

Consumer behaviour as a source of change in the bottling sector

Marta Wiacek

*M.Sc. in Economics, Financial Director of Somulus Group;
Ph. D. student at the Faculty of Management GWSHiP in Katowice; CFO, EMBA*

Abstract:

Modern consumer behaviour is influenced by social transformations and new, different ways of functioning mainly in the global virtual space. A conscious consumer expects now not only meeting the standards imposed by law, but just changes in strategy and such its adjusting that the product produced and offered on market not only satisfies needs and expectations of the person who buys it, but also reflected her belonging or aspiring to a defined opinion-forming group. The goal of the article is identification and assessment of the trends influence in consumer behaviour on the changes taking place in the bottling sector in Poland. It has been executed by a method of literature and statistical data critical analysis.

Key words: consumer behaviour, change, trends in bottling sector

1. INTRODUCTION - BOTTLING SECTOR IN POLAND

The development of the bottling sector of industry in Poland took place after the World War II. The production of beverages in that time, first of all considering possessed wells and the possibility of bottling, was conducted by breweries. Gradually there began to appear other state and private producers. The 70s of the 20th century was the time of the world tycoons like Coca-Cola and Pepsi-Cola. Together with them private producers began to appear. The 90s are rapid growth of production and development of plants some of which still function in the industry e.g. Hoop, Hellena, Zbyszko. According to the data given by AC Nielsen (http://packaging-polska.pl/pg/pl/rozne/opakowania_spozywcze/plynna_analiza_rynek_napojow.html) the leader among the Polish producers of beverages is still Żywiec Zdrój brand (it belongs to Danone Group) possessing 19,1% share in the market. The second position strengthened Cisowianka brand (Nałęczów Zdrój Company) with the share at a level of 8.8%. In the lead are also Nestle Waters Polska, Coca-Cola HBC Polska (the home leader in beverages), Maspex Group (the home leader in production of juices and tea), Agros Nova, Kofola Group – to which belong the following brands Hoop, Muszynianka, Ustronianka, Pepsi Cola General Bottlers Poland, Primavera and Zbyszko as well as TG Bewa. There is systematic growth of the private brands market that is at present at a level of 34% of the whole Polish non-alcoholic beverages market and has an upward tendency. Within the frame of European Union the total value of non-alcoholic beverages market is at present estimated at 134 billion euros. The pillars of the market are Germany, Great Britain and France. The forecasts for the nearest years reflect positive atmosphere regarding development of the whole market. It is estimated that by 2020 the value of sale of the non-alcoholic beverages in Poland will increase by 14 percent and the same exceeds a level of 24 billion zlotys.

2. NEW TRENDS IN BEHAVIOUR OF BEVERAGE CONSUMERS

The consumption in the economic sciences in the simplest way is defined as consumption of goods and services aiming at satisfaction of human needs; the footnote to the definition source. The issues of needs satisfaction by people and communities that create is considered by many science disciplines – economists, psychologists, sociologists from different points of view. The needs are the state of feeling lack by man. They can regard man as a social, individual, family being. The complexity of the consumption phenomena is multidimensional and the information gained from researches of it serves for various observations and predictions.

The consequence of feeling needs by man is arising of the consumption phenomena with which consumer choices and consumption behaviour are tightly connected. They arise in man during satisfaction of needs (*M. Miczyńska-Kowalska, The essence of consumption and consumer behaviour – outline of issues; ed. by UMCS Lublin 2001, page 9*). They are an essential part of man social behaviour and element of the consumption processes that in its nature is a complex set of behaviour. The concept “consumer behaviour” comes from the American term *consum behaviour*. In Poland the term is connected with the direction in the psychology science focusing on the study of human behaviour. In the understanding of this term the point is the consumer behaviour related to consumption directly. They reflect the process of human needs satisfaction of various types and various etiology. Therefore they are an organized sequence of human reaction to stimuli – instincts and emotions. Depending on the range and the goal of studies the term can have various meaning (G.

Światowy, Consumer behavior, Wrocław 1994, page10). About consumer behaviour we talk first of all when human behaviour during purchase and consumption of goods and services is taken into account. Thus we can assume that consumer behaviour is simply the behaviour of the final user of material and immaterial goods in the situation in which man feels the tension caused by unsatisfied need. The reduction of this tension causes feeling of positive satisfaction and fulfilment. The consumer behaviours are influenced by a broad range of factors that scientists identify and classify in various ways. "Consumer behaviour results from individual feeling of needs and comprises all objectively and subjectively defined rational and emotional, conscious and unconscious moves during the preparation for taking a decision on the consumer's goods market and during consumption" (*T. Rudnicki, Consumer behaviour on the market, Publishing House PWE, Warsaw 2001, page15*). The purchasing behaviour are determined by many factors often coexisting and correlated together:

- demographic – age, sex, education, material status, family live phase;
- economic – incomes, price, products, place of sale, advertisement;
- social-cultural – family, opinion leaders, reference groups;
- psychological – driving forces, needs, beliefs, attitudes. (*M. Karczewska, Determinants of consumer behaviour on the market, Materials of Cracow Conference of Young Scientists No. 5, ed. Scientific Group Pro Futuro, Foundation of University of Science and Technology AGH, Cracow 2010*)

Consumer activities are caused by needs and the effect and symptom of their existence are consumer behaviors (*L. Nieżurawski, B. Pawłowska, J. Witkowska, Customer's satisfaction. Strategy-measurement-management, published by Scientific Publishing House of Nicolaus Copernicus University in Toruń, Toruń, 2010*). Whereas a need is most often a reaction to the following factors:

- external non-economic, e.g. opinion leaders, education, professional status, family, reference groups;
- internal, e.g. motives of behaviour, consumer personality, attitudes, life style, habits (*M. Brzozowska-Woś, Selected factors impacting consumer market behaviour, Publishing House of Gdańsk Technical University, Gdańsk 2010*).

At present a typical Pole buys 184 litres of non-alcoholic beverages spending on them 135 euros. In the same time a German bought 291 litres for about 360 euros, a Spaniard 255 litres for 307 euros and a typical Hungarian who in terms of quantity bought more than a Pole paid for his purchase less.

The largest group of survey respondents declares regular buying noncarbonated or carbonated water and juices. The beverages of non-isotonic, energy or RDT (Ready-To-Drink) type are still "unusual" product for Poles. There can be observed in the recent years a significant growth of consumer interests in the products that not only satisfy for Poles. In the recent years there can be observed an important growth of consumers' interest in products that not only satisfy hunger and thirst, and provide the necessary nutritional elements, but also contain ingredients that are identified with additional benefits. The consequence of such expectations from the consumers' side it that there appeared in the sale innovative functional beverages such as energy and isotonic beverages serving for satisfaction of specific nutritional needs and among the beverages in question popular became additives such as collagen, MCT oil, mushrooms and functional plant components. From 2018 we can observe also greater emphasis on such aspects as personalization, functionality or new textures or hyper personalized functionality. Consumers more and more use the beneficial impact of functional beverages in which such ingredients as curcuma, activated coal, matcha, melatonin and aloe are contained. In addition they began to be frequently offered in handy bottles of the convenience style. Market analysts expect in the nearest time even more personalized beverage functionalities that will support e.g. oral cavity or cardiovascular system health. The content of the plant origin substances – more and more consumers try to reduce meat consumption and support veganism. There dominates the conviction that the vegetable products are healthier and more balanced than their non-vegan equivalents. Therefore also the people consuming meat every day are interested in vegetable products. That is why an interesting tendency are beverages on the almonds, soya, and coconut or oat base. Colourful – it results from the market research that consumers look for light, bold colours of beverages. Hence for the production of beverages at present more and more frequently are used atypical or exotic raw materials for example blue algae, beets, matcha, *Clitoria ternea* peas (traditionally popular in the southern east of Asia). The tastes inspired by the world are very popular also – cardamom, ginger, Chinese condiments, cayenne pepper, jalapeño, chili and habanero – these are only some inspirations of ethnic tastes and smells used in beverages.

A significant influence on the foreseen further growth of the sector will have economic factors, but the above described tendencies are so called consumer trends. It is a specific type of consumer behaviour understood as "a developing tendency in consumer behaviour being an effect of effluence of main (systematic) factors on

development of a given phenomenon". Trends can be foreseen and have a relatively permanent character. The trend in a way discloses what future will be, is of defined duration, manifests itself in several market areas in customer activities and remains in harmony with other important factors, existing or appearing in the same period. In the research and analysing the trends an essential role plays the speed of their identification. The recognition and description of the trend in the early phase of its development and next transposing it into the right product innovation enables the company to gain market advantage over competitors. It often leads to an innovative market and financial success for many years. It is the key reason of the marketing department functioning in organizations. Analysing particular segments of the beverage market it was possible to observe from 2010 strong influence of the health-promoting trend everywhere. It mainly resulted from the growing consumer's consciousness regarding healthy style of life. The modern consumer, especially a young one (up to 30 years of age) is often defined as so called "the network generation" that is such on the choices and preferences of which great influence have IT and information technologies. The young people in the market active group are most often named the "Y generation" or the "Millennial generation". (Bolton R.N., Parasuraman A., Hoefnagels A., Migchels N., Kabadayi S., Gruber T., Solnet D., 2013, *Understanding Generation Y and their use of social media: a review and research agenda*, "Journal of Service Management", 24 (3). 245-267; Foscht T., Schloffer J., Iii C.M., Chia S.L., 2009, *Assessing the outcomes of Generation-Y customers' loyalty*, "International Journal of Bank Marketing", 27 (3)218-241; Wiedmann K.-P., Behrens S., Klarmann C., Hennigs N., 2014, *Customer value perception: cross-generational preferences for wine*, "British Food Journal", 116 (7)). The global trend influencing all consumers and somehow stimulating other smaller, less global tendencies is the social movement based on healthy and responsible style of life, the Lifestyle of Health and Sustainability – generally LOHAS. (<http://lohas.org.pl>; 14.06.2019). It is nowadays said simply that it united globally consumers who decided to leave the ill-considered, greedy consumption and support not such much ecological as healthy style of life, natural diet, balanced development and the natural environment protection. This trend was defined in the half of the 90s of the 20th century. It was done by an American sociologist Paul H. Ray. During sociological researches he discovered that 25% of the American population examined by him identified the idea of moving towards health, balance and social justice as the main element forming their way of the world perception and decisions on how they want to live. He defined them as "cultural creatives". He defined that they are leaders of cultural and consumer changes – conscious innovators. The right term "LOHAS" was created in 1969 by the founders of "LOHAS Journal" (Conscious Media). At present most often in various types of publications analyses the term is used to describe the fast developing, global trend consisting in taking consumer decisions leading to reaching and improvement of health, balance and social justice. On a global scale the term defines mainly the total market of goods and services that are to satisfy the aspirations. In the countries such as the United States and Australia it is at present estimated that approx. from 13% to 19% of adult consumer's decisions are taken under the influence of the described trend and the values of the bought goods and services are estimated at approx. 290 billion dollars

(<http://lohas.org.pl>; 14.06.2019). This trend arrived to Poland relatively late and developed slowly. According to the newest researches the Polish "Lohas" are mainly young (25 – 40 years of age) women living in large towns and agglomerations more than 100 thousand inhabitants and willingly using Internet. They have higher education, they hold independent or managerial positions and reach incomes higher than home average (<http://lohas.org.pl>; 14.06.2019). The spreading of the trend fastest and the most intensively influenced the food and beverage market producers. In the second place the influence transferred to the following industries: cosmetic, clothing and household equipment. The result we can observe at present is that the consumer can buy in shops, commercial networks specialized in ecological products sale of various business lines and the most of discount networks possesses in their shops special separated departments or shelves satisfying this type needs. Consecutive years brought clear strengthening for this tendency and further essential growth of consumer's interest in products that not only satisfy hunger or thirst, but provide necessary nutrient ingredients and contain also the ingredients that are identified with additional benefits.

3. CHANGES IN THE BOTTLING SECTOR AS A RESULT OF NEW CUSTOMER BEHAVIOUR

The enterprises operating in the bottling sector to cope with these expectations and produce innovative or functional beverages for sale, or energy and isotonic ones serving for satisfying specific needs for sale is forced to make changes often of innovative character within own production possibilities. It means permanent change and modifications within technical equipment and strictly production one of the works. Constant, forced by the market growth of the production level, continuous change of composition and using additives and more and more greater burden of the natural environment resulting from it force on manufacturers also gradual introduction and popularization of so called clean technologies. The requirements connected with these issues regarded mainly the reduction of chemical agents used for washing and disinfection, substituting them with biodegradable substances; the selection of packing materials as regards their lowest negative impact on the environment; including the selection of such that can be recycled easily. The turning points for

the market were: introduction of ISO, Good Production Practice (GMP) standards, but the largest changes in the regulations took place in this sector of industry together with Poland entering the European Union and HACCP standard. Within the analysed beverage industry they are related mainly to maintenance of the produced food hygiene thus compliance with the same high standards in the area of the whole EU. In 2004 were issued the community regulations within the food hygiene called the hygienic packages and the regulation regarding the official control of food and fodders. The package is composed of several regulations and from the analysed activity point of view the most essential is the Regulation (EC) No. 855/2004 of the European Parliament and the European Union Council of April 29, 2004 on the foodstuffs hygiene. The hygienic package is supplemented by the Regulations EC No. 854/2004 of the European Parliament and the Council of the European Union of April 29, 2004 establishing detailed provisions regarding the organization of the official controls in relation to the products of animal origin intended for consumption by people; Directive of the European Union Council 2002/99/EC of December 16, 2002 establishing sanitary provisions regulating production, processing, distribution and introduction of animal origin products intended for consumption by people; Directive 2004/41/EX of the European Parliament and the Council of European Union of April 21, 2004 abolishing the directives regarding food hygiene, healthy conditions, production and putting on market defined products of animal origin intended for consumption by people and amending the Directives of the European Council 89/662/EEC and 92/408/EC, Regulation No. 852/2004 regards all the states of the European Union and is in force from January 1, 2006. It obliges an entrepreneur of the food processing industry to work out, implement and maintain constant procedures based on the HACCP rules. This is a system of recognition and control of risks that can occur during production and storage of food. The goal of it is to work out possibilities of current monitoring all risks for the security of produced product. In spite of changing political options ruling the country, within the above issues consequently were and are implemented European Union provisions. Unquestionably the further improvement, in the enterprises functioning on the market, will require the technological processes to minimize possible negative impact of such type of production plants on the natural environment. (*National Chamber of Commerce „Bottling industry”, ed. Warsaw, 2011*). The production technologies in the carbonated and noncarbonated soft drinks industry, considering the stage of development of the sector, have not changed in a revolutionary way for years. The production installations can undergo only essential changes of functioning in such a way to reduce negative impact of the aforementioned on the environment. For example reducing use of raw materials as well as energy and waste emissions and heat remaining after the production process. Use of the resource renewal – especially water. The change of the treated sewage standards discharged to sewage system, surface or ground waters. The change of the pollutants emission to atmosphere. Reduction of emission of chemically aggressive sewage containing biogen. The sources of the above mentioned are systems of devices chemical washing, water treatment plants; emergency leaks of washing agents. Moreover an essential waste from the quantity mass point of view are also package wastes produced by bottling plants such as cullet, cans, pallets, boxes, PE plastic wraps as well as cardboards and labels. Most of them, using selective collection, can be delivered to the recycling. So it is today a developed, stable sector. Considering the fact that it is a part of the food processing industry, it experienced revolutionary changes during Poland admission to the European Union when HACCP standard was implemented for these types of industries. At present the changes in provisions, if are made, they rather are of cosmetic character and do not constitute a risk for a company or essential disturbance in operation. None of the factors determining needs and impacting, in this connection indirectly, consumer behaviour has reflection directly in the changes taking place in the bottling sector. These changes are a derivative of a bunch of needs in which it is possible only to try to determine these of them that are dominating, prevailing.

4. SUMMARY

The modern consumer values the possibility of products personalization, adjusting them to individual preferences (*Mróz B., 2013, Consumer in global economy. Three perspectives, ed. SGH Publishing House in Warsaw, Warsaw*). The essential importance has also for him the observation of surroundings and reliability of information delivered by manufacturer. The modern consumer values social responsibility of business. The important place occupied by new technologies and the possibility of rapid delivering of information influence on the preferences of modern consumer equally intensively. The close environment and connected with it the influence of family on consumer behaviour deep-rooted in the handed values and simultaneous operation of new information channels cause that the consumer is influenced by distant environment that is social groups to which he aspires or which are a standard, reference for him. He compares his style of life to opinion making groups and next he tries to adapt it so to function similarly. Therefore an important role play also advices, preferences and suggestions of the people belonging to opinion making groups. A balanced development, interesting in responsible consumption at present does not consist only in reduction of consumption for example plastic. The data from analytical agencies such as AC Nielsen or Mintel shows that consumers will still pay more for products who maintain that are produced in a balanced way (not only by packing, but also

e.g. through the way of production and the source of ingredients gaining). Forecasts indicate that in the period of 2019 – 2022 there will be maintained a growing tendency of this type non-alcoholic beverages production and the value of sale will be increased by approx. 8% analysing the year to year data (<https://www.wiadomoscihandlowe.pl/artykuly/rynek-napojow-bezalkoholowych-w-polsce-jest-wart-p,44664/1>). Because the beverages market has been overrun by the global trend of “more holistic point of view of health and well-being through supporting mental and physical health” which is LOHAS philosophy. The described complex changes together with further technical-technological changes forced by consumer demand are a derivative of it. The healthy style of life, respect for the environment, balanced development of surroundings; health-promoting are the needs that consumer will satisfy through thought over purchases of various type articles including also beverages.

BIBLIOGRAPHY

Books and articles:

1. Andruszkiewicz K, *Consumers behaviour on health-promoting market in the age of market digitalization, Social Inequality and Economic Growth* No. 45(1/2016); DOI: 10.15584/nsawg.2016.1.12; ISSN 1898-5084; 2016.
2. Bolton R.N., Parasuraman A., Hoefnagels A., Migchels N., Kabadayi S., Gruber T., Solnet D., *Understanding Generation Y and their use of social media: a review and research agenda*, “Journal of Service Management”, 24 (3); 2013.
3. Brzozowska-Woś M., *Selected factors impacting consumer market behaviour*, Publishing House of Gdańsk Technical University, Gdańsk 2010.
4. Foscht T., Schloffer J., Ili C.M., Chia S.L., *Assessing the outcomes of Generation-Y customers' loyalty*, “International Journal of Bank Marketing”, 27 (3); 2009.
5. Gurau C., *A life-stage analysis of consumer loyalty profile: comparing Generation X and Millennial consumer*, “Journal of Consumer Marketing”, 29 (2); 2012.
6. Karczewska M., *Determinants of consumer behaviour on the market*, Materials of Cracow Conference of Young Scientists No. 5, Publishing House Scientific Group Pro Futuro, Foundation of University of Science and Technology AGH, Cracow; 2010.
7. Liczmańska K., *Key factors determining consumer behaviour on the example of the inhabitants of kujawsko-pomorskie province*, Scientific Journals of Szczecin University, Szczecin; 2015.
8. National Chamber of Commerce „Bottling industry”; Warsaw, January 2011.
9. Kriz A., Voola R., Yuksel U., *The dynamic capability of ambidexterity in hypercompetition: qualitative insights*, “Journal of Strategic Marketing”, vol. 22;2014.
10. Ma Y.J. Niehm L.S., *Service expectations of older generation Y customers: An examination of apparel retail settings*, “Managing Service Quality”, 16 (6); 2006.
11. Matzel K., Bailom F., Anschöber M., Richardson S., *Hypercompetition, customer-value competition, and the new role of market research*, “Innovative Marketing”, vol. 5; 2009.
12. Miczyńska-Kowalska M., *The essence of consumption and consumer behaviours – outline of issues*; Publishing House UMCS Lublin, VOL.XXVI, 9; 2001.
13. Mróz B., *Consumer in the global economy. Three perspectives*, SGH Publishing House in Warsaw, Warsaw; 2013.
14. Nieżurawski L., Pawłowska B., Witkowska J., *Customer's satisfaction. Strategy-measurement-management*, ed. by Scientific Publishing House of Nicolaus Copernicus University in Toruń, Toruń; 2010.
15. Rudnicki T., *Consumer behaviour on the market*, PWE, Warsaw, page15; 2001.
16. Świątowski G, *Consumer behaviour*, Wrocław, page10, 1994.
17. Wiedmann K.-P., Behrens S., Klarmann C., Hennigs N., *Customer value perception: cross-generational preferences for wine*, “British Food Journal”, 116 (7); 2014.
18. Valentine D.B., Powers T.L., *Generation Y values and lifestyle segments*, Journal of Consumer Marketing, 30 (7). <http://dx.doi.org/10.1108/JCM-07-2013-0650>; 2013.
19. Veloutsou C., McAlonan A., *Loyalty and disloyalty to a search engine: the case of young Millennial*, “Journal of Consumer Marketing”, 29 (2); 2012.

Electronic sources

1. <https://www.wiadomoscihandlowe.pl/artykuly/rynek-napojow-bezalkoholowych-w-polsce-2018>
2. http://packagingpolska.pl/pg/pl/rozne/opakowania_spozywcze/plynnna_analiza_rynek_napojow.html
3. <https://www.wiadomoscihandlowe.pl/artykuly/rynek-napojow-bezalkoholowych-w-polsce-jest-wart-p,44664/1>
4. <http://lohas.org.pl> (access: 14.06.2019 r.)
5. <http://lohas.com/about> (access: 14.06.2019 r.)