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A STUDY ON CUSTOMER SATISFACTION TOWARDS LOTTE CHOCOLATE

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ABSTRACT:

This study explores customer satisfaction and preference levels associated with Lotte Chocolate, focusing on factors such as taste, price, quality, and brand image. The research aims to help Lotte improve customer satisfaction and regain market share by addressing consumer needs. The study involved 130 respondents, whose feedback was collected via questionnaires and analyzed using various statistical methods. The results indicate that taste, brand loyalty, and promotional offers are the primary drivers of customer satisfaction for Lotte Chocolate.

Keywords: *customer satisfaction, customer preference*

INTRODUCTION:

Lotte India Corporation Limited has been a key player in the Indian confectionery market since its acquisition of Parry's Confectionery Limited. The company, part of the South Korean Lotte conglomerate, has built a strong brand presence with products like Choco Pie, Coffy Bite, and Lacto King. As the confectionery market becomes increasingly competitive, understanding customer satisfaction is crucial for Lotte to maintain its market position and grow its customer base.

The study investigates the factors influencing customer satisfaction with Lotte Chocolate and aims to provide actionable insights for the company. By analyzing customer preferences and consumption patterns, the study seeks to identify areas where Lotte can improve its offerings and better meet consumer expectations.

INDUSTRY OVERVIEW:

The confectionery industry has a rich history, with evidence of sweets being consumed as far back as 4000 years ago in ancient Egypt. However, chocolate, as we know it today, was not

introduced until much later, with its origins traced back to the Mayan and Aztec civilizations, who used cacao beans to make a drink called "xocoatl." The modern chocolate industry began to take shape in the 19th century, with innovations such as milk chocolate and mass production techniques.

In India, the confectionery market has grown rapidly over the past few decades, driven by rising incomes, urbanization, and changing consumer preferences. The market is characterized by intense competition, with major players like Nestlé, Cadbury (Mondelez), ITC, and Amul competing alongside Lotte. Despite the challenges, Lotte has managed to carve out a niche for itself, thanks to its strong brand identity and focus on quality.

COMPANY OVERVIEW:

Lotte India Corporation Limited is a subsidiary of Lotte Confectionery, a leading South Korean conglomerate. Founded in 1954, Lotte India has become a prominent player in the Indian confectionery market, offering a wide range of products, including chocolates, candies, gums, and snacks. The company's flagship products, such as Choco Pie and Coffy Bite, have become household names in India.

Lotte's corporate philosophy emphasizes quality, innovation, and customer satisfaction. The company continuously invests in research and development to create new products and improve existing ones. Lotte also focuses on building strong relationships with its customers through effective marketing and branding strategies. The company's commitment to excellence has helped it maintain a competitive edge in the dynamic and rapidly evolving Indian market.

RESEARCH METHODOLOGY:

The research employed a descriptive research design to understand the factors influencing customer satisfaction and preference for Lotte Chocolate. Data were collected from 130 respondents in Coimbatore using a structured questionnaire. The sampling technique used was non-probability convenience sampling, which allowed the researchers to gather data from a diverse group of consumers.

The questionnaire covered various aspects of customer satisfaction, including product quality, taste, pricing, promotional offers, and brand loyalty. The data were analyzed using statistical tools such as simple percentage analysis, correlation, chi-square tests, and ANOVA. These methods provided insights into the relationships between different variables and helped identify the key drivers of customer satisfaction.

Analysis:

ANOVA					
Age Group					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	111.868	3	37.289	167.013	.000
Within Groups	28.132	126	.223		
Total	140.000	129			

Chi-Square Tests			
	Value	df	Asymptotic Significance(2-sided)
Pearson Chi-Square	180.817a	9	.000
Likelihood Ratio	204.777	9	.000
Linear-by-Linear Association	93.243	1	.000
N of Valid Cases	130		

a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is 2.01.

Calculated value of chi-square is: 0.000

As per SPSS calculation approximate significance value 0.000 is < 0.05 therefore $p < 0.05$ is satisfied.

FINDINGS:

The analysis of the data revealed several key insights into customer satisfaction with Lotte Chocolate:

- **Demographics:** The majority of respondents were under 40 years of age, with a higher percentage of female respondents. Most respondents were either salaried employees or students, indicating that Lotte Chocolate appeals to a broad demographic.
- **Brand Preference:** 70% of respondents preferred branded chocolates, with Lotte being a popular choice. The preference for Lotte was largely driven by the brand's reputation for quality and taste, as well as its strong presence in the market.
- **Purchase Behavior:** The frequency of chocolate purchases varied among respondents, with 38% purchasing chocolates weekly. Lotte's Choco Pie and Coffy Bite were among the most popular products, with 46% of respondents citing taste as the primary reason for their preference. Promotional offers, such as discounts and free gifts, also played a significant role in influencing purchase decisions.
- **Satisfaction Levels:** 50% of respondents reported being highly satisfied with Lotte chocolates, while 35% were moderately satisfied. The remaining respondents were either less satisfied or not satisfied, indicating room for improvement in certain areas.
- **Product Attributes:** Respondents highlighted taste, quality, and packaging as the most important attributes influencing their satisfaction with Lotte chocolates. Price was also

a key factor, with many respondents indicating that they preferred Lotte due to its competitive pricing compared to other brands.

- **Promotional Effectiveness:** Lotte's promotional strategies, such as advertisements featuring popular brand ambassadors and attractive packaging, were found to be effective in enhancing brand recall and influencing purchase decisions. However, there is an opportunity for Lotte to further leverage digital marketing channels to reach a wider audience.

SUGGESTIONS:

Based on the findings of the study, the following suggestions are made to help Lotte improve customer satisfaction and increase its market share:

Enhance Product Innovation: Lotte should invest in research and development to create new chocolate flavors and product variations that cater to the diverse tastes of Indian consumers. Introducing limited-edition products or seasonal offerings could also help generate excitement and boost sales.

Expand Promotional Activities: Lotte should increase its promotional efforts, particularly in digital marketing. Leveraging social media platforms and influencer marketing can help Lotte reach a younger audience and enhance brand visibility. Localized promotions and collaborations with popular Indian celebrities could also be effective in driving sales.

Improve Packaging: While Lotte's packaging is already well-received, there is always room for improvement. The company should consider introducing more eco-friendly packaging options, as sustainability is becoming an increasingly important factor for consumers. Additionally, innovative packaging designs can help differentiate Lotte's products from competitors.

Focus on Customer Engagement: Lotte should invest in building stronger relationships with its customers through loyalty programs, customer feedback initiatives, and personalized marketing campaigns. Engaging with customers on social media and responding to their feedback can help build brand loyalty and trust.

Expand Distribution Channels: To reach more customers, Lotte should consider expanding its distribution network, particularly in rural and semi-urban areas. Collaborating with e-commerce platforms and delivery services can also help Lotte reach consumers who prefer online shopping.

CONCLUSION:

Lotte India Corporation Limited has made significant strides in the Indian confectionery market, thanks to its strong brand identity and commitment to quality. The study shows that Lotte's focus on taste, quality, and effective promotional strategies has paid off, resulting in high levels of customer satisfaction and brand loyalty. However, to maintain its competitive edge, Lotte must continue to innovate and adapt to changing consumer preferences.

The study concludes that Lotte should focus on expanding its product offerings, enhancing its promotional strategies, and improving its digital marketing efforts to reach a wider audience. By doing so, Lotte can further strengthen its position in the market and continue to delight customers with its range of high-quality chocolates.

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