

CONSUMER BEHAVIOUR ON ENERGY BEVERAGES IN MEXICAN MARKET

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Abstract

Energy beverages are frequently taken to provide energy to the body and to build muscles. Energy beverages in Mexico have a large market share and are frequently employing a diverse approach to marketing as their target audience is very familiar with advertising and marketing hype. The possible target audience is between the ages of 18 to 40 in the Mexican market. However, the key purpose of this paper is to provide the reader a clear framework about most popular brands of the energy beverages and its features in the Mexican market and what factors its consumption. This paper will also be analysed the trends as well as its consumer behaviour in Mexico.

Table of Contents

Abstract.....	2
Introduction.....	4
Objectives	5
Literature Review.....	5
Methodology.....	9
Findings and Discussion.....	10
Demographic Data.....	10
Market Research.....	12
Conclusions.....	19
References.....	21

Introduction

Consumer behaviour reveals the totality of consumer's decision regarding acquisition, consumption and disposal of commodities, activities, experiences, people and concepts by making decisions. Consumer buying behaviour, on the other hand, is the study of the processes involved when people or groups buy, prefer, consume or dispose of goods and services to fulfil their wants and needs. Usually, the decision to consume is the end of a series of phases that comprise need recognition, information search, and assessment of substitutes, purchase, and post purchase assessment.

Sports nutrition supplements including energy beverages are frequently taken to provide energy to the body and to build muscles. Usually, these energy products are metabolic/fat burners, muscle builders, weight gainers, performance enhancers, meal replacements and energy beverages and are sold in many forms, such as powder, pills, or liquid. However, the users of sports and energy beverages have not been limited to only athletes and bodybuilders, but these products have now expanded to comprise normal and recreational users (Tscholl, Junge & Dvorak, 2008).

Energy drinks are progressively overtaking hot beverages as the largest beverage sector across the world, with consumption increasing by around 5% annually, reported by the study of Lavin and Timpson (2013). In 2008, the global market for energy beverage products was valued at \$4.2 billion (Lavin and Timpson, 2013). The strong growth was experienced by the market until 2008, when growth steadily reduced owing to the lack of consumer confidence in spending on optional products, because of the financial downturn across the world.

Nevertheless, market growth at the annual level is projected to continue at 2.2% (Lavin and Timpson, 2013). Across the world, with the market value of 60% the U.S. is the major market for sports nutrition supplements and specifically for energy beverages and the second largest market is Mexico with \$192 million in retail sales (Lavin and Timpson, 2013).

Although, several kinds of beverages are there in Mexico like other country around the globe, but it did not have exceptional pattern of drink as Mexican people focus on food more than beverages. Nevertheless, there are most popular energy drink brands in the Mexican market, such as Red Bull, Monster and Rockstar (Higgins, Tuttle & Higgins, 2010).

These days, the Mexican energy beverages market is mighty very strong. The projected intake per head of energy beverage is 11.5 liters that place in top consumers which comprise Austria, New Zealand, Kuwait, Ireland and Slovenia (Malinauskas et al., 2007). There are a

number of popular brands in the market such as Red Bull is on the top with 55% market share and Rockstar with 20% (Malinauskas et al., 2007). However, the image of energy beverages in the Mexico for people mainly youngsters is negative as they thought that the people who consume energy beverages is blue collar or working class person. Moreover, market of working class people in Mexico already becomes saturated then a majority of the manufacturers try to swell their market to adolescents and white collar people by mixing with other drinks.

Objectives

The key purpose of this assessment is to present a clear framework regarding what are the main brands of the energy drinks and its features in the Mexican market and what determines its consumption. This paper also examines the trends and its consumer behaviour in Mexico. So, in order to identify those variables, it is necessary to conduct a market research with the aim to extend the following factors that consumers take into account to purchase it:

- Identify demographic factors
- Determine what are the main factors that motivate customers to purchase or not the energy drinks
- Find out what benefits customers are looking in those brands (price, flavour, image, size / quantity, promotions)
- Evaluate the impact of advertisement in the consumption

Literature Review

Urala and Lahteenmäki (2007) have chosen theoretical concepts to conduct a study on consumer behaviour and attitude towards energy beverages. There are the demographic of participants, individual data and occurrences of consumption, attitude towards marketing mix, and non-consumers at different demographic characteristics. At first, in the participants' majority are female with high education, but they have to compare the other demographic research. The respondents' majority are male with low education. In the second place, the result of individual data and consumption occurrences is males consume beverages instead of female. In the third place, all the participants' groups have similar results that have great positive attitudes toward place, means that energy beverages are easily bought. Moreover, price and promotion received positive attitudes by some groups, but have quite positive behaviours toward product element. In addition, the result of place is maximum, which

revealed that the consumers are purchased at convenience shops. Even though, advertisement and promotion has been agreed by this study that other research that agreed only on advertising. In the fourth place, there are different attitudes of participants towards marketing mix in price, place and promotion, excluded place. Nevertheless, the key components of the marketing mix should be established. Fifth, the analysis of this study was that attitudes and behaviours of regular consumers are not different to outcomes of other studies than attitudes and behaviours of non-consumers and non-regular consumers. The main reason was that results of other studies are typically on energy beverages consumed by regular consumers. Last of all, the authors in this research mentioned all participants and non- consumers at diverse age have diverse outcomes on promotion. All participants and non- consumers at diverse education have diverse outcomes on price and promotion. All participants and non- consumers at diverse income have diverse outcomes on promotion. Other results in the study are same (Urala and L\"ahteenm\"aki, 2007).

According to the recommendations of Urala and L\"ahteenm\"aki (2007), as far as the product is concerned, the energy drink producers could add minerals, antioxidants and vitamins in the product to enhance its benefits. However, the products should be produced by manufacturers to provide it suitable for a new age group. Similarly, the age factor has also the effect on consume, like young participants has high positive behaviours for product than older participants. As far as the promotion factor is concerned, advertising should be the concern of manufacturers rather than promotional activities (Berman, Berman and Evans, 2010). Therefore, using promotional and advertising campaign is best to capture the interest of young female labours and students with low income as this target market has quite low or fair attitudes in the direction of promotion.

Energy Beverage is the focus of Higgins, Tuttle and Higgins, (2010) study. Physical exercise has numerous benefits especially for obese people. For that reason, energy beverages are also known as “sport drinks”. Energy beverages were originally introduced to provide electrolyte and carbohydrate replacement. Afterward, these drinks included additives, flavours and stimulants. However, the target of energy drinks is mostly the young people and openly promoting psychoactive, performance improving, as well as stimulatory effects. There are many ingredients in energy beverages, which include vitamin B, Caffeine, Taurine, Glucuronductone, Sugar, Guarana, L-carnitine, Ginkgo biloba, Ginseng and antioxidants. For that reason, these beverages are quite beneficial for some, but some people who are patients

should get doctor's advice as these drinks have ingredients that can affect the body harmfully, in terms of cardiovascular disease, high blood pressure, and even death.

The focus of Montaner, de Chernatony and Buil (2011) study is on the consumer response to gift promotion. The key aim of this study is to assist people to comprehend the major determinants that have influence on consumers' responses toward gift promotional activities. The authors analysed some basic variables including the nature of the promoted product; the fit between the product and the gift; the brand type used in the promotion; and the deal-proneness. However, the study of Schiffman, Kanuk and Wisenblit (2010) analysed the impact of more than a few of determinants on consumer reactions to gift promotional activities. Gift promotion is an approach used to influence the customers' attitude and purchase behaviours (McGoldrick, 2002).

Absolutely, the investigators of the study have examined the overall impact factors on success of this promotional activity: The first factor is objective features of the offer (whether the gifts worth is mentioned). The second is attitudinal variable (the attention in the product and gift or the attitude toward the brand) and the last is consumer characteristics (deal proneness or compulsive purchasing behaviour). The hypotheses were also used in the study, and their outcomes are in high equity brand that has influenced by the advertised product and the gifts have considered fit which has a positive influence on value insights.

In accordance with the study of Pettigrew, Rosenberg and Ferguson (2013), consumer behaviour and attitude can be changed by shift in their feelings and beliefs. So, consumer behaviour and attitude can be grouped into two types for changing by using Structural Theory of Attitude Dynamics. A change in population that has diverse effect of their attitude and behaviour on an object, there is a steady difference in beliefs regarding the object and also support to the theoretical intention. Secondly, the changes in consumer feeling toward objects were influenced among hypnosis and in the posthypnotic. This research reveals that the structural theory of attitude dynamics has established through explanation and extension of this understanding. Rosenberg reviewed the literature on the concept of attitude, which is limited to the concept of emotional "einstellung". (Pettigrew, Rosenberg and Ferguson, 2013)

de Mooij and Hofstede (2011) explained post-modern culture as controlled by fast-growing change, empowerment, enjoyment, innovation, and consumer preference. The defined Hedonism as the faith that pleasure is the most vital factor in life. Thus, customers are affected by hedonistic consumption. Advertising, for example, for Red Bull, typically

motivates people to imagine themselves into a desirable or enjoyable atmosphere (Solomon, 2010).

Culture is the most important factor of consumer behaviour. The developing child obtains a collection of values; perceptions and views, preferences and behavioural pattern by means of socialisation process involving the family and other main institutions. The factors of culture have a major impact on consumer attitude and behaviour. Spotting “cultural shifts” is always the marketing activity which might point to new brands that might be desired by people or to increased demand. (de Mooij and Hofstede, 2011)

The study of Baumeister (2002) distinguished between cultural impacts on consumer attitude and behaviour towards energy beverages. Culture shows the basic ‘building stone’ that society is rested on (Baumeister, 2002). People are required to follow norms, and can be given rewards or sanctioned so as to accomplish the preferred conformity. Specific culture must be well-maintained, while inhibitions must be evaded. So, energy beverages’ consumption is generally accepted, which makes it a quite simple for all manufacturers as they do not have to compete against restrictions. Thus, culture is not the most pertinent issue for energy beverages.

Jackson et al. (2014) conducted a study on consumer psychological perspective. They described in the study the integrated marketing communication (IMC) concept. IMC has received more attention by media, mainly from an organisational viewpoint (Jackson et al., 2014). With that, a message can appeal more consumption and it has different available media technologies which is fairly effect on the perceptions of customers (Evans, Jamal, Foxall, 2009). Undoubtedly, reflection in common communications model, like hierarchy of effects point out that the most vital aspect of marketing communication content is rational attraction on the basis of product attributes. According to Jackson et al. (2014), if knowledge or information is the basic mover to advertising, then information of a desired product would appear to be the most influential aspect of message content. To that, if a company will have the influential sense of message, they should have “creativity” to project communication to customer. IMC has a rationale in consumer psychology from two viewpoints. First, it relies upon customers develop their meanings from organisational communication, and the second is creativity is influenced on the perception of customers (Jackson et al. (2014).

The study on relationship of consumer attitude and brand conducted by Bunting, Baggett and Grigor (2013) solves the issue that associated with the influence emotions that define

consumer attitude towards energy drinks. The effect of emotions on the formation of consumer attitudes needs to check sense as emotions' source. Though, the experience of customers following touching with a product that is described as emotion, it may have numerous strength levels and may transform as per the situation and product. The authors in the study described that the conception was defined and the attitude is acquired, it is quite comparative permanent, gradual and simultaneously, it has focused then, the purpose of a consumer to respond to a specific product. Further, according to Schiffman, Kanuk and Wisenblit (2010), there is three-component model of the attitude comprising of cognition, emotion and intentions. The fundamental means of shifting attitude is emotion that form attitude towards a brand. Nevertheless, there are both positive and negative consumer attitudes which heavily depend on the following aspects:

- Perception or knowledge;
- Feelings or emotions; and
- Willingness or behavioural patterns.

However, the balance theory is employed in this literature based study. According to this theory, the connection of elements that are assessed by people as interconnected and considered as rapport of three elements in subjective way that provide the structures of attitude (Schiffman, Kanuk & Wisenblit, 2010).

Methodology

The area of sampling is Mexico City, Mexico as it the capital city. In this research, both primary and secondary research method were used to collect reliable and authentic data. Interview method was used as primary research method and collected descriptive data and statistics from the participants. Descriptive statistics were employed to illustrate the basic features and attributes of the data in study. They facilitate with simple summaries regarding the sample and the measures (Mazzocchi, 2008). Coupled with simple graphics analysis, they develop the basis of almost every quantitative analysis of data.

For the interview, a set of 10 questionnaires was included in the study (see in Appendix 1). To make sure that the participants interviewed belong to the interest's population, as with the pilot test, they were first inquired do they have ever drunk energy beverage before. Upon "YES", participants were inquired further questions. In addition, qualitative and quantitative method is used to collect primary data by launch questionnaire. The set of questionnaire

comprised close-ended as well as opened-ended questions to get general information and in-depth information, respectively. The opened-ended questions contained issues and asked the participants to answer in their own words.

As far as the secondary data is concerned, the author of this study reviewed some articles and research studies to support this study as it makes this report more reliable to examine the collected data. The author reviewed research studies and articles based on theories that valid to the subject matters, like consumer behaviour, attitude, and perception.

Secondary analysis is employed to explain different analytical practices that employ pre-existing studies and data either to explore new research questions or to retrace primary research questions for validation. Whereas the secondary analysis of statistical data is a well-documented and well-recognised research methodology, the re-use of qualitative data remains under-developed. (Mazzocchi, 2008)

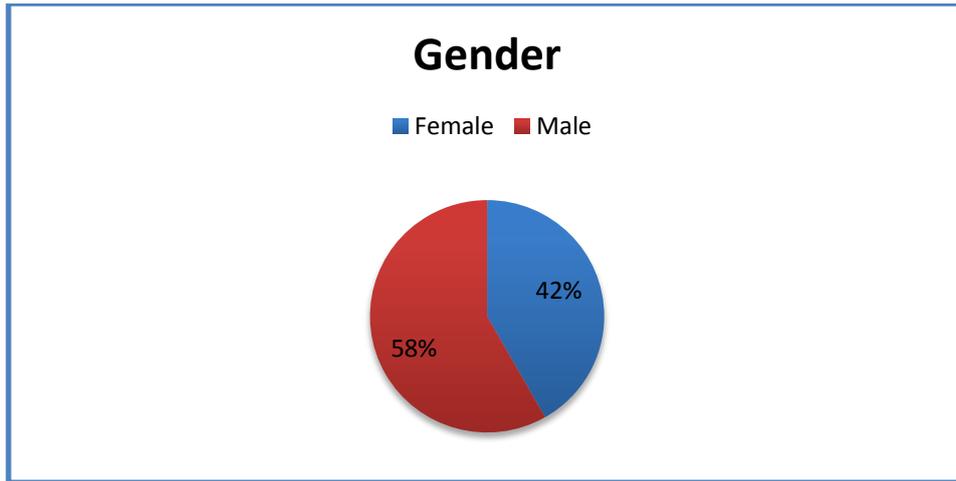
The study conducted a literature review to illustrate and appraise the approach wherein the methodology has been employed in the study, and to reflect on the implications for the future development of secondary analysis as a qualitative research methodology.

Findings and Discussion

Demographic Data

1- Gender

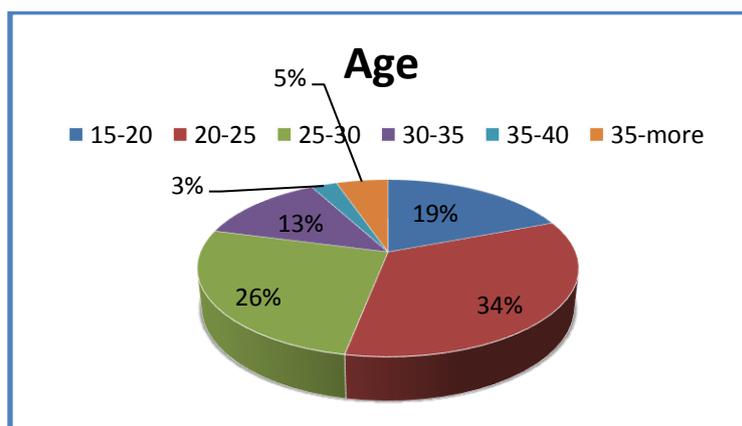
Female	48	42%
Male	67	58%
	115	100%



This table and chart shows that there were 115 participants participated in the study. Out of 115, 48 (42%) were female and 67 (58%) were male.

2- Age

15-20	22	19%
20-25	39	34%
25-30	30	26%
30-35	15	13%
35-40	3	3%
35-more	6	5%
	115	100%

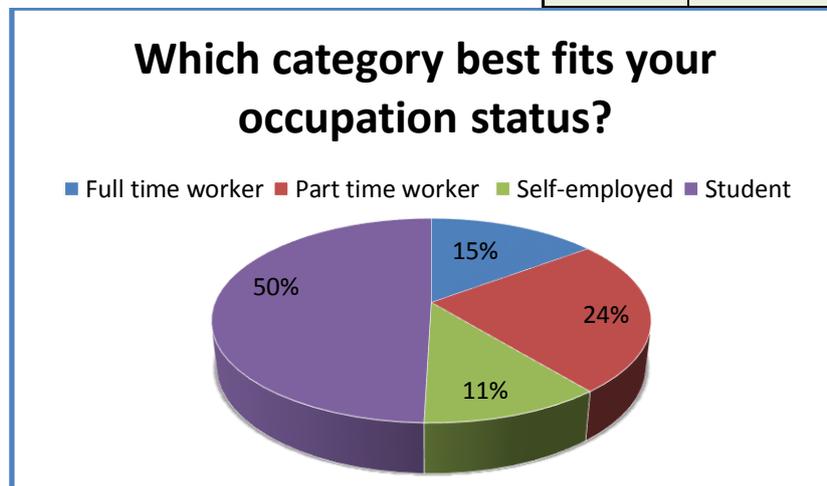


This table and chart reveal the participants age that participated in the study and answered the questions. According to the table, 22 (19%) participants of the study whose age was 15-20. So, it can be said that teenagers want to pay for energy drinks. It also shows the positive attitudes of teenage people towards the energy drinks in Mexico. 39 (34%) and 30 (26%) of

the participants with age between 20-25 and 25-30 show the very high positive behaviour and attitude of population group towards the energy drinks. It means that this age group population is highly motivated towards the energy beverages in Mexican market. However, the people above 35 do not show positive attitude in the study. So, energy beverages are very popular among people with age 15-35.

3- Which category best fits your occupation status?

Full time worker	17	15%
Part time worker	28	24%
Self-employed	13	11%
Student	57	50%
	115	100%

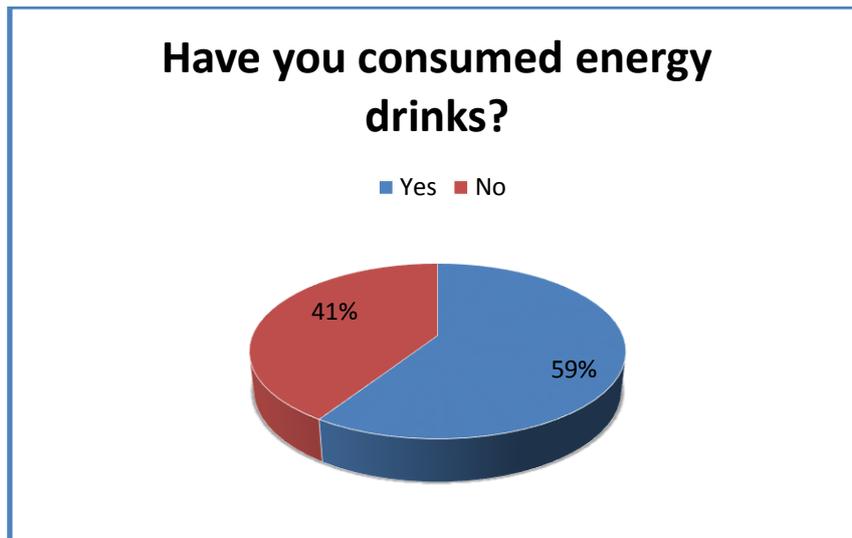


Upon the question “Which category best fits your occupation status?”, Most of the participants (50%) said that they are full time worker, 25% participants said they are part time worker, 15% said they are self-employed and 11% said they are student. So, full time worker are more motivated to consume energy drinks in the country. In fact, it shows that this population group work the whole day and requires energy to boot their body.

Market Research

4- Have you consumed energy drinks?

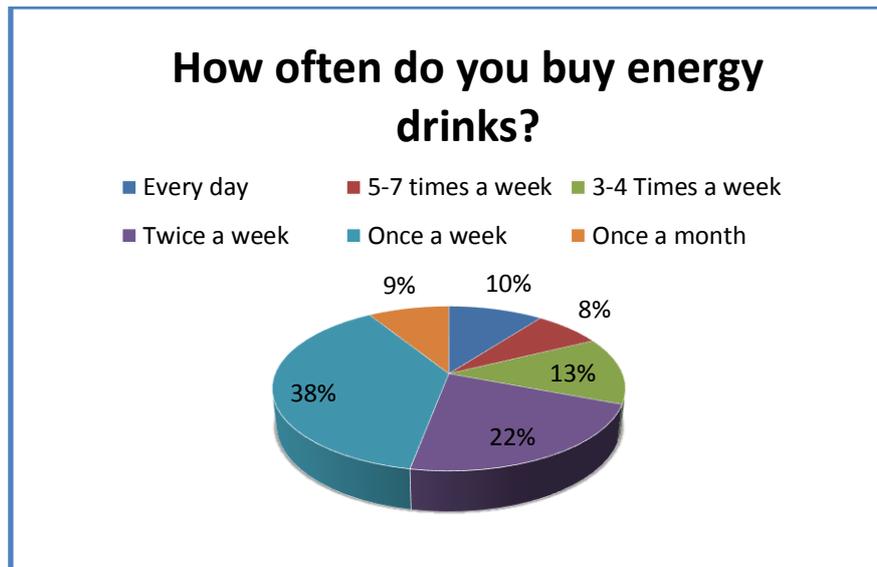
Yes	68	59%
No	47	41%
	115	100%



When asked “Have you consumed energy drinks”, 59% (68) respondents were said “YES” and 41% (47) said “NO”. It can be said that 59% of the participants were almost all the full time employees.

5- How often do you buy energy drinks?

Every day	7	10%
5-7 times a week	5	7%
3-4 Times a week	9	13%
Twice a week	15	22%
Once a week	26	38%
Once a month	6	9%
	68	100%

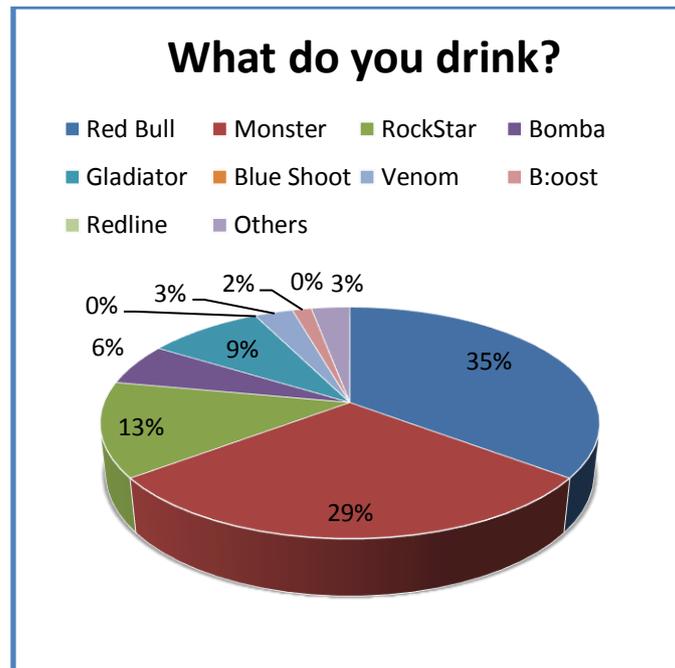


Now, there were 68 participants and others were excluded from the study as they do not consume any energy beverage.

When asked a question “How often do you buy energy drinks?” a majority of the people (38%) and (22%) said that they purchase energy beverages once a week and twice a week, respectively. 13% participants given the answer that they consume energy drinks 3-4 times a week, 10% said every day, 8% said very frequently or 5-7 times a week, and 9% responded that they consume once a month. This shows that a majority of the people almost 50% of the participants consume drinks once or twice a week. They may probable be full time worker as when asked in the interview “Which category best fits your occupation status?” half of the participants were belong to the full time employments.

6- What do you drink?

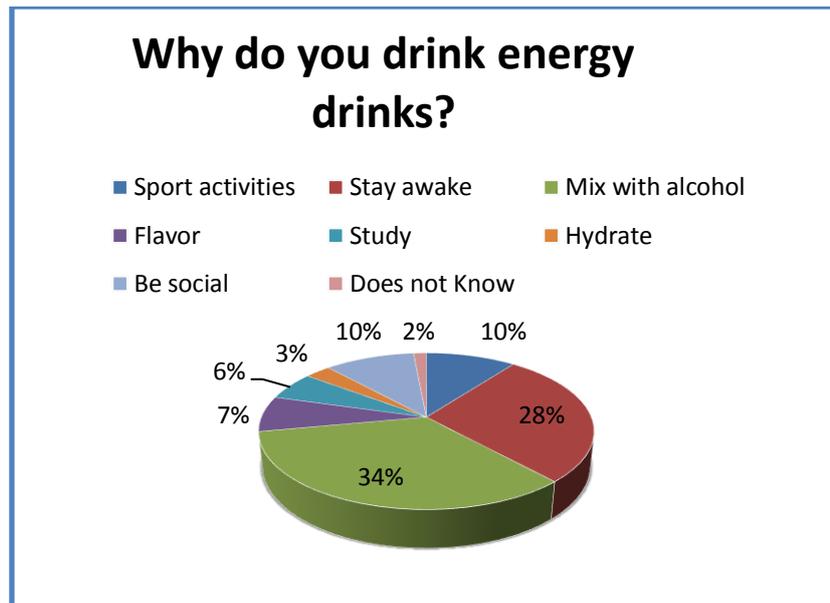
6- What do you drink?		
Red Bull	24	35%
Monster	20	29%
RockStar	9	13%
Bomba	4	6%
Gladiator	6	9%
Blue Shoot	0	0%
Venom	2	3%
B:oost	1	1%
Redline	0	0%
Others	2	3%
	68	100%



“What do you drink?”, when asked this question, it is found that a majority of the participants (35% and 24 respondents out of 68) like Red Bull, 29% or 20 participants like Monster and 13% or 9 of the participates like Rockstar. These three brands were the favourite energy drinks of the participants. Other brands including Bomba, Gladiator, Blue Shoot, Venom, Redline, etc., were less favourable among the participants. In fact, according to Berman, Berman and Evans (2010), stimulated message content through advertisement is the main factor behind the success of these three brands. The strong and influential message content definitely stimulated the consumer’s mind and interest towards the energy beverages.

7- Why do you drink energy drinks?

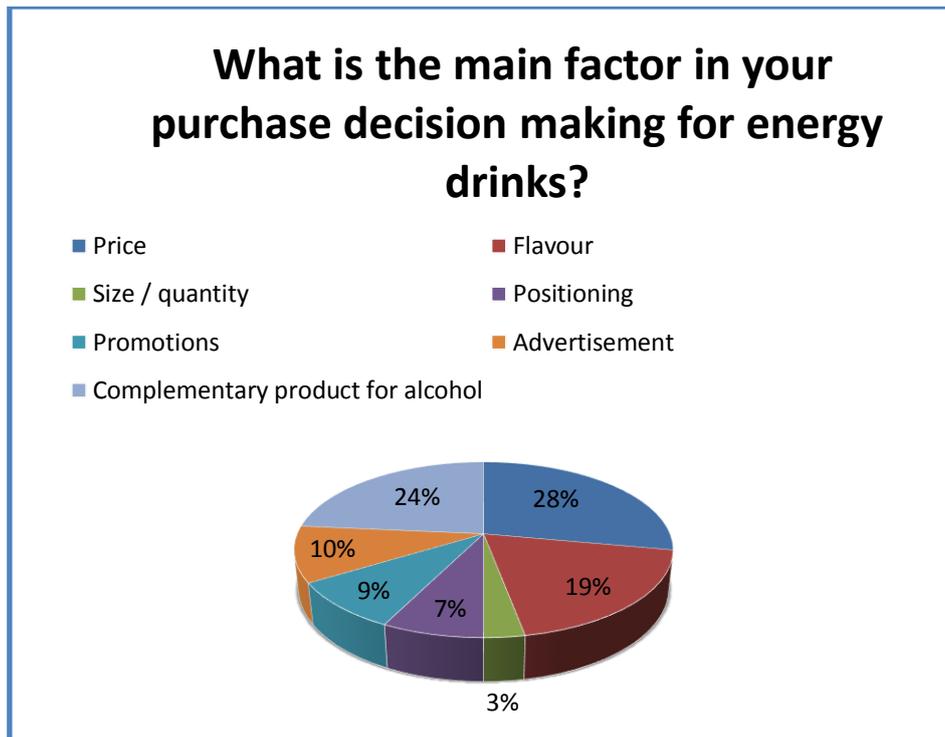
7- Why do you drink energy drinks?		
Sport activities	7	10%
Stay awake	19	28%
Mix with alcohol	23	34%
Flavour	5	7%
Study	4	6%
Hydrate	2	3%
Be social	7	10%
Does not Know	1	1%
	68	100%



The participants were also asked “Why do you drink energy drinks?” It was found that a majority of the participants (34% or 23 respondents) consume energy drinks with alcohol. It means that this population group is highly motivated to buy energy drinks to mix them with alcohol especially in parties and occasions. Out of 68 participants, 19 participants consume energy beverages to stay awake, and it was also found that these all were full time workers. 10% participants were related with sports and they want energy drinks to be active and healthy. However, it means that energy drinks is less favourable among the participants who belongs to the sports. There were also some people (10%) who like these drinks and consume just for social activity. The study found that the energy drinks are not very famous in situations like when participants study and for hydration.

8- What is the main factor in your purchase decision making for energy drinks?

Price	19	28%
Flavour	13	19%
Size / quantity	2	3%
Positioning	5	7%
Promotions	6	9%
Advertisement	7	10%
Complementary product for alcohol	16	24%
	68	100%



“What is the main factor in your purchase decision making for energy drinks?” This is a valid question in the study. Most of the participants said price is one of the basic factors behind their decision making process towards energy beverages. However, complementary product for alcohol and flavour were also two of the main aspects. In fact, these factors matter as reasonable price definitely attract people towards any useful product. Flavours also main factor and most of the people consume energy drinks just for enjoyment and taste, but they get energy as well. It was also found that energy drinks are more popular among participants as complementary product for alcohol. In fact, alcohol is very hard if consume solely, therefore, people mix something in it to consume and energy beverages are the most best option for them. 10% of the participants were motivated and bought drinks after seeing the advertisements. However, this figure shows that advertisement has less influence on the participants, but it is still main and foremost factor to boost the consumer behaviour in Mexico.

9- Have you seen advertisement of this kind of products?

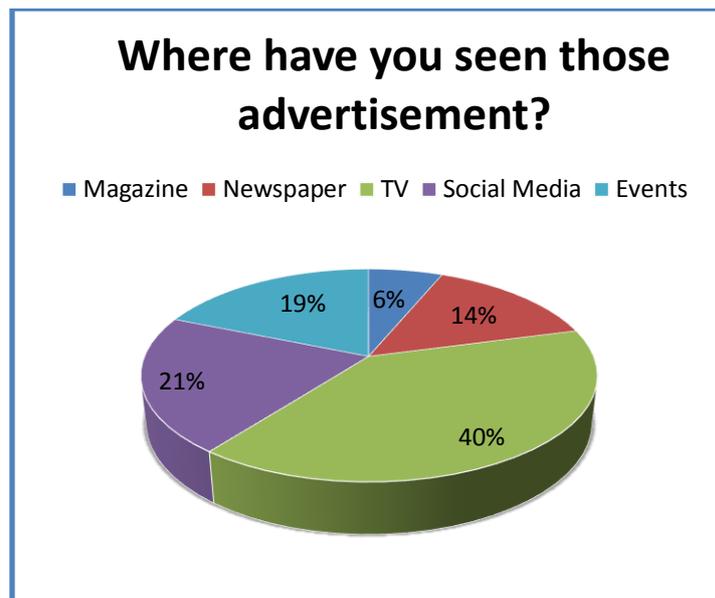
Yes	48	71%
No	20	29%
	68	100%



When participants were asked that have you seen advertisement of this kind of products? The author found that 48 (71%) of the participants say “YES” and only 20 (29%) say “NO”. It means that most of the participants see advertisement, but they consume drinks mainly due to other factors because only 7 participants said that advertisement is the main factor in their purchase decision making for energy drinks.

10- Where have you seen those advertisement?

Magazine	3	6%
Newspaper	7	15%
TV	19	40%
Social Media	10	21%
Events	9	19%
	48	100%



“Where have you seen those advertisement?” this question was only asked to 48 participants as rest of the 20 participants have not seen any advertisement. However, when this asked, out of 48 participants, 40% were said they have seen on television, 21% said social media channels, 19% said events and occasions, 15% said newspapers and 6% said magazines. So, it means that TV, social media and events conducted by the companies, are the main and favourite channels through which energy beverage manufacturers can promote and advertise their brands.

Conclusions

The study on the consumer behaviour on energy beverages in Mexican market, various literatures have been reviewed in the paper. The study also conducted interviews from participants to gather primary data. However, in accordance with the research studies and literature, energy beverage with stimulating agents, flavours and additives are suitable for some population groups. However, people should consult with doctors to get proper advice as energy drinks available in Mexican market have different ingredients, as mentioned above. For that reason, it makes negative attitude of people towards these drinks. In fact, they can shift behavioural patterns and attitudes of customers by having belief and awareness as well. Moreover, integrated marketing communications (IMC) as well as promotion activities through gifting are the factors that support the attitude change theory that has influence on the consumer perception. It may influence to change the customers’ behavioural pattern and attitude of purchasing energy beverages. So, it was found from literature review that the customers have the more positive attitude and are stimulated to purchase energy beverages.

However, it was found from the primary data that the attitude of participants towards energy beverages is in the positive means that is good looking which is differing to the drink frequency that is less than one time in a month. It was also determined that the easiest approach to get the beverages is convenience shops and supermarkets as there are a range of supermarkets across the Mexico. Moreover, full time workers like more to purchase energy drinks than part time employees.

The promotion through advertisement can develop motivation in young people to recognise is television advertisement. In the meantime, the most vital aspects for them to take energy beverages are reasonable price, flavour and taste, advertising, and famous of brand. Nevertheless, the IMC for now are not in the suitable level and cannot stimulate customers to buy more.

As far as the consumer attitude, behaviour, and perception, these elements reveal that customer knowledge and beliefs among energy beverages are high between each factor as this study just presents the limited findings due to time and cost constraints. For that reason, there is an affective element also in the positive means from the viewpoint of customer regarding the energy beverages. Moreover, a behavioural element of customer can accomplish that the ratio of frequency of consume these products is relatively low, the successful approach to purchase is convenience shop, and there are many factors to consume energy drinks.

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