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EU Management - Marketing Strategies in the Juice Sector

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1. World and European Juice Market

An increasing demand for traditional, and in recent years, for tropical, juices has been observed globally, with a corresponding growth in the juice industry, resulting in bigger plants, use of high-technology in processing and packaging, and an increase in advertising expenses [1].

The world fruit/vegetable juice sector has encountered two diverse sources of growth. Consumption in developing markets has focused on products such as nectars and juice drinks, while in developed markets it has been the premium not-from-concentrate juice subsector which proved to be the most dynamic [2].

Annual volume has been growing by 4% since 1995, with a reported global per head consumption of almost 6 litres, reaching a total of 34 billion litres in 2001 [3]. According to the Leatherhead Food Research Association report [4] the global market is forecast to reach 39 billion litres by 2003, despite fragmentation within the juice and nectars industry, driven mainly by consumer desires for healthier lifestyles.

European countries hold the second position after the USA. However, in terms of per head consumption, Germany undisputedly is the leader of juice consumption.

Even though there has been a sharp increase in the consumption of juices in the Eastern European countries, the Western European countries hold the leading position. According to World Drink Report [5], consumption of fruit juices and nectars in the Eastern European countries may soon rival that of their Western Counterparts.

Total sales in Europe reached 9.1 million litres in 2000 incurring a 10 % increase over the 1995 level [6]. The fruit juice market in Europe rose by 4% in 2000 reaching 7.45 billion euros [4].

Orange is the most popular flavour across Europe, making up 46 % of the year 2000 volume. Cartons are still the mainstay of European fruit juice packaging, though their share has fallen from 64% in 1995 to 61% in 2000. Cartons account for more than 90% of volume in most of the Nordic region, the Netherlands and Greece. Glass accounts for 34% and plastic only holds a modest 3% [6].

2. Greek and Dutch Juice Market

Higher income, reasonable product prices and other factors such as growing health consciousness, improvements in marketing and distribution techniques and convenience of the products, further stimulated the rapid growth of consumption in Greece. Per head consumption of juice in 2001 reached 22 litres.

Although the overall sector benefits from healthy eating trends and gained ground over the carbonates sector, almost all product innovation and promotion focused on the 100% juice subsector. Nectars are a mature subsector and juice drinks are in decline.

The fruit/vegetable juice sector saw a growth of more than 19% in volume terms throughout the period 1995-1999. In 1999 alone, the sector grew by 3% in volume terms and over 8% in value terms [2].

Sales of juices in Greece are profoundly affected by the weather, with sales being heavily increased towards the summer months when approximately eleven million tourists visit the country.

It should be noted that consumption of freshly squeezed fruit juices is substantial in Greece and this is the typical way most Greeks have traditionally consumed juice.

During the 2004 Olympic Games in Athens, the number of visitors is expected to double, positively affecting consumption of soft drinks, and particularly fruit and vegetable juices, as the Games will run in the summer time when people typically consume more juices.

One important trend throughout the Dutch juice market is that consumers prefer less carbonated drinks, which have a thirst-quenching function. Juice drinks are becoming more thirst quenching with the addition of more water (e.g. Riedel's Dubbelfriss), whereas carbonates are decreasing the level of carbonate content in their drinks (Vrumona's Sisi No Bubbles). This trend also fits into the aforementioned health and variation trend.

The fruit/vegetable juice sector was the most dynamic market during the 1994-1998 period, growing by over 33% in volume. In value terms, the sector grew by just over 50%. The sector's increase was mainly associated with the fact that an increasing number of people are becoming health conscious [2].

Dutch consumption of fruit juices and fruit drinks is calculated at 26.5 litres per capita. The Netherlands is the third largest consumer of this product in the EU, after Germany with 42 litres per capita and Austria with 34 litres per capita [7].

3. Factors Affecting Food Choice

Consumer food purchasing behaviour is influenced by many factors, which have been supported by a considerable amount of research and can be classified into economic and non-economic.

3.1 Economic factors

After the Second World War, food price and personal income became the dominant determining factors of food choice, when the supply of food was not in abundance. Nowadays, however, the influence of prices on food choice is diminishing. Consumers switch from cheaper to more expensive food buying as their real income increases [8].

3.2 Non-Economic factors

Many surveys have been carried out, indicating various non-economic factors. The main ones are the concern about health and diet foods, the convenience of food in purchasing and preparation, the life cycle of the households and advertising's impact on consumers' choices [8].

Although there still exists a gap between dietary recommendations and actual food use on a general population level in many Western countries, many studies conducted in Europe or in the US in the late twentieth century have shown health-related attitudes to be an important factor affecting food choice [9; 10; 11; 12; 13; 14; 15; 16].

Baltas [17] declared that consumers pay increasing attention to their diet and information appears on food package labels related to the nutritional composition of the product. Consumers have become more "educated" in dietary and other health related issues [18], as the large number of diseases caused by bad nutrition are on the increase, and as concern for slimness and fitness has taken a major role in one's lifestyle. They want to be confident that food is safe, nutritious, and additive-free and has high standards of quality.

4. Data

This study uses primary data based on surveys conducted in Greece and the Netherlands. The Greek sample consisted of eight hundred participants, most of them females, married, with 4 members in the household, aged between 26-40, holding at least a high school degree, working as private employees, with household income ranging between 800-1100 Euro per month. Most participants in the Dutch sample are females, aged between 18-25, single or married, without children, holding at least a high school degree or more.

The cross-country demographic profile of study participants is presented in table 1.

Table 1. Demographic characteristics of sample participants

		Greece	Netherlands
N (sample size)		800	588
Gender	Male	48.7 %	47.4 %
	Female	**51.3 %**	**52.6 %**
Age distribution	18-25	20.1 %	**40.0 %**
	26-40	**46.8 %**	30.7 %
	41-60	26.1 %	24.7 %
	61 and above	7.1 %	4.6 %
	Age range	18 – 79	18 - 88
	Average age	37	34
Education	Respondents have completed a high-school degree or more	90.5 %	80.9 %

5. Comparison of Consumers' Preferences

According to results obtained from the survey based data, we can come to the conclusion that consumers from both countries prefer certain flavours of juices. Orange is the first choice, and mixed fruit juice is in second place. However, for the juice that ranked in third place, Greek consumers preferred peach flavour, and Dutch consumers showed a preference for apple.

Regarding the duration of juices, Dutch consumers would rather consume long-life juices, but Greek consumers prefer short-life juices. This is illustrated in the following table.

Table 2. Preference in juice duration

Juice duration	Greece	Netherlands
very-short life	18.8	26.9
short-life	**60.3**	43.2
long-life	720.9	**55.4**

The preference for juices depending on the percent of real juice contained, proved to be the same for both nations (table 3). Most consumers from both countries prefer 100 % juice. Their second choice is all kinds of juices, followed by up to 40 % juice and lastly, by sugar added in juice.

Table 3. Favorite juice category

Juice category	Greece	Netherlands
100%	**76.9**	**61.4**
up to 40%	7.8	19.6
with sugar	5.3	7
all juices	8.9	19.6

In both countries, an attempt was made to identify consumers' perceptions and preferences regarding packaging.

The next comparison made regarded package volume and results showed (table 4) that Greek and Dutch consumers have different preferences concerning this attribute. It is apparent from the table that most of the Dutch consumers prefer the half-litre package in contrast to Greek consumers, who prefer the 1 litre package of juice.

Table 4. Favourite consumer package

Volume of package	Greece	Netherlands
250/300 ml	17.4	19
500 ml	12.8	**72.7**
1000 ml	**54.5**	6.5
Others/I don't care	15.2	1.8

This fact can be explained by household size. In Greece, where households consist of four persons or more, they need to buy 1 litre packages of juice to fulfil the needs at home. In the Netherlands, a two-person household only requires a half litre of juice, which is the most appropriate package size.

5.1 Brand preferences

In total, eight brands in Greece (Amita, IVI, Life, Florina, Refresh, Frulite, Vioxym/Creta Fresh and Fresh juice) and four brands in Holland (Appelsientje, AH Orange, Coolbest Vita Day, Fruity King) were selected to be surveyed. In Greece, the juice which ranked in the seventh place was Vioxym/Creta Fresh, a Cretan product, which was selected as a regional interest product. And the last juice, Fresh Juice, is a figment of imagination; it was included among the target brands in order to evaluate the respondents' knowledge and amount of attention they paid.

Consumers' preferences, attitudes and perceptions concerning different brands of fruit juice were examined. The criteria that were selected are price, taste/quality, advertisement, packaging and colour for Greece, and colour of package, package, image/reputation, quality/taste and price in the Netherlands.

A consumer chooses the brand for which utility is maximal [19]. The selection depends on brand characteristics and consumer preferences [17].

Table 5. Multicriteria preferences in Greek brands (frequency in %)

Criteria		Amita	IVI	Vioxym/ Creta Fresh	Fresh Juice	Life	Florina	Refresh	Frulite
Price	Cheap	27.2	21.2	6.8	4.9	16.6	31.4	16.1	15.3
	Normal	**43.7**	**50.3**	11.3	10.0	30.4	**40.9**	**41.0**	**35.6**
	Expensive	19.7	10.5	5.2	4.2	**32.2**	6.3	18.9	23.3
	Very expensive	1.4	1.0	.5	1.3	4.8	1.4	3.3	5.6
	I haven't noticed	8.0	17.0	76.2	79.6	16.1	20.0	20.8	20.3
Taste	Excellent	21.0	6.9	2.8	2.0	27.3	10.9	14.3	15.2
	Natural	**61.2**	**57.1**	10.0	11.0	**47.7**	**43.3**	**51.6**	**45.8**
	Unnatural	10.0	13.8	4.9	1.9	4.7	19.4	8.0	11.5
	I don't know	7.8	22.2	82.3	85.1	20.3	26.5	26.1	27.6
AdvertiSement	Good	37.5	17.6	2.9	4.1	31.5	8.9	23.7	38.7
	Indifferent	16.2	14.6	3.4	3.8	12.8	12.1	13.4	10.7
	Bad	1.8	2.3	4.1	1.5	1.9	4.6	2.3	3.7
	I don't know	**44.5**	**65.5**	**89.6**	**90.6**	**53.7**	**74.4**	**60.7**	**46.9**
Packaging	Very good	7.1	3.3	4.0	4.0	10.4	2.9	8.0	7.6
	Good	**68.4**	**60.4**	12.1	11.5	**59.7**	**47.8**	**56.7**	**58.0**
	Indifferent	17.3	21.8	9.3	7.1	15.7	24.1	16.5	16.6
	Bad	2.9	4.7	4.7	1.5	1.4	9.4	2.9	2.7
	I haven't noticed	4.3	9.8	69.9	75.9	12.9	15.8	15.9	15.1
Color	Attractive	28.1	14.4	4.6	3.8	29.9	11.1	19.3	20.0
	Indifferent	**49.4**	**53.2**	14.4	12.5	**39.6**	**46.6**	**44.4**	**43.5**
	Unpleasant	2.9	1.4	1.0	.6	.6	5.8	1.9	2.7
	I don't know	19.6	31.1	80.0	83.1	29.9	36.5	34.3	33.9

The results of tables 5 and 6 depict multicriteria preference in brands for Greece and the Netherlands.

As it was expected, the vast majority of the Greek respondents were not familiar with such brands as Vioxym/Creta Fresh and Fresh Juice.

The table below reveals that:

- Most consumers find the price of juices produced from these brands to be normal, with the exception of the price of "Life", which was perceived to be between normal and expensive.
- The majority of the respondents judged the taste of juices as natural.
- Regarding advertisement, the results were unexpected. Most of the consumers were unfamiliar with the advertisement of these brands. Only the advertisement of "Amita" and "Frulite" seemed to have been more successful than the rest.
- Approximately more than half of the respondents stated that the juice packaging is “good”.
- The majority of the consumers were indifferent to the colour of the juice.

Table 6. Multicriteria preferences in Dutch brands (frequency in %)

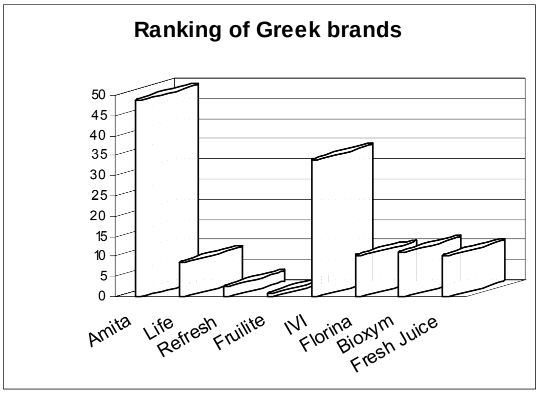
Criteria		Appelsientje	AH Orange	Coolbest Vita Day	Fruity King
Color (package)	Very Good	22.8	8.6	19.0	9.8
	Good	**62.0**	**50.2**	**46.2**	**35.2**
	Indifferent/Neutral	12.0	28.4	16.3	22.6
	Bad	.2	4.0	3.1	10.3
	Very Bad	.2	.2	1.0	1.9
	I don't Know	2.9	8.8	14.4	20.2
Package	Very Good	21.0	10.6	19.6	5.9
	Good	**63.1**	**47.7**	**53.1**	**26.1**
	Indifferent/Neutral	12.8	29.0	16.8	25.2
	Bad	1.5	7.9	4.2	23.7
	Very Bad	.7	1.4	1.9	8.3
	I don't Know	.9	3.4	4.5	10.8
Image Reputation	Very Good	**63.9**	21.5	28.8	3.5
	Good	31.2	**41.4**	**42.7**	9.4
	Indifferent/Neutral	3.6	24.6	15.3	15.7
	Bad	.3	5.7	5.0	24.5
	Very Bad		1.0	2.4	**28.8**
	I don't Know	1.0	5.7	5.7	18.0
Quality	Very Good	29.3	11.2	**32.6**	10.6
	Good	**57.0**	**48.0**	31.0	17.3
	Indifferent/Neutral	9.8	21.6	12.5	15.0
	Bad	1.4	4.3	2.3	4.8
	Very Bad	.2		1.0	2.8
	I don't Know	2.4	14.9	20.6	**49.6**
Price	Very Good	6.8	25.3	1.2	.3
	Good	**40.4**	**50.1**	8.7	2.3
	Indifferent/Neutral	33.4	16.0	23.7	10.8
	Bad	14.9	2.8	**43.7**	27.1
	Very Bad	1.7	.3	15.3	**45.5**
	I don't Know	2.7	5.5	7.5	14.0

Table 6, depicted on the following page discloses that in the Netherlands:

- Most of the consumers find the colour of the fruit juice package, as well as the package itself, to be "good".
- The majority of the respondents judged the image and reputation of Appelsientje to be "very good". AH Orange and Coolbest Vita Day were also quite reputable. Only Fruity King held a very bad reputation and image in the viewpoint of customers.
- Regarding quality, most consumers found quality of Appelsientje and AH Orange to be "good". According to the results, the quality of Coolbest Vita Day was "very good". And most of the respondents did not know anything about the quality of Fruity King.
- Most of the consumers perceived the price of the Appelsientje and AH Orange to be "good". Respectively, the price of Coolbest Vita Day and Fruity King was perceived as "bad" and "very bad", respectively.

A consumer choice policy can be externalised by means of a set of reference products (brands) which the consumer either has tried, or can rank through simple questionnaires, with the aid of familiar decision making situations, and so on [20].

Respondents from both countries were asked to rank brands according to their purchasing preference. From the following charts, which show consumers' first choice frequency, it is evident that Amita and Appelsientje indisputably hold first positions, respectively, in both Greece and The Netherlands.



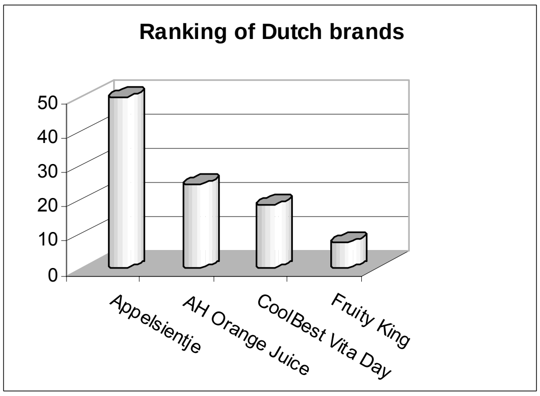


Chart 1 and 2. Ranking of brands

9. Conclusion and Recommendations

The juice sector has exhibited a continuous and dynamic growth rate mainly due to a change in lifestyle, tendency to prefer healthy products and an increase in purchasing power.

In this paper, an attempt was made to examine factors affecting juice brand choice.

From the analysis conducted, we can come to the conclusion that taste and quality is what drives consumers to continue buying juice. They are the top determining factors in juice preference. So, manufactures, as well as people involved in food marketing, should bear in mind that in order to be successful in the highly competitive market of juices, it is necessary to emphasise quality and taste of juices. Existing quality of juices should be improved or adjusted to meet the changing consumer preferences. This study showed that the new trend in the juice market is that nowadays consumers are looking for a more sophisticated and complex taste.

Findings indicate that apart from quality or taste, there are several factors that influence consumer purchasing behaviour, such as ranking of brands according to purchasing preference.

In the Netherlands, these factors are image of the brand, followed by price and package of the juice. In contrast, consumers in Greece are influenced more by package of the juice and advertising.

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