH RESULTS AND DISCUSSION	27
4.1 Demographic of the Sample	27
4.2 The Empirical Results	28
4.2.1 RQ 1A How often do Thai people drink cola?	28
4.2.2 RQ 2A What is the most preferred cola brand for Thai consumers?	29
4.2.3 RQ 3A Is there a correlation between brand preference and product substitute when consumer cannot find their preferred cola brand?	30
4.2.4 RQ 4A Can consumers recognize differences among the four cola brands?	32
4.2.5 RQ 1B How do customers rank their cola preference?	33
4.2.6 RQ 2B Do demographic factors influence brand preference?	35
4.2.7 RQ 3B Which brand has the highest customer's brand loyalty?	40
4.2.8 RQ 4B Is there any relation between frequency of cola drinking and brand preference?	41
4.2.9 RQ 5B Is there a relation between brand preference and taste preference?	42
4.3 Summary	43
4.4 Discussion	44
4.4.1 The possibility of local brand to compete with global brands	44
4.4.2 The factors that influence the local brand's competition with global brands	45
5. CONCLUSIONS AND IMPLICATIONS	47
5.1 Conclusions	47
5.2 Implication for domestic company	48
5.3 Implication for global company	48
5.4 Future research direction	49

References.....	51
------------------------	-----------

1. INTRODUCTION

1.1 Background

A brand is a logo, symbol and name or any ingredient mixed among or between these (Fan 2002). It represents information about products and goods to customers (Vaidyanathan and Aggarwal 2000), and helps customers realize the difference among products from various manufacturers (Low and Fullerton 1994) and competitors (Fan 2002). It also conveys values and positioning of products to customers (Fan 2002).

Nowadays, there are more than 500 global brands in all product categories (Brand Directory 2013). With the world population nearing 7 billion people, (Central Intelligence Agency 2013), it can safely be assumed that there are still some groups of people in this world who are looking for something that the current global brands do not offer right now, and such gap presents an opportunity for new local brands. A local brand not only can serve customers from that specific market but also consumers who normally are customers of global brands and might switch to a local brand instead. After all, it is natural for some brands to thrive for decades while some fade out. A brand that was popular a decade ago might be unavailable today.

International competition is aggressive in the current market (Porter 1986). Normally, global brands compete against each other (Holt et al. 2004). They represent certain brand awareness and recognizable characteristics. Global brands sell similar products globally to satisfy the same needs of customers worldwide, and as a result, they enjoy the benefit of economy of scale regarding their production costs. In terms of market entry, global brands can enter a local market easier and at a lower cost than domestic brands because of their worldwide reputation (Quelch 1999). From the partnership research between Holt et al. and Market Research Company International, USA in 2002, regarding Holt et al.'s (2004) study about "How consumers in different countries value global brands", it was found that quality is one out of three factors that influence consumers' decision.

From the questionnaire, a Spanish consumer agreed that global brands normally provide higher quality and consistency than others, while a Thai participant said that global brands are expensive, but the price is reasonable considering the quality.

Most countries today have national brands, local brands, and private label brands, which in this research will be referred to collectively as “local brands”, meaning any particular brand that is only available in its own country. It is dissimilar to regional and test-market brands (Dinnie 2008) like Coop Cola from Coop supermarket in Sweden, Publix cola from Publix supermarket, and Sam’s cola from Wal-Mart in the United States of America.

In the beverage industry, carbonated soft drinks play an important role. In short, carbonated soft drinks refer to flavored and sweetened drinks mixed with water and carbon dioxide (Hui 2007) to add fizziness. Today, carbonated soft drinks are very popular and consumed around the world. Between 2007 and 2011, the growth rate of carbonated soft drinks worldwide was 3.9, 1.5, and -0.9 percent in Asia-Pacific, Europe, and America respectively (Marketline 2013). Moreover, total sales of carbonated soft drinks have doubled over the decade (The Economist 2012). Despite having hundreds of players, there are two major players who are in direct competition against one another in several markets around the world – Coca-Cola and PepsiCo Inc.

Both companies have global rankings at number one and two on the carbonated soft drink industry respectively (Adbrand n.d.). Coca-Cola and PepsiCo Inc. combined hold a market share of around 40 percent of the world’s carbonated soft drinks market (The Economist 2012). According to the research, we found that cola drinks have higher market share compared to other carbonated soft drinks, accounting for 54 percent of the total industry’s revenue (IBIS World 2013).

Regionally speaking, Asia-Pacific turns out to be an attractive market in the terms of growth rate. In this market, cola drinks hold the highest market share, accounting for 39.8 percent of total market’s value. Coca-Cola and PepsiCo, Inc. each holds 56.4 and 23.4 percent of the market share (Marketline 2013). Nowadays, there are new local cola brands coming into the market to challenge and try to take some market shares from the main players in several countries. The advantage of local brands is that they understand the local characteristics of their people, and therefore enjoy the benefits of patriotism, as well as well-aligned logistics base for product distribution.

Concentrating on the Thai cola market, a research by Kasikorn Bank (2011) found that Thailand has the highest average of people consuming carbonated soft drinks at 41.3 liters per person per year, at a much higher rate compared to Philippines, Singapore, Malaysia, Vietnam and Indonesia. Consequently, the Thai market has attracted investors and carbonated soft drinks companies. Nowadays, there are four main players, three of which are global – Pepsi, Coca-Cola and AJ Big Cola, and one local brand – EST cola. According to market share, PepsiCo, Inc. used to be at number one and it dominated the majority of the carbonated drinks market, followed by Coca-Cola. Recently, the market has witnessed a shift in popularity as Pepsi – Cola Thai Trading Limited and Sermasuk Public Company Limited had discontinued their partnership. Later, Sermasuk launched its own black carbonated drink brand named “EST”, a Thai cola brand, while Pepsi-Cola Thai Trading Limited continues its business under the same cola brand “Pepsi” without partnership. EST by Sermasuk Public Company Limited has set a goal to claim higher market share within a few years.

1.1.1 PepsiCo, Inc. and Sermasuk Public Company Limited

According to the information from Thai Retailer Association (2013) about the PepsiCo Inc. and Sermasuk Public Company Limited, it is mentioned that PepsiCo Inc. started a soft drink business in Thailand in 1952 by using a direct investment under the company named Pepsi-Cola Thai Trading Limited. It partnered with Sermasuk Public Company Limited to run the business in Thailand. Sermasuk Public Company Limited did the production, distribution, and marketing. Their business was successful in terms of sales volume, market share, brand image and brand recognition, guaranteed by the fact that the brand owned 63 percent of market share under the management team of Sermasuk Public Company Limited and Pepsi-Cola Thai Trading Limited. Pepsi became number one in the Thai soft drinks market, ahead of Coca-Cola. Around the end of the year 2012, there was news that the relationship between PepsiCo and Sermasuk came to an end after PepsiCo tried to buy stocks from small stockholders and Sermasuk with the condition that the total amount of stocks must reach 51 percent. However, PepsiCo was offering a lower price than a real stock market price. The result was that PepsiCo’s attempt was unfruitful, losing the stocks to SS National Logistic who got 32.62 percent of the total shares. The offered price was 42 THB. At that moment, stocks were held by SS National Logistics at 32.62 percent, Sermasuk’s family at 21 percent, and the rest by PepsiCo. SS National Logistic and PepsiCo wanted to buy stocks from another side and they had agreed that the party that got the highest offer would get a chance

to buy another side's stock. Finally, PepsiCo had to sell all the stocks to SS National Logistics, while Sermasuk also sold its stocks to SS National Logistics.

The termination of the partnership meant that PepsiCo had to start a new business on its own without any customer information because all of the properties including the list of customers, employees, glass bottles, transportation cars and distribution channels belonged to Sermasuk Public Company Limited, leaving PepsiCo with nothing but its logo and a manufacturer. At the same time, Sermasuk Public Company Limited introduced "EST" cola to the market and took over the old distribution channels of old Pepsi customers with its new brand. Pepsi only sells its beverage in cans and plastic bottles, but not glass bottles due to the lack of inventory and distribution channel. Additionally, Pepsi can support only large supermarkets and some retailers, but not all of the ex-customers. It would take some time for Pepsi to come back and reclaim the number one spot in sales volume again.

1.2 Problem Discussion

Some research mentioned the possibility of local brands successfully competing with global brands, such as the research of Holt, Quelch & Taylor (2004) which studied the effect of global brand's dimension on buying manner. The research asked the participants to select three brands in six product categories and found that the third most powerful brand in the soft drink industry is not only global brands but also local brands. They are Coca-Cola, Pepsi, and a local brand of each surveyed country respectively. Evidently, there is a small chance for the local brand to gain higher market shares over the multinational brand in the beverage industry (Holt et al. 2004) because people will choose a local brand as an option after the global brand. Still, a local brand might be able to compete with the global and well-known brand in some places. For example, in France, a local whisky brand has a higher market share than global whisky brands. Even as the demand was increasing, the global whisky brands still could not penetrate further into the French market share (Kapferer 2002). According to Kapferer (2008), local brands are leading brands in many product categories in several local markets. Cheese, beer, cooking oil and fruit juice are some examples of products that local brands are more popular than global brands. Moreover, local brands are an expert in local buying behavior, allowing them to develop certain aspects such as packaging and size of product to meet the customers' need (Kapferer 2001). Nevertheless, from a theoretical perspective study of Zhang et al. (2005), it was found that both global and local brands can get a positive feedback from customers depending on the situation.

In theory, there is a chance for a local brand to compete with global brands. The current situation reflects that several carbonate soft drink brands are competing with each other in the local market level. It is not only well-known and global brands but also newcomers and local brand that inevitably fall into an aggressively competitive situation. The competition is not specific only between the same brand levels but across all levels of relevant brands. Global brands have several advantages such as economy of scale and brand reputation, but also they also have many disadvantages, such as the lack of cultural knowledge and consumers' behavior in a specific market that might affect their own brands in terms of sales volume and brand loyalty. In addition, the cola market value in Thailand is valued at 40 billion THB (Ngammuean 2013), so each cola company in the Thai market is trying to be number one to get the highest market share.

Since Pepsi-Cola Thai Trading Limited and Sermasuk Public Company Limited had stopped doing business as a partnership, Sermasuk Public Company Limited launched a new brand named "EST" while Pepsi continues its business without the experienced partner. Although Pepsi previously held highest market share in the market, and despite the fact that it has the original recipe in hand, it is not experienced in doing business in the Thai local market. Moreover, Pepsi does not have the information on distribution channel and lacks logistic tools. Meanwhile, Sermasuk does not have the recipe, but it has 50 years of management experience. At the same time as the conflict between Pepsi-Cola and Sermasuk, Coca-Cola and AJ Big Cola upped the game by spending a huge amount of money on advertising because they expected to increase sale volume and rank in the market.

In a competitive situation, it is important to understand the potential of local brands to compete with the global brands – there is a chance for local brands to be advantageous.

However, there is no specific theory mentioning carbonated soft drink industry, especially in case that the most popular brand cannot satisfy the market demand. Hence, it is interesting to investigate the situation to see whether a local brand can win against global brands in the home market. Moreover, several factors that provide the opportunity of local brand to win over the global brands will also be investigated in this research.

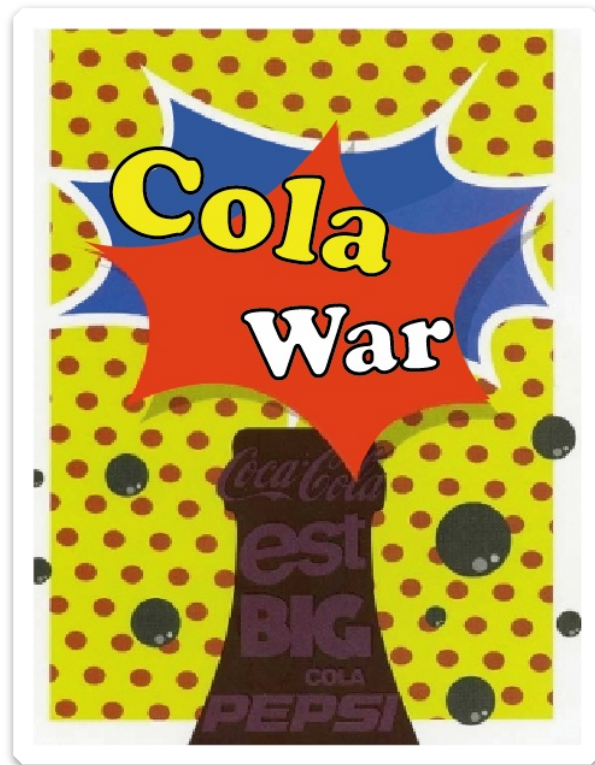


Figure 1: Cola war photo

1.3 Objective of Study

Apparently, the competition in this market is aggressive. Pepsi-Cola Thai Trading Limited has a well-known brand in terms of brand recognition but lacks distribution channel and brand management experience, while Sermasuk has knowledge of brand management and expertise in local consumer behavior but its brand is not well known, and the level of brand recognition in customers' mind is relatively low. The competition is strong among the four cola brands because they use this opportunity to increase sales volume and expect to get higher rank in the market. For example, Coca-Cola tried to be number one in the market instead of Pepsi by using the opportunity that Pepsi cannot support all of the customers. At the same time, AJ Big Cola is also trying to increase its sales volume. While there are theories to support the fact that there is a chance for local brand to compete with global brands, there is no specific theory for this specific situation.

Thus, this research aims to:

- Investigate the opportunity of a local brand to compete with global brands based on the previous theory mentioned about the competition ability of a local brand in the local market by investigating and understanding several factors that might affect brand preference. The result of this thesis can expand the opportunity of local brands to win in the local market.
- Determine the factors of improving and expanding the chance for the brand to compete and survive in the local market by understanding the relation among several factors. It can lead to an improvement in several ways to satisfy customers' need. The research questions are provided in the following topic.

1.4 Research Question

As aforementioned, this research is seeking for a chance and possibility of a local brand to compete with global brands within the local market. Therefore, the main research questions are:

Key question A: Is it possible for a Thai local cola brand to compete with the global brands?

In addition, the factors influencing the opportunity of a local brand to compete with the global brands in the local market also appear in the main research question as:

Key question B: What are the factors to extend the possibility of a local brand to compete with global brands?

Case Study: Sermasuk Public Company Limited has changed from a partner with Pepsi- Cola Thai Trading Limited to a competitor.

In fact, we need to understand many supporting factors and to answer the key research questions, so sub-questions are required. Sub-questions are provided and aimed to gather different information to help researcher analyse and discuss several factors to answer the main research questions. However, researcher decides to divide the sub-questions into two parts to answer both key research questions.

Firstly, sub-question 1A to 4A aim to investigate and gather information to answer the key question A. The sub-questions started with research question 1A: *How often do Thai people*

drink cola? It represents the frequency that consumers consume cola, leading to the conclusion of how much people like to consume cola. Research question 2A: ***What is the most preferred cola brand for Thai consumers?*** The second sub-question is an important question as it investigates the brand preference from customers and it will illustrate the brand that has highest popularity to the lowest popularity from the customers' perspective. In addition, research question 3A: ***Is there a correlation between brand preference and product substitution when consumers cannot find their favorite brand?***, investigates the customer behavior on substitution brand in case the preferred brand is not available in the market. The customers' behavior of brands substitution will be an important factor to expand a chance of local brands such as EST to replace Pepsi in case Pepsi is not available in the market. For a clearer picture on taste differences of four cola brands, the differences of taste among cola brands are investigated by the question in research question 4A ***“Can consumers recognize the differences among the four cola brands?”***

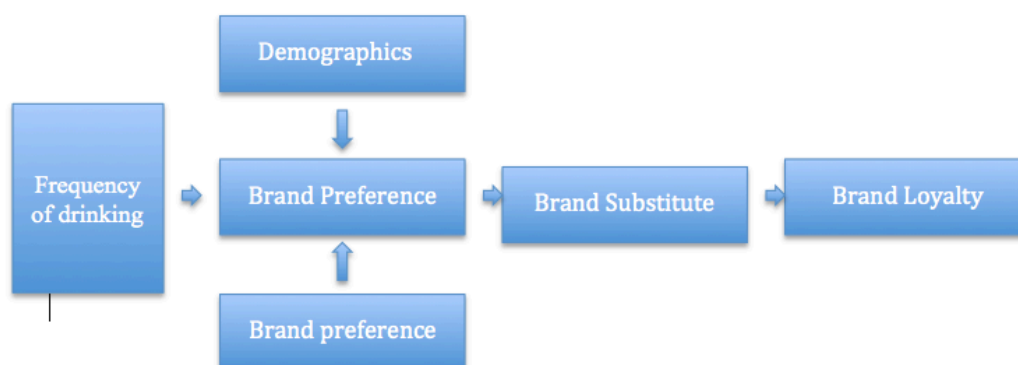
Secondly, sub-question 1B to 5B are the sub-questions for the key question B. An additional topic about customers' preference of taste of four cola brands are included in research question 1B by asking ***How do customers rank their cola preference of Cola drinking?*** This question represents the taste satisfaction of four cola brands from customers. Then, the relation between demographics and brand preference is investigated in question 2B: ***Do demographic factors influence brand preference?*** This question is trying to understand the demographic factors that relate to and influence the brand preference that leads to the ability to develop the advertisement specific to the target groups. Moreover, loyalty of brand is also questioned in the research question 3B: ***Which brand has the highest customer's brand loyalty?*** The level of brand loyalty represents the chance of customers to substitute favorite brand with other brands. Hence, it can also be useful information to discuss the possibility of a local brand to compete with global brands. Next, research question 4B is applied from research question 1A and 2A to investigate the relation between frequency and brand preference, ***“Is there any relation between frequency of cola drinking and brand preference?”*** If there is a relation between the two factors, we will expand and investigate more in detail on the difference brand preference and drinking frequency. Finally, research question 5B asks, ***“Is there a relation between brand preference and taste preference?”*** to understand the relation between brand preference and taste preference. The results could affect the improvement direction of the four brands because if brand preference is based on

taste preference, a brand that has low number of brand preference can improve the taste of its cola to boost the brand preference.

1.5 Research Framework

This research puts an emphasis on the cola market in Thailand, looking for a chance of a local cola brand surviving and competing with global brands in the particular market. To answer the research questions, the results of several factors need to be regarded. The main frame of this research also focuses on brand preference, brand substitution, and brand loyalty. There are many theories related to this research to support or argue with the results of this research to understand more about the cola market from customers' preference. The following picture is to show how each theory is relevant to one another.

Figure2: Framework



1.6 expected Results

This research is expected to determine the possibility of a local brand in competing with global brands by understanding the way of substitution based on customers' survey. Moreover, the factors that increase the possibility of local brand to compete with global brand will be shown in the results, with reference to a current market situation - Sermasuk Public Company Limited has changed from a partner of Pepsi-Cola Thai Trading Limited to be a competitor. To analyse the possibility of local brand to compete with global brands, there needs to be additional information about consumers' attitude on brand preference and brand substitution toward several questions that include frequency Thai people's cola consumption,

the most preferred brand in customers' perspective, brand substitution, taste differentiation among the four cola brands, and brand loyalty. Moreover, investigating how the factors affects brand preference is also required for better understanding and more benefits for both local and global companies to develop products into the right direction. Finally, this research will hopefully find the real factors that satisfy cola drinkers. It is hoped that the research results could at least be a suggestion that leads to the enhancement of both local and global brands in this local market.

1.7 Operation Definition

EST is a cola drink brand owned by a Thai company, launched on 2 November 2012 by Sermasuk Public Company Limited (MThainews 2012). It is sold only in domestic markets at this moment.

PepsiCo, Inc. is an American food and beverage company. This company controls over the investment of the sub company in Thailand.

Pepsi Cola Thai Trading Limited is a sub company of PepsiCo, Inc. with direct investment in Thailand and worked with a Thai partner named "Sermasuk Public Company Limited".

Sermasuk Public Company Limited is a Thai company who used to once produce, manage the logistics, and control all of management process for Pepsi Cola Thai Trading Limited to run its business in Thailand.

SS National Logistic is a Thai company which is under the control of Thai Beverage Public Company Limited.

Thai Beverage Public Company Limited is a Thai company which produces both alcoholic and non-alcoholic beverages for domestic and international markets.

2. LITERATURE REVIEW

People in a developing country perceive the meaning of global and local brands in almost every day (Demir & Tansuhaj 2011). Some people in developing countries are using global brand as a tool for promoting their social status and represent themselves as a part of global consumer society (Batra et al. 2000). In addition, global brands represent high quality and high standard of products (Medina & Duffy 1998). Local brands are promoted only within a specific nation (Van 2003) and it is often associated with a lower status than global brands (Batra et al. 2000). Today, it is easy to find local brands in global chain supermarkets and even easier to find global brands in the local shops (Demir & Tansuhaj 2011). Demir and Tansuhaj (2011) mention that the Thai society is open for every brand from around the globe. It results in the tense competition between local and global brands in the local market, and customers are the main factor to decide the future of the brand. If a brand cannot satisfy the customers' need, they are not likely to be repurchased because customers do not have any positive association with the brand. When customers make the decision to buy a product, many factors affect the decision process. Brand preference influences customers to buy their favorite brand instead of other brands that are also available in the market (brand choice). Brand awareness also makes consumers recognize the brand when they want to buy a certain product. There are many levels of brand loyalty that leads to different decisions of customers on brand substitution when they cannot find their favorite brand. Brand choice is also included as a choice for customers. They are looking at a brand that has the same product characteristics to satisfy their needs. There are several theories and some excerpts from various articles that are related to the research as shown in the following topic. The sorting of topic follows the main and related topic, starting with main theories followed by related theories.

2.1 The Buyer's Decision Process

A decision includes two or more choices of alternative. Consumers have to make a decision on choices of product when there are many choices available (Peter & Oslon 2008; Kumra, R. 2007). According to Kotler & Armstrong (2008), there are five stages of buying decision making. First stage of the model is problem recognition, meaning the customer realizes a problem or need. The need comes from internal stimuli such as

hunger and thirst or external stimuli such as advertisement. Second stage is information searching for alternatives. Nevertheless, customers may not search for further information from many sources if the preferred brands are available. Next, evaluation of alternatives represents how customers perceive information among brand choices. This process can be different based on personality and buying situation, but the presence of the favorite brand also affects the decision. Two other factors are concerned. The first factor is buying attitude affected by important people or particular person. Another factor is an unexpected situation, such as having heard friends say that the taste of EST is better than Pepsi. Finally, the satisfaction of goods depends on the level of expectation and the actual satisfaction received from the product. A difference between expectation and received satisfaction is called “a gap”. A big gap between consumer’s expectation and perceived performance leads to consumer’s dissatisfaction. However, success or failure is based on customer choice (Mathur & Kenyon 2008). Nevertheless, people make a lot of decisions in a day, so they are always finding a shortcut to make the decisions for them. Buying the brand that once satisfied them in the past instead of new brands is one shortcut (Butterfield 1999). That way, consumers might be able to skip some process when they are purchasing routine goods (Kotler & Armstrong 2008). The need for a shortcut leads every brand to try its best to fulfill customers’ need as much as possible to keep highest customers’ satisfaction.

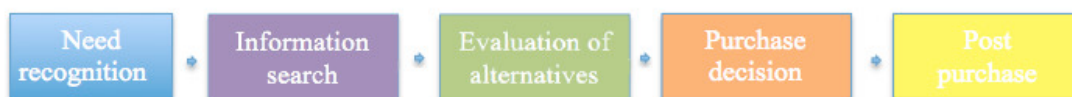


Figure 3 Source: Buyer decision process Source: Kotler & Armstrong (2008). *Principle of Marketing*. New Jersey: Pearson.

2.2 Brand Loyalty

Brand loyalty is customer’s favorite brand over several brands (Pride & Ferrell 2011). Brand loyalty also means permanent customers who are not likely to switch brands (Aaker & McLoughlin 2010; Pride et al. 2011). It also brings more potential to draw customers over other brands (Hoyer & Macinnis 2008). Customers who often buy the same brand have “brand loyalty” (Kohli & Leuthesser 2011). They do not always need to choose this specific brand but they view the brand as a one of several alternatives

(Pride & Ferrell 2011). However, the more popular a brand is, the higher the brand loyalty is. For example, most of the soft drink customers are loyal to brands Coca-Cola and Pepsi respectively (Beverage Industry 1998). There are three levels of brand loyalty: recognition, preference, and insistence. Firstly, brand recognition happens when a customer realizes that the brand has existed and views it as the alternative if favorite brand is not available. Brand recognition is not only crucial for brand loyalty but also a vital component in brand awareness. Secondly, brand preference is a higher level of brand loyalty - consumers always choose their favorite brand over other brands if the brand is available. However, in case the favorite brand is unavailable, consumers will purchase a substitute brand instead of searching for their preferred brand in another place. Customers can have a strong brand preference even they have not experienced that brand (Butterfield 1999). The highest level of loyalty is brand insistence: customers will buy only that preferred brand and avoid brand substitution. If the preferred brand is unavailable they will find their preferred brand in another place (Pride & Ferrell 2011). According to research of Shuptrine and Rumpel from University of South Carolina, Columbia (cited in Brand loyalists rate Coke and Pepsi images as same, 1981) about Coca-Cola and Pepsi customer loyalty, it was found that demographic characteristics of both Coca-Cola and Pepsi customers were similar, except that Coca-Cola customers were slightly older and most of them had medium income. Both of their customers said that tastes of both were not much different, similar to their packaging and price. From the research, it was also found that both groups of customers rated opposite brand with negative perspective. In addition, Coca-Cola loyalty was against switching brand while Pepsi loyalty was easier to switch the brand.

2.2.1 Brand Awareness

Mcdonald and Sharp (2000) mentioned brand awareness in their research that “Brand awareness affects the latter through its use as a heuristic for choice (e.g., “I’ll choose the brand I know)”. Brand awareness also provides competitive advantages to the brand. Sense of familiarity for low involvement products such as soft drink that is recognized by the name brand will affect the evaluation of consumer although they would not buy the brand (Aaker & McLoughlin 2010).

Brand recognition and brand recall are composed of brand awareness. Brand recognition is the situation that customers can realize the brand when they go to stores. Brand recall is a situation that customer can memorize the brand when they decide to buy a specific product category (Aaker & McLoughlin 2010; Keller 2008). For example, a customer thinks about Kellogg's Corn Flakes when they want to buy cereal (Keller 2008). Cola soft drink also can be a good example when customers want to buy a cola they will think about Coca-Cola and Pepsi.

McDonald and Sharp (2000) studied about the effect of brand awareness on consumer decision making on brand choices and found that if consumers have to make decision on new product, brand awareness is a crucial tactic for consumers. In addition, consumers who are aware of one brand have tried less different brands within the same product category.

2.3 Taste Preferences

Product label gives information to help customers remember a brand and make the right decision to buy a product, and in some cases, color of a product and label are crucial parts of branding (Ferrel & Hartline 2010). For example, the Coca-Cola brand is recognized by its red color and white lettering, while blue and white is related to the Pepsi brand. Labels are therefore more than just a way to provide literal information, but also an identity that customers associate their experience with, and might affect their perception on the brand as well. While a research on drink preference indicates that taste might affect both the known and unknown brands (Wulf et al. 2005), another experiment by Woolfolk (et al. 1983), by asking 30 people about taste preference between Pepsi and Coca-Cola, was found that the taste preference was affected by the label, as the label has an influence on perception of products more than the actual taste itself. In addition, an experiment by Maison et al. (2004) that asked the question about brand preference also found that the participants did not know the difference between the two cola brands if the brand information was not provided. Maison also found that the label used on the sample also has an impact on the cola preference. On the other hand, there has been a taste comparison among seven cola brands on 60 students from Georgia State University, 41 males and 19 females. This experiment was designed to

understand how preferred cola brand relies on taste evaluation. The result shows that cola brand preference is based on taste preference (Stanley 1978).

2.4 Products or Brand Substitution

Product substitution means if customers need a particular product, it can be replaced by another product (Lang n.d.). If customers' preferred product is out of stock, customers will buy a substitute product instead (Anupindi et al. 1998). Product substitution can be divided into two categories, which are customer-driven substitution and firm-driven substitution. This research will regard only customer-driven substitution because the main purpose of this research is to interpret the attitude of cola's customers. Customer-driven substitution means one product can replace by another product; for example, product A can be replaced by product B (Lang n.d.). In addition, the level of product substitution depends on the level of physical sharing (Christensen & Maskell 2003). For instance, Pepsi and Coca-Cola are both carbonated soft drink with black color which tastes almost the same. Furthermore, if the customers perceive that other brands can satisfy the same need, they will consider the product substitute. For example, consumers asked for Coca-Cola but they will be satisfied even they receive Pepsi (Butterfield 1999; Doyle 1989). Customers do not only substitute within the same type of beverage but they also substitute across the categories. Moreover, customers' income can affect the beverage consumption (Uri 1986). Mathur and Kenyon (2008) stated, "Company has to design what the customers choose, that is the offering. If the company's offering does not create value, the company fails".

2.5 Brand Competitors

As aforementioned, there are four players in the cola industry in the Thai market. They compete with each other in terms of brand competition, which means they all provide the same product with similar price to customers (Ferrel & Hartline 2010; Pride & Ferrell 2011). Brand competitors are very important and interesting because customers are looking at different brands as a direct substitution brand (Farrel & Hartline 2010). In addition, the company selling the same product as another company is also viewed as a company's direct competitor (Clifton 2009). For example, Coca-Cola and Pepsi are direct competitors to each other (Young & Pagoso 2008). However, it depends on customers how they make the decision to buy a product. Peterson and Tiffany (2011)

stated that customers decided to buy things based on their own view. So, it is crucial for marketers to make sure their brand satisfies customers' taste. For example, in the cola industry, the company has to develop its cola taste to be more satisfying to meet the customers' preference as much as possible in order to protect their customers from switching to both direct and indirect competitors of the company.

2.6 Brand Choices

The term "satiation" affects the consumers' brand choice when the previous choice of brand or product satisfies the consumers. Therefore, the previous choice has an impact on current choices (McAlister 1982). In case that consumers have to choose between known and unknown brands, consumers are more likely to choose the known brand (Mcdonald and Sharp 2000).

2.7 Attitudes and Perceptions

Attitudes and perception are very important in the consumer decision process and have a huge effect on buying decision (Chakraborty 2011). Positive attitude about a brand can help customers decide to choose a particular brand over any other. Especially, in the high market competition nowadays, there are many brand choices for consumers, so every company needs to make sure that consumers have a good attitude and perception about company to protect the customers from switch to another brand in the decision making process (Chakraborty 2011).

2.8 Conclusion

The previous theories provide wide and detailed information about theories related to this research. When customers want to buy any goods, they use the decision process as a source of making a decision to buy any item, especially basic and non-complex products such as clothes, food, and beverage. In fact, almost every consumer has different levels of loyalty of a specific brand of goods. Different levels of loyalty affect the customer's decision process in several ways when they are buying products. Some customers prefer one brand over another brand but it can be substituted. The brand substitution results in competition among brand competitors who are producing the same product to serve the same market. Therefore, customers have to choose among many brand choices that provide almost the same values to them. Some customers have

a high level of loyalty to the brand so it is hard to change customers' mind to other brands. Taste preference might be a factor that affects brand preference when we are concerned with food and beverage. Moreover, in the situation that the preferred brand is not available, the question is how consumers decide to buy goods, and whether they will choose another substitute. Alternatively, the question is whether they change their mind to buy another kind of product altogether. All of the theories were explained in theories in the previous part. In addition, all of the mentioned theories are related to the research question which can be applied to answer and conclude the outcome of the data processing.

3. RESEARCH METHODOLOGY

3.1 Research Design

There are two types of research strategy: qualitative and quantitative, both of which are given an explanation by (Kalof et al. 2008) that:

Qualitative research explores issues with an aim to understand phenomena and answer questions, while quantitative research employs statistical, mathematical or graphic investigation techniques. Traditionally, data are collected by conducting surveys in which everyone is asked the same set of questions, or by gathering information in a form that allows the observing question to be answered by numbers.

Moreover, some researchers explain the quantitative research methods as the numerical measurement for display population that based on a particular situation (King et al. 2004; Thomas 2003) and some perceive it as gathering facts (Blaxter et. al 2010). Therefore, the main objective of this research is based on the fact and current situation, which requires numbers and hypothesis to test theories to understand the situation, leading to conclusion. Hence, this research is appropriate for the quantitative method strategy.

In addition, the Author decided to use both primary data and secondary data. The questionnaire is a source of primary data in this research and secondary data is derived from theories, applied to support or argue the research results. Most of the articles and books are available from the university database including Emerald Management Plus, Google Scholar, Business source premier, and Ebraly. Furthermore, there are several free academic article sources from Google Scholar but we choose only relevant sources such as JSTOR.

3.2 Data Collection

Data collecting location is city center streets, Department Store, shopping streets and weekend markets in Bangkok. Questionnaires are provided in both Thai and English language because Thailand has Thai language as an official language and it is easier for Thai people who answer the questionnaire to get the idea of the questions. The data is collected by self-completed questionnaire. The first target was chosen by researcher,

and the next target was chosen half a minute after the previous case has done their self-completed questionnaire. The Author decided to choose the most popular and most visited shopping centers in Bangkok to be the places for collecting data, which is the Siam area, covering Siam Square, Siam Paragon, Siam Center, and Siam Discovery shopping malls. In addition, close-ended questions are used in the questionnaire with multiple choices because they are more specific, which less percentage of misunderstanding and error of the data collecting process (Bryman & Bell 2011).

3.3 Sample Size

As aforementioned, this research is designed to collect data in Bangkok, Thailand, which has 6,355,144 people in the area (The National Statistic office Thailand 2009). The data will be collected by questionnaire. Quantity of the questionnaire will be calculated by using Yamane (1973) formula:

$$n = \frac{N}{1+N(e)^2}$$

N = Sample size

N = Population size

e = the error of sampling

This research needs the confidentiality of 95 percent so error is only allowed at 5 percent, which is 0.05 percent allowance of sampling error, so the sample size will be

$$n = \frac{6355144}{1+(6355144*0.0025)} = 399.97 \approx 400$$

Regarding the above calculation, the amount of sample size has 400 cases. The amount of questionnaire should be more than the sample size calculated (Fisher 2006), so we decided to collect 420 questionnaires with an additional 20 cases calculated from 5 percent of total samples.

3.4 Research Tools

Questionnaire was a tool for collecting a data (See in Appendix1). Content analysis was required for checking detail of questionnaires, and the supervisor had reviewed questions, estimates, and comments. The questionnaire was approved by the supervisor when it passed the quality standard. After that, the questionnaire was created on the Google's online questionnaire website and the link was sent to researcher's friends who live in Bangkok. We expected 70 persons to participate in a draft version of the questionnaire. The result was submitted to advisor for review and comment (Questionnaire test round 1 and 2 results in Appendix 3). The questionnaire was approved by supervisor and the approved questionnaire was used to collect data. Another additional tool of this research is time because it crucial for selecting a sample group. We selected the first target group by ourselves. Then, we chose next sample when half a minute passed after the previous sample had completed the questionnaire.

3.5 Questionnaire distribution

According to the sample size calculation, 420 respondents were required, but we distributed more than 420 questionnaires to meet the quantity at 420 units of respondents. The detail of distribution of the questionnaire is as follows.

Researcher and four of researcher's friends decided to collect the data for two days. April 7, 2013 was the first date to collect the data at Siam Square shopping area. The collection time was 10.00-12.00 and 14.30-17.00. In total, 655 questionnaires were distributed to the people who walked around the shopping area. We took the first sample by choosing anyone who walks pass us. Then next case was selected by choosing a person who walked pass us at half-minute after the previous person finished the questionnaire. However, there were 372 persons who refused to attend the research, 163 male and 209 female.

On the second day, only researcher and two friends distributed 215 questionnaires at a city center area close to Saladaeng BTS station on Silom Road on April 12, 2013. We approached 78 persons, 39 male and 39 female, all of whom refused to answer the questionnaire. The way of distributing the questionnaire was the same as the first day.

Finally, we distributed 870 units of questionnaire and got feedback from 420 units, 283 and 137 units from first and second day of distributing the questionnaire, respectively. Even though the total questionnaire is 420 units, we found that some cases were not complete, missing a lot of personal data, and some cases were not complete because many answers were missing. Finally, the usable questionnaires were 408 cases. So, the percentage of response rate will be calculated as follows:

$$\begin{aligned} 870 \text{ questionnaires} &= 100 \text{ percent} \\ 408 \text{ questionnaires} &= [100 \times 408] / 870 \\ \text{So the response rate} &= 46.9 \text{ percent} \end{aligned}$$

According to above calculation, it showed the response rate of this research that is 46.9 percent.

3.6 Data analysis and data coding

SPSS is a vital program for analysing data in this research. Individual choice of answer has a specific code number to transfer answer to SPSS. Codes of answers are shown in appendix 4. After the data gathering process, the answers were converted into numbers and put it in the programs. There are several different statistic analysis methods for analysing the data to answer different questions they are represented in the various Table styles and diagrams. For instance, the frequency Table contains number and percentage based on the variable in question. In addition, it also represents the relation of two variables without exception of variable type (Bryman & Bell 2011). The data in the frequency Table was calculated through cross tab function in SPSS program. Chi-Square is a statistic tool for the research question that needs to investigate the relation or effect of two variables so the Tables show frequency, percentage, and significant value for deciding the hypothesis. Moreover, some cases require a variable to be transformed into a different type for processing the data, so transform variable option was applied before continuing the analysis process.

3.7 Limitation

This research focuses on the customer's perspective on the cola products in a changing market situation in Thailand. This research gathered data from people who drink cola

but other kinds of soft drink are excluded. Moreover, non-soda drinker's perspective is not included in this research. Non drinkers might give blind information that fails to compare the four brands of cola in terms of taste.

4. RESEARCH RESULTS AND DISCUSSION

4.1 Demographic of the samples

In this research, the author categorized the demographics into five categories; Gender, Status, Age, Education and Income. The Table below is the summary Table for the demographics of this research's sample with frequencies and percentages of each individual topic.

Table 1: Demographic conclusion

Demographic	Frequencies	Percentage
1. Gender		
Female	208	51.0%
Male	200	49.0%
2. Status		
Single	331	81.3%
Married	64	15.7%
Divorced	12	2.9%
Others	None	0%
3. Age		
Below 18 years old	44	10.8%
18 – 25 years old	178	43.6%
26 – 35 years old	116	28.4%
36 – 45 years old	43	10.5%
46 – 50 years old	16	3.9%
More than 50 years old	11	2.7%
4. Education		

Lower than high school	8	2.0%
High school or equal	88	21.6%
Bachelor's degree	247	60.7%
Master's degree	58	14.3%
Doctoral degree	3	0.7%
Others (diploma)	3	0.7%
5. Income		
15,000 or below	176	43.9%
15,001 – 25,000 THB	104	25.9%
25,001 – 35,000 THB	60	15.0%
35,001 – 45,000 THB	17	4.2%
45,001 – 55,000 THB	23	5.7%
More than 55,000 THB	21	5.2%

*Remark 4.5 THB \approx 1 SEK

4.2 The Empirical Results

This part represents the information collected by the questionnaires. The purpose of the questionnaire is collecting the data and analyzing it to answer the research questions. The answer comes from analyzed information through SPSS program. Chi-Square and percentage were used to present the information. In this case, the sample group represented the perspective of people who live in Thailand. Even though the data was gathered in Bangkok alone, but Bangkok has an eclectic mix of people from many provinces, so it can represent a perspective of local consumers in Thailand.

4.2.1 RQ 1A How often do Thai people drink cola?

Before exploring other aspects, the first and most important question to answer is the frequency of cola drinking among Thai consumers. In Table 2, it can be seen that the highest percentage of drinking frequency is a few times a month, which applies to 150 persons of sample and accounts for 36.8 percent. In addition, the second highest percentage is those who drink once or twice a week, which includes 100 persons or 24.5 percent. People who drink cola almost every day represent only 17.9 percent, which is still higher than the percentage of people who drink cola 3 to 5 times a week, which is 3.2 percent. Moreover, people who never

or almost never drink cola are lowest percentage at 6.1 percent, accounting for only 25 persons. More detail is shown in Table 2.

Table 2: Frequency Table

	Percentage
Never or almost never	6.1
A few times a month	36.8
1-2 times a week	24.5
3-5 times a week	14.7
Almost every day	17.9
Total	100

This information shows that Thai people do not consume cola often. This is because the information includes only cola drinking and not other kinds of carbonated soft drinks. It is possible that if we compare the frequency of cola drinking of Thai people with people from other countries, the average frequency of Thai people might higher. Thai people are found to consume carbonated soft drink more than people in the Philippines, Singapore, Malaysia, Indonesia, and Vietnam (Kasikorn Thai Research 2011).

4.2.2 RQ 2A What is the most preferred Cola brand for Thai consumers?

In this part, we aim to investigate the cola brand preference from the customers' perspective toward four cola brands: Coca-Cola, Pepsi, AJ Big Cola and EST. The conflict among PepsiCo, Thai Trading and Sermasuk has resulted in a big market shift, affecting the cola market share. Therefore, it is important to know and understand the brand preference in comparison to the current market share. The information will illustrate the results that can lead to conclusion of brand preference, and can be compared to the current market share, to conclude whether there are differences between brand preference and brand market share. The result is shown in the Table below.

Table 3: Brand preference and frequency of drinking

	Percentage
Pepsi	48.5
Coca-Cola	43.9
EST	4.9
AJ Big Cola	2.7
Total	100

According to Table 3, Pepsi has the highest brand preference at 48.5 percent over Coca-Cola, whose brand preference is 43.9 percent, followed by EST whose percentage is 4.9 percent, while AJ Big cola has the lowest percentage in terms of brand preference at 2.7 percent. Regarding the question number 2, Pepsi has the highest brand preference in customers' perspective followed by Coca-Cola at the second highest rank. According to the information about cola market share, while PepsiCo Inc. and Sermasuk Public Company Limited were still partners, Pepsi had higher market share over the global competitors in local Thai market (*Dailynews* 2012; ARIP 2003). However, the current market share has shown that Coca-Cola has the highest market share (*Bangkok Post* 2013). There might have been some changes in the market share as customers might choose Coca-Cola as a substitution brand for Pepsi brand. The main reason that Coca-Cola has market share over Pepsi is not because of customers' preference has changed but because Pepsi has lost almost entire distribution channels to sell their product. Therefore, this is an opportunity for competitors especially Coca-Cola, who is the main competitor of Pepsi in both global and local market.

4.2.3 RQ 3A Is there a correlation between brand preference and product substitute when consumer cannot find their preferred cola brand?

This topic aims to investigate the relationship between brand preference and brand substitute among the four cola brands in Thailand. To analyze this question, questionnaire questions number 2 and 3 are applied to Chi-Square in SPSS program. The results from the analysis program are shown in the Table 4.

Table 4: Relation between brand preference and brand substitute

	Brand Preference					
		Coca-Cola	Pepsi	AJ Big Cola	EST	Sig.
Brand substitute	Coca-Cola	7	127	5	10	0.00
	Pepsi	125	11	5	7	
	AJ Big Cola	8	12	0	1	
	EST	18	33	0	2	
	Drink other soft drinks	20	14	1	0	

To answer the research question 3, the researcher has to decide to reject or do not reject null hypothesis via significant level. Both null hypothesis (H0) and the alternative hypothesis (H1) are used:

H0: There is no relation between brand preference and brand substitute.

H1: There is a relation between brand preference and brand substitute.

Regarding to Table 4, it has significance at 0.00 which is lower than 0.05, so H0 is decidedly rejected, meaning there is a relation between brand preference and brand substitute. Table 4 shows the relation between brand preference and brand substitute, and how customers choose a substitute brand when they cannot find their favorite brand. The ranking of how each customer substitutes the favorite brand with other cola brands will be shown in Table 5.

Table 5: Ranking of brand substitution

	Rank of Brand Substitution				
	Coca-Cola	Pepsi	AJ Big Cola	EST	Others beverage
Prefer Coca-Cola	5	1	4	3	2
Prefer Pepsi	1	5	4	2	3

Prefer AJ Big Cola	1	1	-	-	2
Prefer EST	1	2	4	3	-

It is clear from Table 5 that Coca-Cola and Pepsi are substitute brands for each other. Both of them are global brands and are perceived as a substitute for each other. Customers who prefer Coca-Cola see EST as number 3 of brand substitute and it is very difficult for EST to replace Coca-Cola as it is ranked even below choosing other soft drinks. It could be because there are several beverages in the Thai beverage market, such as; green tea, black tea, juice, and flavored soda with many different brands (figure 5), so it is very hard for EST to be the substitute for customers who prefer Coca-Cola.



Figure 5: Other beverage brands in Thailand

4.2.4 RQ 4A Can consumer recognize the differences among the four cola brand?

In this part, we try to understand the customers' opinion about taste differences among the four cola brands. First, we try to investigate the customers' opinion on taste differentiation through the question number 4. The results are shown in the following table.

Table 6: Perception of customers on taste differentiation

	Percentage
Know the taste difference among the four cola brands	70.0
Do not know the taste difference among the four cola brands	7.4
Not sure that there is difference in taste among the four cola brands	22.7

According to Table 6, the majority of the samples know the differences among the four cola brands, accounting for 70 percent while the minority of the sample cannot taste the difference among the four cola brands, accounting for 7.4 percent. Meanwhile, 22.7 percent of the sample said they are not sure if there is any taste difference among the four cola brands. So, the author can conclude that most of cola customers know the difference among the four cola brands. Clearly, there are taste differences among the four cola brands, which means each individual cola brand has its own taste to identity their own brand and its taste is different from others. It can be an opportunity for a brand that has a good taste in customers' attitude because the majority of consumer can detect the differences among the four cola brands. Therefore, the brand that can satisfy the customers' taste has an advantage point over the competitors. To extend this answer in more detail, individual cola taste is analyzed in the next topic.

4.2.5 RQ 1B How do customers rank their cola preference?

In this topic, we try to investigate the taste differentiation in more detail among the four cola brands in terms of customers' perspective. To answer research question 5, we will decide the highest taste preference through median as a statistic tool for deciding on this question. The results are shown in the following Table.

Table 7: How consumers like each cola brand

	Never tried (1) (%)	Ok Taste (2) (%)	Good Taste (3) (%)	Very good Taste (4) (%)	Excellent Taste (5) (%)	Mean
Pepsi	0.7	16.5	51.1	20.1	11.5	3.3
Coca-Cola	0.2	19.4	52.0	20.8	7.6	3.2
AJ Big cola	26.3	49.1	22.4	1.7	0.5	2.0
EST	9.2	56.3	29.5	4.7	0.2	2.3

Concentrating on the mean score of each cola brand, the Table explains the whole image of taste in the customers' attitude and it was found that Pepsi has the highest score at 3.3 while Coca-Cola has the second highest at 3.2 followed by EST at 2.3 while AJ Big Cola has the lowest score among the four cola brands at 2.0. To answer the question number 4, we compare the total scores of taste among the four cola brands by mean and found that Pepsi has the best taste in customers' opinion, followed by Coca-Cola, EST and AJ Big Cola respectively.

Clearly, the majority of customers agreed that Pepsi has the best taste among the four cola brand, as evidenced by the answer of the research question number 2 which indicates that Pepsi is the most preferred taste over other brands. EST has recently hit the market and is expected to eventually replace Pepsi while Pepsi cannot support all customers. Nevertheless, there is no signal that people will shift their preference to EST as seen in the answer about brand substitution from the question number 3. It was found that when customers want to substitute Pepsi by another brand, Coca-Cola is the first option Coca-Cola instead of EST. However, global brands such as Pepsi and Coca-Cola still maintain the leading position in the Thai local market in both brand preference and taste preference.

We can see that AJ Big Cola has the lowest score in terms of taste preference, so one important thing that AJ Big Cola has to improve is taste. Palumbo and Herbig (2000) said it is not essential to apply standardized strategy to both product and brand. Hence, AJ Big Cola can do localized taste of cola, which means improving and adjusting cola taste to satisfy customers in the Thai market. In addition, EST cola is a local cola brand that cannot compete with global brands in term of taste, so EST cola has to improve its taste to support the consumer's taste preference.

4.2.6 RQ 2B Do demographic factors influence brand preference?

In this part, we try to understand the effect of demographics on brand preference. There are five demographics in this research: Gender, Status, Age, Education, and Income. To investigate all these factors, they need to be analyzed through SPSS Program with Chi-Square statistic to learn about the relation.

- **Gender**

Both male and female respondents preferred Pepsi to other brands. Coca-Cola is the most preferred brand for both male and female respondents. In addition, both male and female respondents preferred EST to AJ Big Cola. Focusing on each individual brand, Coca-Cola and Pepsi have more female customers than male, while AJ Big cola and EST have more male customers than female. To investigate and decide the relation between brand preference and gender, we assign both null hypothesis (H0) and the alternative hypothesis (H1) as following:

H0: there is no relation between brand preference and gender.

H1: there is a relation between brand preference and gender.

In Table 8, the significance level is at 0.154, so we decide not to reject the null hypothesis (H0), which means there is no relation between brand preference and gender. Gender has no effect on brand preference because cola drink does not target any specific gender. Since there are several cola brands, packaging is designed to attract both genders. It communicates enjoyment, fun, happiness, and activities of new generation, not specific to a particular gender. It is totally different from some beverages that focus on only one gender, as perceived on the packaging of beverage (see figure 6). The research results confirm that gender has no relation with cola brand preference.

Table 8: Relation between gender and brand preference

Gender	Coca-Cola	Pepsi	AJ Big Cola	EST	Asymp. Sig. (2-sided)
Female	91	107	3	7	0.154
Male	88	91	8	13	

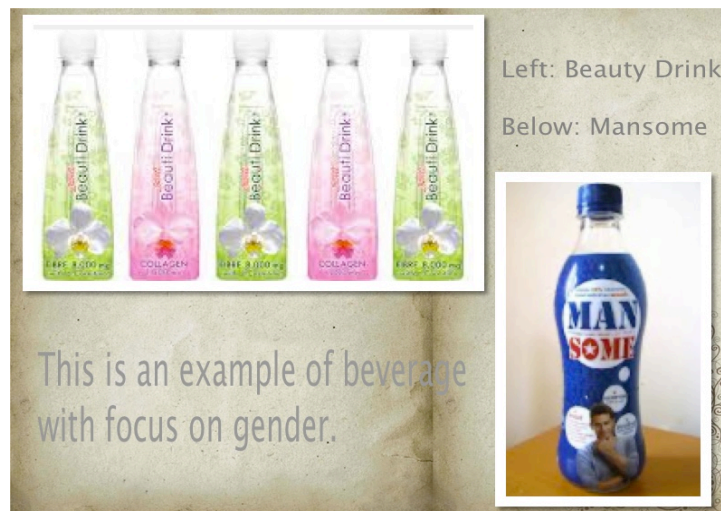


Figure 6: Beverage brands with specific gender target

- **Status**

According to Table 9, samples who are single tend to choose Pepsi as a favorite brand more than Coca-Cola, followed by EST and AJ Big Cola respectively. Samples with married status tend to choose Coca-Cola over Pepsi, followed by AJ Big Cola and EST in that order. Moreover, divorced people preferred Coca-Cola instead of Pepsi but none of that marital status group preferred AJ Big Cola and EST. To answer research question, we give both null hypothesis (H0) and the alternative hypothesis (H1) as follows:

H0: There is no relation between status and brand preference.

H1: There is a relation between status and brand preference.

There is a significance level of 0.157, so we decided not to reject the null hypothesis (H0). It means there is no relation between status and brand preference.

Table 9: Relation between status and brand preference

Status	Coca-Cola	Pepsi	AJ Big Cola	EST	Asymp. Sig. (2-sided)
Single	136	168	8	19	0.157
Married	36	24	3	1	
Divorced	7	5	0	0	

- **Age**

We give hypothesis for data analysis as follows:

H0: There is no relation between brand preference and age of customer.

H1: There is a relation between brand preference and age of customer.

From figure 16, the significance level is at 0.028 so the researcher decides to reject H0, which means there is a relation between brand preference and customer's age. From the researcher's perspective on the relation between brand preference and customer's age, older consumers tend not to have a preferred cola brand.

Table 10: Relation between age and brand preference

Age (Years Old)	Coca-Cola	Pepsi	AJ Big Cola	EST	Sig.
Under 18	16	22	1	5	0.028
18-25	68	94	6	10	
26-35	60	53	1	2	
36-45	22	20	0	1	
46-50	6	6	2	2	
More than 50	7	3	1	0	

As per the information shown in Table 10, all age groups preferred Coca-Cola and Pepsi a lot more than the other two brands because both Pepsi and Coca-Cola have highest market shares in the Thai cola market (*Dailynews* 2012) and worldwide (*Marketline* 2013). In addition, we found that people age more than 25 tend not to have preference on cola brand. It might be because they prefer healthier drinking choices. Interestingly, those aged between 18 and 25 are the sample group that preferred EST more than other age groups.

- **Education**

With reference to Table 11, the majority of the research sample has a bachelor's degree. In addition, the majority of each brand's customers hold a bachelor's degree, followed by high school or equivalent degree. We provide both the null hypothesis and the alternative hypothesis as an option to make decision relying on the significant level. Null hypothesis (H0) stands for no relation between education and brand preference while alternative hypothesis (H1) represents a relation between education and brand preference.

Table 11: Relation between education and brand preference

Education	Coca-Cola	Pepsi	AJ Big Cola	EST	Asymp. Sig. (2-sided)
Lower Than High School	3	3	0	2	0.53
High school or equal	37	42	4	5	
Bachelor's degree	103	127	7	10	
Master's degree	35	22	0	1	
Doctoral degree	0	2	0	1	
Others (Diploma)	1	2	0	0	

The hypothesis condition was assigned by the researcher to make a decision for this research question. It shows the significant at 0.053, which means the researcher does not reject the null hypothesis (H0) that there is no relation between education and brand preference. Cola is just a basic product and it does not require any sophistication and experience upon buying. In addition, the decision making process of cola purchase is not complex. So, education level does not affect to the decision when buying a cola drink.

- **Income**

Table 12: Relation between income and brand preference

Income (THB)	Coca-Cola	Pepsi	AJ Big Cola	EST	Chi-Square
15,000 or below	66	89	7	14	0.147
15,001-25,000	41	58	2	3	
25,001-35,000	31	26	1	2	
35,001-45,000	9	7	0	1	
45,001-55,000	14	9	0	0	
More than 55,000	14	6	1	0	

Samples from all income categories preferred either Coca-Cola or Pepsi more than AJ Big Cola and EST. Interestingly, in some salary groups, no one preferred AJ Big cola and EST at all. Clearly, customers from all of income groups liked Coca-Cola and Pepsi most. To investigate a relation between salary and brand preferences, researcher set a hypothesis as follows:

H0: There is no relation between income and brand preference.

H1: There is a relation between income and brand preference.

From SPSS data processing, the significance level is at 0.147, so the author decides not to reject H0. It means there is no relation between income and brand preferences.

All cola brands in Thailand are offered at an affordable price, so salary is not a factor to decide a brand preference. In addition, cola prices of all brands are almost the same for the same quantity.

4.2.7 RQ 3B Which brand has the highest customer's brand loyalty?

In this case, researcher has created a new variable in response to this question. New variable is created from the answer of question 3 by dividing four answers into two categories – substitutable and not substitutable by other brands. The way to categorize answers is based on the answers of question number 2. In the new variable, Coca-Cola, Pepsi, AJ Big Cola and EST are assigned to “substitute” category, while the same answers of questions number 2 and 3 are assigned to “non-substitute” category, as well as the answer “drink other beverages instead of cola”. Frequency of new groups with brand preference will be analyzed to answer this research question as the following Table.

Table 13: Four cola brands and their brand loyalty

	Coca-Cola	Pepsi	AJ Big Cola	EST
Substitutable by other brands	37.4%	42.6%	2.5%	4.4%
Not substitutable	6.4%	5.9%	0.2%	0.5%

According to Table 13, Coca-Cola has the highest percentage of not being substitutable by other cola brands, which means the consumers have brand loyalty toward Coca-Cola at 6.4 percent followed by Pepsi at 5.9 percent. The research of Shuptrine and Rumpel from University of South Carolina, Columbia (citing brand loyalist rate for Coke and Pepsi images as same, 1981) supports this result. Shuptrine and Rumpel found that customers of Coca-Cola have stronger brand loyalty than Pepsi. Nevertheless, EST and AJ Big cola both have very low brand loyalty comparing to the two global brands, at 2 and 1 person respectively. The reason that both Coca-Cola and Pepsi have the higher percentage of brand loyalty than another two brands is because both of them are well-known global brands which represent higher quality and reputation, selling their products all over the world. It is easier for global brands to stick in customers' mind and thus global brands get more loyalty than local brands.

4.2.8 RQ 4B Is there any relation between frequency of cola drinking and brand preference?

This topic is aimed at investigating whether the frequency of cola drinking will affect or have any relation to brand preference. In addition, the author has specified an assumption as following:

H0: There is no relation between frequency of cola drinking and brand preference.

H1: There is a relation between frequency of cola drinking and brand preference.

Table 14: The relation between frequency of cola drinking and brand preference

	Coca-Cola	Pepsi	AJ Big Cola	EST	Total	Chi-square probability
Never or almost never	18	4	1	2	25	0.188
A few times a month	61	81	3	5	150	
1-2 times a week	45	49	2	4	100	
3-5 times a week	24	31	2	3	60	
Almost every day	31	33	3	6	73	
Total	179	189	11	20	408	

As seen in Table 14, the significance level is at 0.188 so the researcher decided to accept the null hypothesis (H0). It means brand preference does not rely on the frequency of cola drinking or vice versa. Frequency of cola drinking has no effect on brand preference. From Table 14, it is clearly shown that consumers who often drink a cola drink have a particular brand preference.

4.2.9 RQ 5B Is there a relation between brand preference and taste preference?

Table15: The relation between those preferring Coca-Cola brand and Coca-Cola taste

	Never Tried	OK Taste	Good Taste	Very Good Taste	Excellent Taste	Asump.Sig
Coca-Cola	1	66	130	31	1	0.00

Table16: The relation between those preferring Pepsi brand and Pepsi taste

	Never Tried	OK Taste	Good Taste	Very Good Taste	Excellent Taste	Asump.Sig
Pepsi	3	54	123	27	3	0.00

Table 17: The relation between those preferring AJ brand and AJ taste

	Never Tried	OK Taste	Good Taste	Very Good Taste	Excellent Taste	Asump.Sig
AJ Big Cola	107	199	84	5	1	0.00

Table 18: The relation between those preferring EST brand and EST taste

	Never Tried	OK Taste	Good Taste	Very Good Taste	Excellent Taste	Asump.Sig
EST	37	224	107	15	0	0.00

Table 15 to Table 18 show the relation between each cola brand and the taste preference. We found that there is a relation between cola brand and taste preference for all the four cola brands. It means if consumers have a preferred cola brand, they give the highest score to the taste of that brand. This result can be further confirmed by the research of Stanley (1978) which also found that cola brand preference is based on cola taste preference. In addition, the results of the research question 2A and 1B guarantee the relation between brand preference

and taste preference, as they revealed that the brand with the highest percentage of brand preference also has the highest score of taste preference. The rank of brand preference is Pepsi, Coca-Cola, EST, and AJ Big Cola respectively. Answers on taste preference from research question 5 are ranked in the same priority. Stanley (1978) mentioned that cola brand preference based on taste preference, as evident in the results he got from his research done on 60 students from Georgia State University.

4.3 Summary

As evident in the theories, collected data, analysis and answers of the research question provided in the previous part, it can be summarized that, with reference to research results, the majority of the samples consumed cola a few times a month. In addition, Coca-Cola has the second highest percentage in the brand preference after Pepsi, followed by EST and AJ Big Cola respectively. However, it has been calculated that there is no relation between brand preference and frequency of drinking but there is a relation between brand preference and taste preference. Moreover, if customers cannot find their preferred brand, some of them will switch to the other brands while some of them do not. Due to the theory mentioned, that customer loyalty makes it unlikely for them to switch brand (Aaker & McLoughlin 2010; Pride et al. 2011). Furthermore, customer's loyalty means they would buy only the preferred brand and avoid brand substitution (Pride & Ferrell 2011). We found that Coca-Cola has the highest percentage of samples who would not change to other brands, at 6.4 percent, which means Coca-Cola has the highest brand loyalty, followed by Pepsi at 5.9 percent. For the customers who do not have brand loyalty, they substitute their preferred brand with other brands. The substitutable brands are Pepsi and Coca-Cola. Both of the two global brands are brand substitutions for each other. For example, if customers preferred Pepsi and it is not available, they would buy Coca-Cola and vice versa.

Regarding the taste of the four brands in the domestic market, we found that most of the consumers can taste the difference among the four cola brands and Pepsi has highest score followed by Coca-Cola. However, the demographics are important factors as well, and they are used to measure the relation between demographics and brand preference.

After the analysis and calculation process, we found that age is the only demographic factor that has a relation with brand preference because certain age groups are influenced by advertisement. Others demographics (gender, marital status, education, and income) do not

affect the brand preference at all. However, if a local brand wants to enhance an opportunity to compete with global brands, it has to improve several factors especially the taste of cola. The results of this thesis found that brand preference is based on taste preference, so it is a main area to improve.

4.4 Discussion

4.4.1 The possibility of a local brand to compete with global brands

Regarding to the information in the Table 2, it is shown that Thai people consume carbonated soft drink not often, but the frequency is still the highest comparing with the Philippines, Singapore, Malaysia, Indonesia, and Vietnam (Kasikorn Thai Research 2011). We also found that Pepsi is the most preferred cola brand over Coca-Cola, which is totally different from the current market share in which Coca-Cola has the highest market share (Bangkok Post 2013). The main reason that current market share is different from the preferred brand statistics could be because customers would choose Coca-Cola as a substitution brand for Pepsi brand. Focusing on the research results of brand preference, Pepsi and Coca-Cola both are global brands that rank the first and second of preferred cola brands, followed by EST, which is local brand. This brand preference ranking is supported by the research of Holt et al. (2004) that studied the global brands and found that the most powerful brand after the Coca-Cola and Pepsi is a local brand from the local country in which they did a survey. It applied to Thailand as well, as the local brand EST is the third most powerful cola brand.

As mentioned before about brand substitution of Pepsi, it is clear that Coca-Cola and Pepsi are brand substitutes for each other from the Table 5. Coca-Cola is the first alternative for customers if Pepsi is not available. Hence, there is not much possibility for a local brand such as EST to become a substitution priority when Pepsi is not available. At this point, it is clearly that Coca-Cola has the highest market share because Thai people have chosen it as a brand substitution. There are three possible reasons that people choose global brands instead of local brands according to the research of Holt et al. (2004), which mentioned that customers would choose a global brand as a brand preference because global brands are associated with quality signal, global myth, and social responsibility (Holt et al. 2004) (see figure 4).

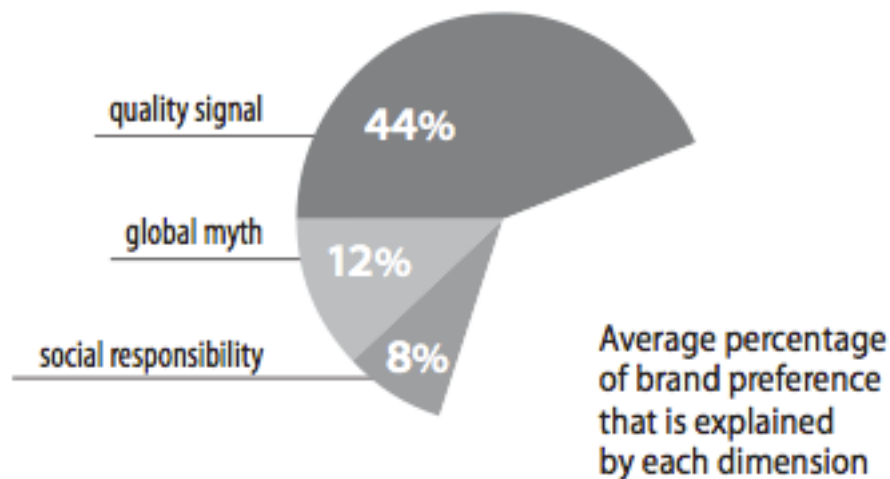


Figure7: Source: Holt, D.B., Quelch, J.A., & Taylor, E.L. (2004). How Global Brands Compete. *Harvard Business Review*, [Online], 82(9), 68-75.

4.4.2 The factors influencing a local brand to compete with global brands

In this part we aim to investigate the factors that might help a local brand compete with global brands in the local market. Firstly, we measure the relation between brand preference and demographics. With reference to the information, age is the only factor that has a relation with brand preference, as we can see that people age between 18 and 25 are the biggest group that preferred AJ Big Cola and EST. The result is confirmed by Kapferer (2001) who mentioned “There is much more than hope for new local brands if properly marketed”. This is a good sign for EST cola because if the company is doing the right advertising with the right target group, success is within reach. In this case, it could be concluded that young adults are more likely to be attracted to the presenter of the advertisement, as seen in the advertisement of EST cola which uses famous Thai singers as a presenter (see figure 8). However, all age groups preferred Coca-Cola and Pepsi a lot more than AJ Big Cola and EST. The research result is confirmed by the statistics showing that both Pepsi and Coca-Cola have the highest market shares in the Thai cola market (*Dailynews* 2012) and worldwide (Marketline 2013). Hence, the research result is not different from the market trend.

In addition, brand loyalty is also an important factor to discuss. According to the research results about brand loyalty, Coca-Cola has the highest percentage of consumers who reject substitution from other cola brands, followed by Pepsi. The result is confirmed by the research of Shuptrine and Rumpel from University of South Carolina, Columbia (citing brand loyalty rate of Coke and Pepsi as same1981). Shuptrine and Rumpel found that customers of

Coca-Cola have stronger brand loyalty than Pepsi. Even though Pepsi has higher level of brand preference than Coca-Cola, it has lower level of brand loyalty. This might be used to explain why Coca-Cola has increased its market share where Pepsi is not available, because people who prefer Pepsi tend to substitute it with Coca-Cola.



Figure 8: EST's advertisement poster in Thailand

Furthermore, the research results represent the information that cola brand preference is based on cola taste preference. This result can be confirmed by the research of Stanley (1978) which surveyed 60 students from Georgia State University and found that cola brand preference is based on cola taste preference. The cola brand preference ranking in the Table 3 has the same sequence with taste preference ranking in Table 7 which ranks from Pepsi, Coca-Cola and EST to AJ Big Cola respectively.

5. CONCLUSIONS AND IMPLICATIONS

5.1 Conclusions

As aforementioned, this research is seeking an opportunity of a local brand to compete with global brands in a situation when the brand of the highest preference cannot satisfy customers' need. In addition, this research also looks for an indicator of the possibility for a local brand to compete with global brands in the local market. To answer both research questions, researcher needs to understand all of the sub-questions. However, we listed nine sub-questions (question number 1A to 4A) to answer the first key question, and sub-question 1B to 5B to investigate information for the second key question.

With reference to the research results, it is difficult for a local brand like EST to substitute the Pepsi brand in the local market. Even so, EST has gained an advantage over Pepsi in terms of fulfilling customers' demand because EST is not the direct substitution brand of Pepsi while Pepsi is not available. We found that Coca-Cola is the first choice for customers followed by EST. Furthermore, it is difficult and not very likely that Coca-Cola will not be available in the local market since Coca-Cola is a big and well-known company, which does not have any problems supporting the market demand. In this situation, Coca-Cola has an opportunity to extend the market share. Hence, there is not much chance for EST to compete with global brands in this situation because it has to compete against not only Pepsi but also Coca-Cola.

However, researcher is looking for options and additional factors to make EST become well-known and satisfy customers. We found that the important factors are taste and brand loyalty of cola. Taste is an important factor that leads to brand preference, and EST cola does not have a good taste in the customers' opinion, while other global brands do. This is a factor that causes EST to be in a difficult position to compete with global brands such as Pepsi and Coca-Cola. Furthermore, brand loyalty is an additional factor that keeps the customers with the brand and prevents them from switching to other brands. We found that well-known global brands have higher level of brand loyalty when compared with local brands.

5.2 Implication for Domestic Company

In the competitive market situation, there are several chances for players to gain advantage from a mistake of others. In this case, PepsiCo has lost the market share to Coca-Cola. Actually, EST was a cola brand that was supposed to get the benefit from this situation, but it turned out to be different from expected. Coca-Cola has become number one in the market, which means Coca-Cola gains the advantage because it is difficult for a new and local brand to receive penetrate the market effectively. With reference to the research result, it is very clear that Coca-Cola is a brand substitution of Pepsi and brand substitution remains between the two global brands, Pepsi and Coca-Cola. In addition, there is a low possibility that both global brands will not be available at the same time. It is important for a local brand to prepare its own brand for a competitive situation. We also found that consumers know the taste difference among the four cola brands. Moreover, there is a relation between brand preference and taste preference, as the rankings of both follow the same pattern – brand with the highest brand preference also has the highest taste preference. For instance, Pepsi is on the top of the list in both brand preference and taste preference. Coca-Cola has second ranking in both brand preference and taste preference, followed by EST and AJ Big Cola in the same way. So, our suggestion to the local cola company such as EST cola is that it needs to focus on taste improvement because satisfying taste leads to brand preference, as the results of the research has shown. It also can help the brand to increase sales volume and brand loyalty in the future. Apart from taste improvement, advertising also plays an important role as it is crucial for promoting a brand to the right target group of customers. It can increase brand preference in customers' mind and lead to the increase in sales volume. For an example from the research, EST cola has a higher brand preference in the group of customers age between 18 and 25 than others age groups because EST's advertisement attracts this group of customers.

5.3 Implication for Global Company

It is clear from the research results that global brands have higher brand preference. Moreover, brand substitution remains among global brands as the first priority. Undoubtedly, both Coca-Cola and Pepsi rank highest in both brand preference and

brand substitution because they get good scores in taste preference which leads to high scores in brand preference because both are well-known and global brands. Interestingly, AJ Big Cola is less popular in Thailand than EST even though it is an international brand from the United Kingdom. In addition, AJ Big Cola has the highest percentage of people saying they never tried the brand and it gets the lowest score in terms of both brand preference and taste preference. Pepsi and Coca-Cola have to maintain the good taste of cola and do the right advertisement to the right focus group to stay on top of the competition. However, for AJ Big Cola, the suggestion is the brand needs to promote itself via advertisement by using the strength of the brand that it is an international brand from the United Kingdom and work harder on taste improvement to satisfy the Thai market. Using only pricing and standardization of the brand is not enough to result in success, especially when it comes to the taste of cola. While standardization is a part of any international brand, it is better to make some adjustment to satisfy each local market.

5.4 Future Research Direction

This research contains information about the opportunity for a local brand to succeed and factors that affect the success of cola brands in Thailand. In addition, customer characteristics, brand preference, product substitution, loyalty, age, education, and salary of cola customers are provided in this research. To expand this research, future research might look into the marketing campaigns and marketing promotions that attract customers to buy more products. Moreover, the research found that most of the customers know the taste difference among the four cola brands, so future research can look into the taste detail to interpret the best taste that satisfies customers. Blind testing and comments are required in future research to collect real opinions without any interference from brand loyalty. Furthermore, future research might investigate how a global brand can compete over other global brands by focusing on the factors that influence the success of global brands, for example, advertisement, price, loyalty, packaging, and logo, and then analyzing those factors.

References

- Aaker, D.A. & McLoughlin, D. (2010). *Strategic Market Management: Global Perspectives*. United Kingdom: John Wiley and Sons.
- Adbrand (n.d.). *The Top 10 Soft Drinks Companies Worldwide in 2011*. Available: http://www.adbrands.net/sectors/sector_softdrinks.htm [2013-03-08].
- Top Brands are Tops in consumer loyalty (1998). Beverage Industry. [Online], 89 (11), 14.
- Anupindi, R., Dada, M. & Gupta, S. (1998). Estimation Of consumer Demand with Stock-out Based Substitution: An Application to Vending Machine Products. *The Journal of Marketing Science*, [Online], 17(4), 406-423.
- ARIP (2003). Beverage Industry [Translate from Thai]. Available: <http://www.arip.co.th/businessnews.php?id=406652> [2013-04-27].
- Batra, R., Ramaswamy, V., Alden, D.L., Steenkamp, J.E.M. and Ramachander, S. (2000). Effects of brand local and nonlocal origin on consumer attitudes in developing countries. *Journal of Consumer Psychology*, [Online] 9(1), 83-95.
- Blaxter, L., Hughes, C. & Tight, M. (2010). *How to Research*. [Online] (4 ed.). Open University Press: Berkshire. Available: Ebrary [2013- 08-21].
- Branddirectory (2013). *The world's top brand*. Available: http://brandirectory.com/league_Tables/Table/global-500-2012.
- Brand loyalists rate Coke and Pepsi images as same (1981). *Marketing News*, 15 (5), 7.
- Bryman, A. & Bell, E. (2007). *Business Research Methods*. Oxford: Oxford University press.
- Bryman, A. & Bell, E. (2011). *Business Research Methods*. New York: Oxford University Press.
- Business Source Premier. (2012). Business Source Premier. Available: <http://www.ebscohost.com/academic/business-source-premier>. [2013-05-25].
- Butterfield, L. (eds.) (1999). Excellence in Advertising. [Online] (2ed.). Butterworth – Heinemann: Burlington. Available: GoogleScholar [2013-03-19].
- Central Intelligence Agency (2013). *The World Factbook*. Available: <http://www.cia.gov/library/publications/the-world-factbook/geos/xx.html>.
- Clifton, R. (2009). *Brand and Branding*. United States of America: Bloomberg Press.

Chakraborty, S. (2011). Perceptions and Buyer Behavior Toward Private-Label Colas: An Exploratory Study to Understand the views of Store Manager of United Kingdom. *The IUP Journal of Marketing Management*. [Online], 10 (1), 7-18.

Christensen, J.F. & Maskell, P. (eds.) (2003). The industrial dynamic of the new digital economy. [Online]. Massachusetts: Edward Elger Publishing. Available: googlebook [2013-03-17].

Dailynews (2012). Pepsi invest big amount of money to take number one in the market back [Translate from Thai]. Available: <http://www.dailynews.co.th/businesss/163100> [2013-04-27].

Demir & Tansuhaj (2011). Global VS Local Brands Perceptions among Thais and Turks. *Asia Pacific Journal of Marketing and Logistics*, [Online], 23(5), 667-683.

Dinnie, K. 2008. *Nation branding: concepts, issues, practice*. United Kingdom: Routledge.

Doyle, P. (1989). Building successful brands: The strategic options. *Journal of Marketing Management*, [Online], 5(1), 77-79.

Fan, Y. (2002). The national image of global brand. *Brand Management*. [Online], 9 (3), 180-192.

Ferrel, O.C. & Hartline, M.D. (2010). *Marketing Strategy*. United states of America: Cengage Learning.

Holt, D.B., Quelch, J.A., & Taylor, E.L. (2004). How Global Brands Compete. *Harvard business review*, [Online], 82(9), 68-75.

Hoyer, W.D. & Macinnis, D.J. (2008). *Consumer behavior*. Ohio: South- Western Cengage Learning.

Hui, H. (eds.) (2007). *Handbook of Food Products Manufacturing*. New Jersey: John Wiley and Sons.

Ibis world (2013). *Global Soft Drink & Bottled Water Manufacturing: Market Research Report*. Available: <http://www.ibisworld.com/industry/global/global-soft-drink-bottled-water-manufacturing.html> [2013-03-08].

Jitpleechep, V. (2013). Softdrink: Coke rises, Pepsi falls. Available: <http://www.bangkokpost.com/learning/learning-from-news/338932/soft-drinks-coke-rises-pepsi-falls> [2013-04-30].

Kalof, L., Dan, A., & Dietz, T. (2008). *Essential of Social Research*. [Online] (1 ed.). Open University Press: Berkshire. Available: Ebrary [2013- 08-21].

Kapferer, J. N. (2002). Is there really no hope for local brands? *The Journal of Brand Management*, [Online], 9 (3), 163-170.

Kapferer, J.N. (2008). *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*. United Kingdom: Kogan Page Publishers

Kasikorn Thai research (2011). *Quantity and ratio of Thai people consume Carbonate soft drink [Translate from Thai]*. Available: <http://www.kasikornresearch.com/TH/K-EconAnalysis/Pages/ViewSummary.aspx?docid=29590> [2013-06-04].

Keller, K.L. (2008). *Strategic Brand Management: building, measuring and managing brand equity*. New Jersey: Pearson Education.

King, G., Keohane, R.O. & Verba, S. (1994). *Designing Social Inquiry: Scientific Inference in Qualitative Research*. [Online] Princeton University Press: New Jersey. Available: GoogleScholar [2013-07-18].

Kohli, C. & Leuthesser, L. (2011). Brand Equity: Capitalization on intellectual capital, *Ivey Business journal*. [Online], 65(4), 74-82. Available: <http://www.brandchannel.com/images/papers/BrandEquityCapitalizing.pdf> [2013-03-19].

Kotler, P. & Armstrong, G. (2008). *Principle of Marketing*. New Jersey: Pearson.

Kumra, R. (2007). *Consumer Behavior*. [Online] (1ed.). Global Media: Mumbai. Available: Ebrary [2013-03-22].

Lang, Christian. (n.d.). *Production and Inventory Management with Substitution*. [Online]. Springer: Heidelberg. Available: Google book [2013-03-14].

Low, G.S. & Fullerton, R.A. (1994). Brands, brand management, and the brand manager system: a critical-historical evaluation. *Journal of Marketing Research*, [Online], 31 (5), 173-90.

Maison, D., Greenwald, A., & Bruin, R. (2004). Predictive Validity of the Implicit Association Test in Studies of Brands, Consumer Attitudes, and Behavior.

Journal of Consumer Psychology, [Online], 14 (4), 405-415.

Marketkine (2013). Carbonate Soft Drink Profile: Asia-Pacific 2013, [Online], 1-33. Available: <http://web.ebscohost.com/bibproxy.kau.se:2048/ehost/pdfviewer/pdfviewer?sid=dec94b32-3bc6-4fda-afa7-9560ce3987a2%40sessionmgr114&vid=4&hid=123> [2013-03-08].

McAlister, L. (1982). A Dynamic Attribute Satiation Model for choices Made Across

Time. *Journal of Consumer Research*, [Online], 9 (3) ,141-150.

Mcdonald, E.K. & Sharp, B.M. (2000). Brand Awareness Effects on Consumer Decision Making for a Common, Repeat Purchase Product: A Replication. *Journal of Business Research*, [Online] 48 (1), 5–15.

Mathur, S.S & Kenyon, A. (2008).

MThainews (2012). *Est Opening Campaign*. Available: <http://news.mthai.com/headline-news/200084.html> [2013-02-05].

Medina, J.F. and Duffy, M.F. (1998). Standardization vs globalization: a new perspective of brand strategies. *Journal of Product & Brand Management*, [Online], 7(3), 223-243.

Ngammuean (2013). *The competition of beverage market [Translate from Thai]*. Available:

<http://www.bangkokbiznews.com/home/detail/business/marketing/20130321/496137/ตลาดเครื่องดื่ม1.5แสนล.แข่งเดือด.html> [2013-06-01].

Palumbo, F. & Herbig, P. (2000). The multicultural context of Brand loyalty. *European Journal of Innovation Management*, [Online], 3(3), 116-124.

Peter, J.P. & Oslon, J.C. (2008). *Consumer Behavior and Marketing Strategy*. New York: McGraw Hill.

Peterson, S.D. & Tiffany, P. (2011). *Business Plans for Dummies*. New Jersey: John Wiley & Sons.

Porter, M.E. (1986). Changing Patterns of International competition. *California Management Review*, [Online], 28 (2), 9-40.

Pride, M. & Ferrell, O. C. (2011). *Marketing*. United States of America: Cengage Learning.

Pride, W.M., Hughes, R.J. & Kapoor, R. (2011). *Business*. [Online] (11ed.). Ohio: South Western Cengage Learning Center. Available at Googlebook [2012-03-16].

Quelch, J. (1999). Global Brands: Taking Stock. *Business Strategy Review*, [Online], 10 (1), 1-14.

Sangthongkum (2012). *Pepsi and Sermasuk situation [Translate from Thai]*. Available: <http://viratts.wordpress.com/2012/05/28/pepsix/> [2013-02-03].

Stanley, T.J. (1978). Cola Preferences: Disguised Taste vs. Brand Evaluation. *Advances in Consumer Research*, [Online], 5 (1), 19.

Thai Retailer Association (2013). *Miniseries Sermasuk and Pepsi*. Available: <http://www.thairetailers.com/?q=node/144> [2013-02-03].

The Economist (2012). *Food for thought: Food companies play an ambivalent part in the fight against flab*. Available: <http://www.economist.com/news/special-report/21568064-food-companies-play-ambivalent-part-fight-against-flab-food-thought> [2013-03-08].

The National Statistic office Thailand (2009). Population in Bangkok. Available: http://popcensus.nso.go.th/show_Table.php?t=t1&yr=2543&r=2 [2013-02-24].

Thomas, R.M. (2003). *Blending Qualitative and Quantitative Research Methods in Theses and Dissertations*. California: Corwin Press.

Uri, N.D. (1986). The Demand for Beverage and Interbeverage Substitution in The United States. *Bulletin of Economic Research*, [Online], 38(1), 76.

Van, S. (2003). *Global Brand Strategy: Unlocking Brand Potential across Countries, Cultures and Markets*. London: Kogan Page.

Woolfolk, M.E., Castellan, W. & Brooks, C.I. (1983). Pepsi Versus Coke: Labels, Not Taste, Prevail. *Psychological Reports*, [Online], 52 (1), 185-186.

Wulf, K., Odekerken-Schroder, G., Goedertier, F. and Van, O.G. (2005). Consumer Perception of Store brands Versus Nation Brands. *The Journal of Consumer Marketing*, [Online], 22 (4), 223-232.

Yamane, T. (1973). *Statistics: an introductory analysis*. New York: Harper & Raw.

Young, C. & Pagoso, M. (2008). *Principle of Marketing*. Manira: Rex Book Store, Inc.

Zhang, Y., Feick, L. & Mittal, V. (2005). Will customer prefer global or local brand? : The role of identity accessibility in consumer preference for global versus local brands. *American Marketing Association*, [Online], 125.

Appendix 1: Questionnaire English version

Part 1: Question related Cola brand

Instruction: Please mark ☐ to the choice that match your answer

1.How often do you drink a cola? <Choose 1 answer>

- ☐ Never or almost never
- ☐ A few time a month
- ☐ 1-2 times a week
- ☐ 3-5 times a week
- ☐ Almost everyday

2.What Cola brand do you prefer? <Choose 1 answer>

- ☐ Coca Cola
- ☐ Pepsi
- ☐ AJ Big Cola
- ☐ Est

3.If you cannot find your favorite Cola what brand do you buy? <Choose 1 answer>

- ☐ Coca Cola
- ☐ Pepsi
- ☐ AJ Big Cola
- ☐ Est
- ☐ I will not drink cola but drink other soft drink instead.

4.Do you think you can taste the differences among the four brands of Cola (Pepsi, Coca cola, AJ, Est)? <Choose 1 answer>

- ☐ Yes, they are definitely different.
- ☐ No, they are not different.
- ☐ I am not sure I can taste any different.

5.Does Pepsi have a good taste for you? <Choose 1 answer>

- ☐ Never tried
- ☐ OK Taste
- ☐ Good Taste
- ☐ Very Good Taste
- ☐ Excellent Taste

6.Does Coca-Cola have a good taste for you? <Choose 1 answer>

- ☐ Never tried
- ☐ OK Taste
- ☐ Good Taste
- ☐ Very Good Taste
- ☐ Excellent Taste

7.Does AJ have a good taste for you? <Choose 1 answer>

- ☐ Never tried
- ☐ OK Taste
- ☐ Good Taste
- ☐ Very Good Taste
- ☐ Excellent Taste

8.Does Est have a good taste for you? <Choose 1 answer>

☐Never tried ☐Ok Taste ☐Good Taste ☐Very Good Taste ☐Excellent Taste

9.If you order specific cola brand but you get another brand instead of it, What will you do? <Choose 1 answer>

☐ I will ask for change if I get what I have not order.

☐ I will not ask anything, I just drink it.

Part 2: General Information

Instruction: Please mark ☐to the choice that match your answer

1.Sex:

☐ Female

☐ Male

2.Status:

☐Single

☐Married

☐Divorced

☐ Other (specify.....)

3.Age:

☐ Under 18 years old

☐ 18-25 years old

☐ 26-35 years old

☐ 36-45 years old

☐ 46-50 years old

☐ More than 50 years old

4.Education:

☐Lower than high school

☐ High school or equal

☐ Bachelor's degree

☐Master Degree

☐ Doctoral Degree

☐ Other (Specify.....)

5.Income:

☐ Below or equal 15000 THB

☐ 15001-25000 THB

☐ 25001-35000 THB

☐ 35001-45000 THB

☐ 45001-55000 THB

☐ More than 55000 THB

Remark 1SEK = 4.5THB

Appendix2: Questionnaire Thai version

แบบสอบถามความคิดเห็นของผู้บริโภคเครื่องดื่มโคล่า

ส่วนที่ 1 คำถามที่เกี่ยวข้องกับผลิตภัณฑ์โคล่า

คำแนะนำ: โปรดทำเครื่องหมาย ☐ ลงในช่องว่างหน้าคำตอบที่ท่านเลือก

1. ท่านบริโภคโคล่าบ่อยแค่ไหน (เลือกตอบเพียงข้อเดียว)

☐ ไม่เคยบริโภค หรือ แทบจะไม่เคยบริโภคเลย

☐ ดื่มน้อยในหนึ่งเดือน

☐ 1-2 ครั้ง ต่อสัปดาห์

☐ 3-5 ครั้ง ต่อสัปดาห์

☐ บริโภคเป็นประจำ

2. โคล่ายี่ห้อที่ท่านชอบมากที่สุด (เลือกตอบเพียงข้อเดียว)

☐ Coca-Cola

☐ Pepsi

☐ AJ Big Cola

☐ EST

3. หากท่านไม่สามารถหาซื้อโคล่ายี่ห้อที่ท่านชอบได้ ท่านจะซื้อยี่ห้อใดทดแทน (เลือกตอบเพียงข้อเดียว)

☐ Coca-Cola

☐ Pepsi

☐ AJ Big Cola

☐ EST

☐ จะไม่ดื่มโคล่าแต่จะดื่มเครื่องดื่มอื่นแทน

4. ท่านสามารถรู้สึกถึงความแตกต่างในรสชาติระหว่างโคล่าทั้งสี่ยี่ห้อได้หรือไม่ (Coca-Cola, Pepsi, AJ, EST) (เลือกตอบเพียงข้อเดียว)

☐ รับรู้ถึงความแตกต่างของรสชาติอย่างชัดเจน

☐ ไม่รับรู้ถึงความแตกต่างของรสชาติ

☐ ไม่แน่ใจว่ารับรู้ถึงความแตกต่างของรสชาติหรือไม่

5. ท่านคิดว่า Pepsi มีรสชาติ ดีหรือไม่ (เลือกตอบเพียงข้อเดียว)

☐ ไม่เคยลอง

☐ พอใช้

☐ ดี

☐ ดีมาก

☐ ดีที่สุด

6. ท่านคิดว่า Coca-Cola มีรสชาติ ดีหรือไม่ (เลือกตอบเพียงข้อเดียว)

☐ ไม่เคยลอง

☐ พอใช้

☐ ดี

☐ ดีมาก

☐ ดีที่สุด

7. ท่านคิดว่า AJ Big Cola มีรสชาติ ดีหรือไม่ (เลือกตอบเพียงข้อเดียว)

☐ ไม่เคยลอง

☐ พอใช้

☐ ดี

☐ ดีมาก

☐ ดีที่สุด

8.ท่านคิดว่า EST มีรสชาติ ดีหรือไม่ (เลือกตอบเพียงข้อเดียว)

☐ ไม่เคยลอง ☐ พอใช้ ☐ ดี ☐ ดีมาก ☐ ดีที่สุด

9. ถ้าท่านไปร้านอาหารแล้วสั่งโคล่าโดยระบุยี่ห้อของโคล่า เมื่อท่านได้รับกลับได้โคล่ายี่ห้ออื่นที่ท่านไม่ได้สั่งท่านจะอย่างไร (เลือกตอบเพียงข้อเดียว)

☐ ขอเปลี่ยนเป็นโคล่ายี่ห้อที่สั่ง
☐ ไม่เป็นไร บริโภคโคล่ายี่ห้อที่ได้รับมา

ส่วนที่2 ข้อมูลทั่วไป

คำแนะนำ: โปรดทำเครื่องหมาย ☐ ลงในช่องว่างหน้าคำตอบที่ท่านเลือก

1.เพศ:

☐ หญิง ☐ ชาย

2.สถานภาพ:

☐ โสด ☐ สมรส ☐ หย่าร้าง ☐ อื่นๆโปรดระบุ.....

3.อายุ:

☐ ต่ำกว่า 18 ปี ☐ 18-25 ปี ☐ 26-35 ปี
☐ 36-45 ปี ☐ 46-50ปี ☐ มากกว่า 50ปี

4.ระดับการศึกษา:

☐ ต่ำกว่ามัธยมศึกษา ☐ มัธยมศึกษาหรือเทียบเท่า ☐ปริญญาตรี
☐ปริญญาโท ☐ปริญญาเอก ☐ อื่นๆ(โปรดระบุ.....)

5. รายได้

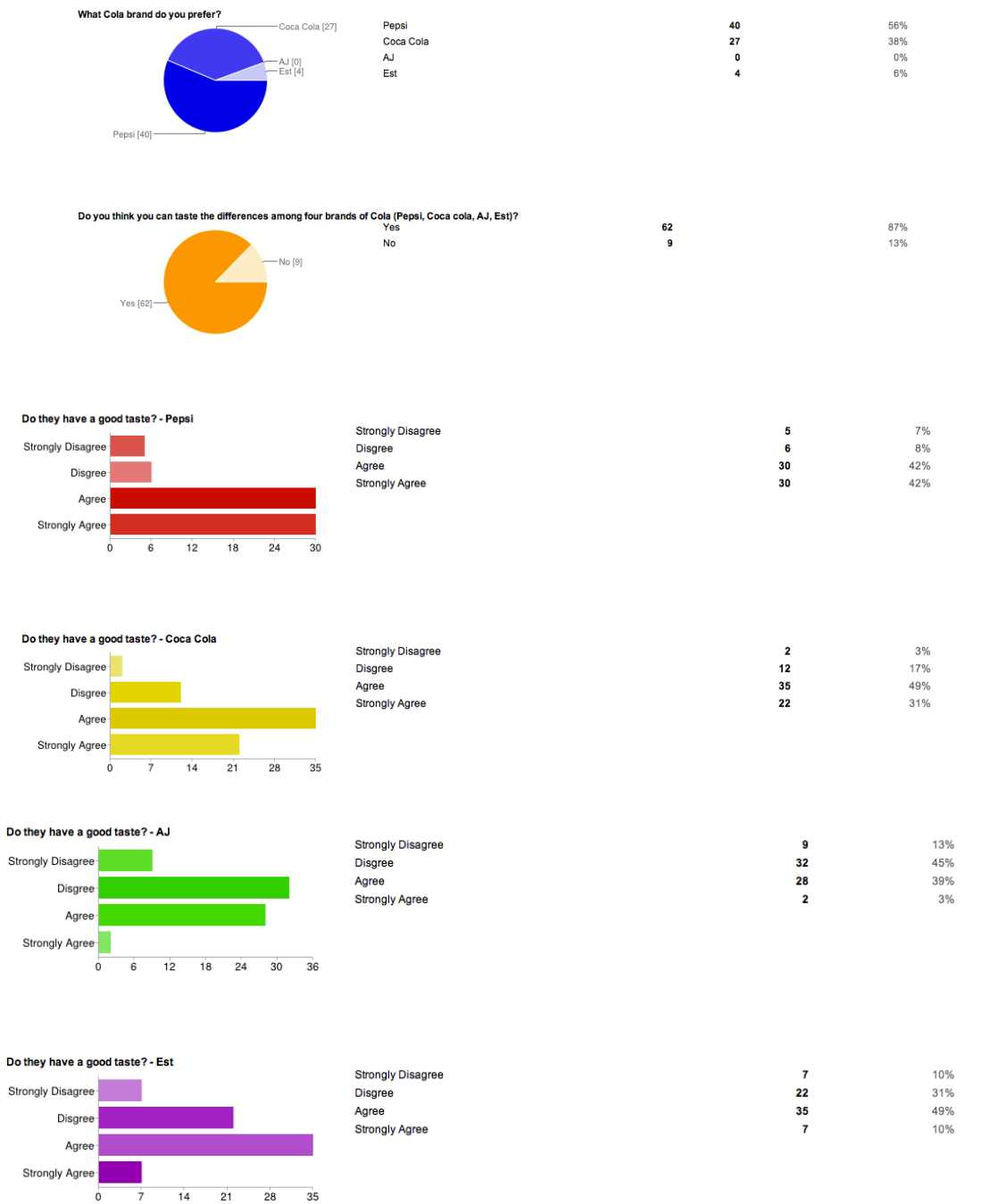
☐ 15000 บาท หรือ ต่ำกว่า ☐ 15001-25000 บาท ☐ 25001-35000 บาท
☐ 35001-45000 บาท ☐ 45001-55000 บาท ☐ มากกว่า 55000บาท

Appendix 3 Questionnaire results of test 1 and 2

The information below is the test questionnaire round 1 with author’s friend in Thailand. There are 71 responses through online survey.

71 responses

Summary [See complete responses](#)

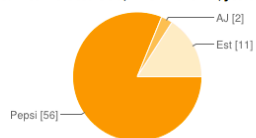


If you cannot find Pepsi, which brand will you buy instead of Pepsi?



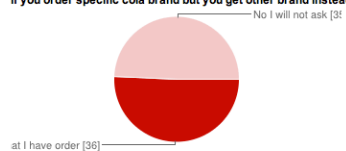
Coca Cola	47	66%
AJ	3	4%
Est	17	24%

If you cannot find Coca Cola, which brand will you buy instead of Coca Cola?



Pepsi	56	79%
AJ	2	3%
Est	11	15%

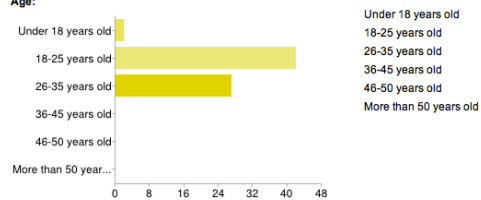
If you order specific cola brand but you get other brand instead of it will you react to it or not?
 Yes I will ask for change to what I have order
 No I will not ask



Yes I will ask for change to what I have order	36	51%
No I will not ask	35	49%

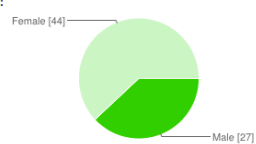
Part2 : General information

Age:

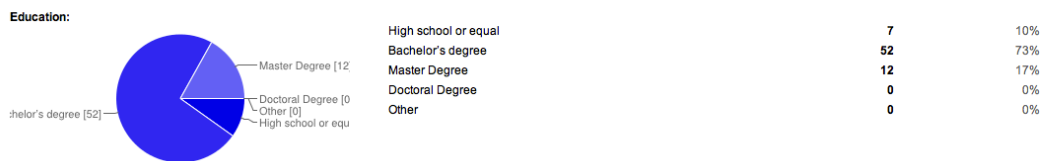
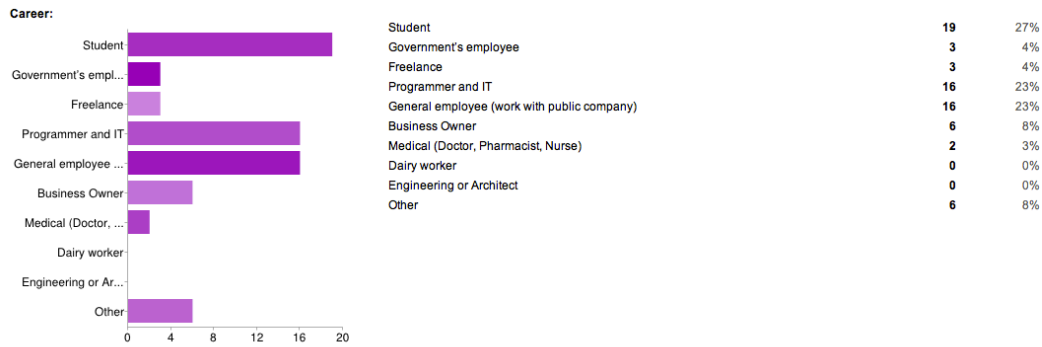


Under 18 years old	2	3%
18-25 years old	42	59%
26-35 years old	27	38%
36-45 years old	0	0%
46-50 years old	0	0%
More than 50 years old	0	0%

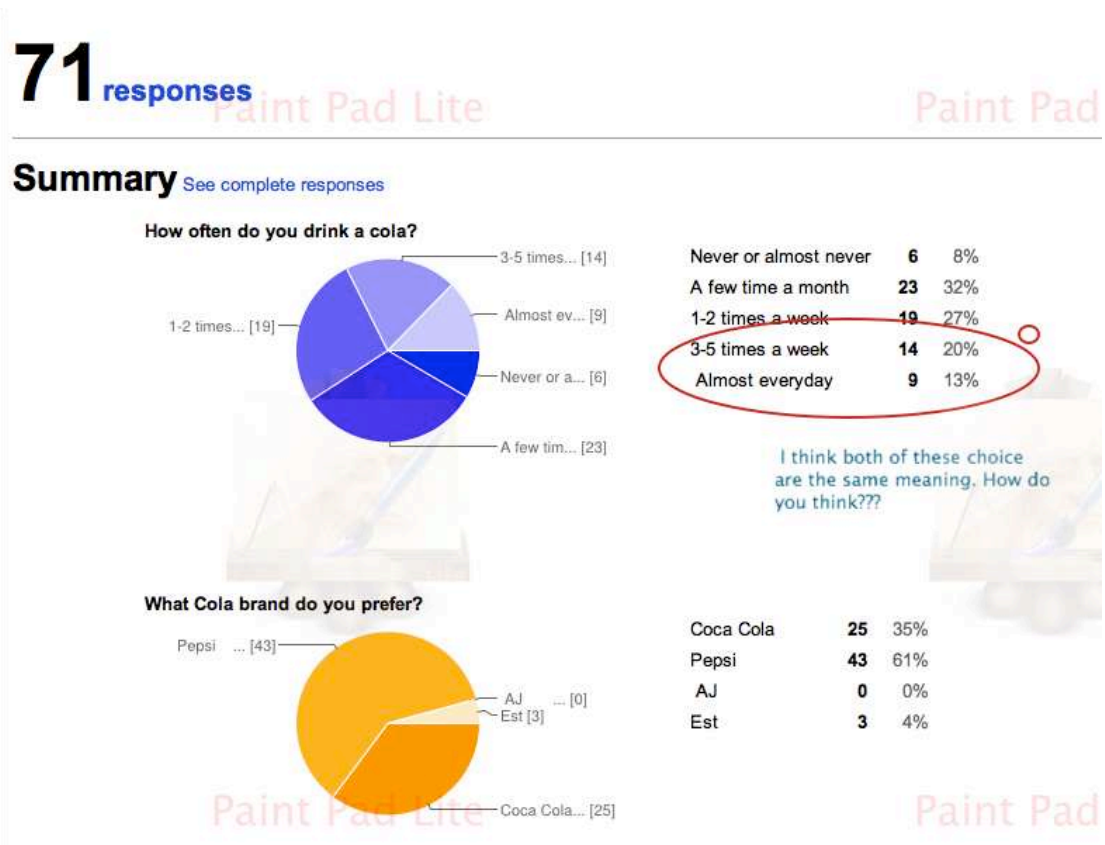
Sex:



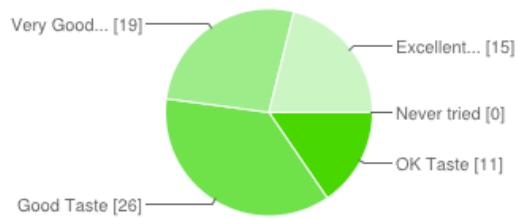
Male	27	38%
Female	44	62%



The information below is the information on questionnaire test round 2 with 71 of author's friends in Thailand through online survey.

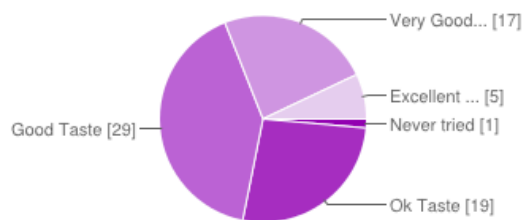


Does Pepsi have a good taste for you?



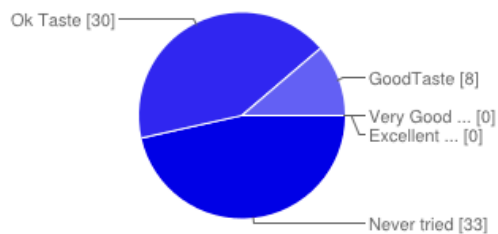
Never tried	0	0%
OK Taste	11	15%
Good Taste	26	37%
Very Good Taste	19	27%
Excellent Taste	15	21%

Does Coca-Cola have a good taste for you?



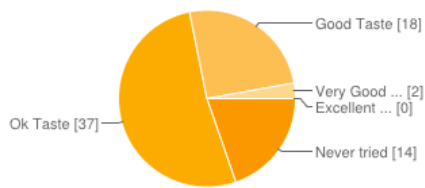
Never tried	1	1%
Ok Taste	19	27%
Good Taste	29	41%
Very Good Taste	17	24%
Excellent Taste	5	7%

Does AJ have a good taste for you?



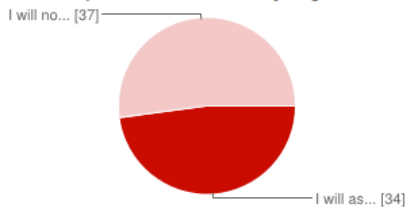
Never tried	33	46%
Ok Taste	30	42%
GoodTaste	8	11%
Very Good Taste	0	0%
Excellent Taste	0	0%

Does Est have a good taste for you?



Never tried	14	20%
Ok Taste	37	52%
Good Taste	18	25%
Very Good Taste	2	3%
Excellent Taste	0	0%

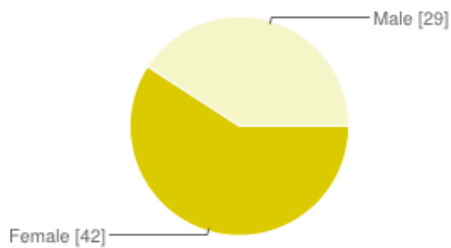
If you order specific cola brand but you get another brand instead of it, What will you do?



I will ask for change if I get what I have not order.	34	48%
I will not ask anything, I just drink it	37	52%

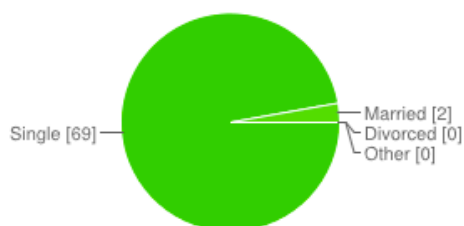
Part 2 General Information

Sex



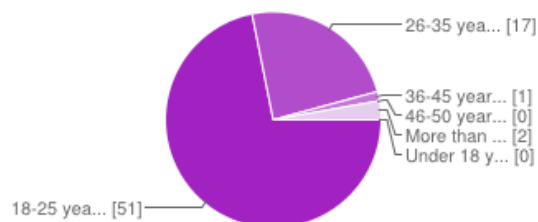
Female	42	59%
Male	29	41%

Status



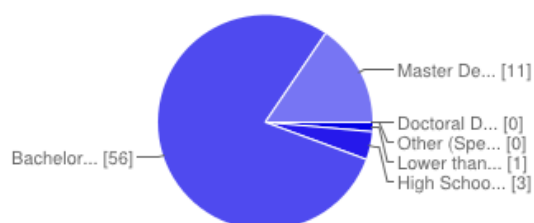
Single	69	97%
Married	2	3%
Divorced	0	0%
Other	0	0%

Age



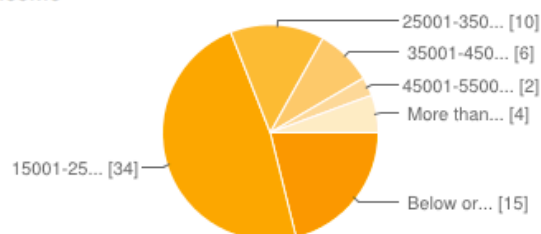
Under 18 years old	0	0%
18-25 years old	51	72%
26-35 years old	17	24%
36-45 years old	1	1%
46-50 years old	0	0%
More than 50 years old	2	3%

Education



Lower than high school	1	1%
High School or equal	3	4%
Bachelor's degree	56	79%
Master Degree	11	15%
Doctoral Degree	0	0%
Other (Specify.....)	0	0%

Income



Below or equal 15000 THB	15	21%
15001-25000 THB	34	48%
25001-35000 THB	10	14%
35001-45000 THB	6	8%
45001-55000 THB	2	3%
More than 55000 THB	4	6%

Appendix4 Data coding Table

Question No.	Answer Detail code	Variable Name in SPSS	Type of Variable
Part 1 Question regarding to cola			
1.	(1) = Never or almost never (2) = A few times a month (3) =1-2 times a week (4) =3-5 times a week (5) =Almost everyday (9) = Non response	Frequent	Ratio
2.	(1) = Coca Cola (2) = Pepsi (3) = AJ Big Cola (4) = EST (9) = Non response	Preferences	Nominal
3.	(1) = Coca Cola (2) = Pepsi (3) = AJ Big Cola (4) = EST (5) = I will not drink cola but drink soft drink instead. (9) = Non response	Substitute choose	Nominal
4.	(1) = Yes, they are definitely different (2) = No, They are not different (3) = I am not sure that I can taste any different. (9) = Non response	Taste	Nominal
5.	(1) = Never tried (2) = Good taste (3) = Ok taste (4) = Very good taste (5) = Excellent taste (9) = Non response	Taste Pepsi	Ordinal

6.	(1) = Never tried (2) = Good taste (3) = Ok taste (4) = Very good taste (5) = Excellent taste (9) = Non response	Taste Coke	Ordinal
7.	(1) = Never tried (2) = Good taste (3) = Ok taste (4) = Very good taste (5) = Excellent taste (9) = Non response	Taste AJ	Ordinal
8.	(1) = Never tried (2) = Good taste (3) = Ok taste (4) = Very good taste (5) = Excellent taste (9) = Non response	Taste est	Ordinal
9.	(1) = I will ask for change it If get what I have not order (2) = I will not ask anything. I just drink it. (9) = Non response	Substitute allow	Dichotomous
Part 2 General Information			
1.	(F) = Female (M) = Male (U) = Unknown	Sex	Dichotomous
2.	(S) = Single (M) = Married (D) = Divorced (O) = Other (U) = Unknown	Status	Nominal
3.	(1) = Under 18 years old (2) = 18 -25 years old (3)= 26-35 years old (4) = 36-45 years old (5) = 46-50 years old (6)= More than 50 years old (9) = Non response	Age	Ratio

4.	(1) = Lower than high school (2) = High school or equal (3) = Bachelor's degree (4) = Master degree (5) = Doctoral degree (6) = Other... (9) = Non response	Education	Nominal
5.	(1) = Below or equal 15000THB (2) = 15001-25000THB (3) = 25001-35000THB (4) = 35001-45000THB (5) = 45001-55000THB (6) = More than 55000THB (9) = Non response	Salary	Ratio

