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CHAPTER 1

INTRODUCTION

CHAPTER-1

1.1 INDUSTRY INTRODUCTION

HISTORY

According to legend an Arabian goatherd named Kaldi found his goats dancing joyously around a dark green leafed shrub with bright red cherries in the southern tip of the Arabian Peninsula. Kaldi soon determined that it was the bright red cherries on the shrub that were causing the peculiar euphoria and after trying the cherries himself, he learned of their powerful effect. The stimulating effect was then exploited by monks as a local monastery to stay awake during extended hours of prayer and distributed to other monasteries around the world. Coffee was born.

Despite the appeal of such a legend, recent botanical evidence indicates that *coffea arabica* originated on the plateaus of central Ethiopia and somehow must have been brought to Yemen where it was cultivated since 6th century. Upon introduction of the first coffee houses in Cairo and Mecca coffee became a passion rather than just a stimulant.

Main sections in this category

Coffee preparation: Brewing , Roasting , Grinding.

Coffee plant

Coffee origins overview

Coffee Buying: Overview, Classification, Grading.

Coffee cupping: Overview, Classification, Grading.

Coffee books: Coffee, Espresso, Business, and Market.

Country	Harvesting Time	60kg Bags harvested in 1999	60 kg bags Exported
<u>Brazil</u>	March-October	27,170,000	23,135,000
<u>Columbia</u>	October-February-and April-June	9,300,000	9,995,000

<u>Costa rica</u>	Atlantic coast: August- November. Pacific coast: September –December	2,467,000	2,196,000
<u>Dominican Republic</u>	August-June	1,058,000	161,000
<u>Ecuador</u>	June-October	1,533,000	988,000
<u>Ethiopia</u>	August-January	3,833,000	1,818,000
<u>Guatemala</u>	October-January	4,500,000	4,669,000
<u>Haiti</u>	October-November and February-March	385,000	161,000

Honduras	October	3,067,000	1,987,000
Indonesia		7,833,000	5,084,000
Jamaica	August-September	40,000	24,000
Kenya	October-December (main) And June-August	1,433,000	1,113,000
Malawi	December-February	61,000	54,000
Mexico	High Altitudes: November- January. Low altitudes August-November	6,193,000	4,358,000

Nicaragua	South: November-January And August-September North: December-March	1,304,000	983,000
Papua New Guinea	April-September	1,286,000	132,000
Tanzania	October-December	773,000	634,000
Uganda	September-December	4,000,000	3,941,000
Venezuela	September-March	1,073,000	452,000
Zambia	October-March	45,000	54,000
Zimbabwe	July-October	189,000	141,000

COFFEE PLANT

The coffee plant is a woody perennial evergreen that belongs to the Rubiaceae family. Two main species are cultivated today. Coffee arabica known as Arabica coffee Accounts for 75-80% of the world's production. Coffee canephora, known as Robusta coffee, is more resilient plant than the arabica shrubs, but produces an inferior tasting beverage. The coffee plant can grow to heights of 10 meters if not pruned, but producing countries maintain coffee at three meters to ease picking. Each hectare of coffee produces 86 lbs of oxygen per day, which is about half the production of the same area in a rain forest.

Three to four years after the coffee is planted, sweetly smelling flowers grow in clusters in the axis of the leaves. Fruit is produced only in the new tissue. The Arabica species is self-pollinating, whereas the Robusta species depends on cross pollination. About 6-8 weeks after the flowers are fertilized, cell division occurs and the fruit remains as a pinhead for a period that is dependent upon the climate. The ovaries will then develop into drupes in a rapid growth period that takes about 15 weeks after flowering. During this time the integument and parchment are fully grown and will not increase size. The endosperm remains small until about 12 weeks after flowering. At this time it will suppress, consume, and replace the integument. The remains of the integument are what make up the silver skin. The endosperm will have completely filled the cavity made by the integument nineteen weeks after flowering. The endosperm is now white and moist, but will gain dry matter during the next several months. During this time the endosperm attracts more than seventy percent of the total photosynthates produced by the tree. The mesocarps will expand to form the sweet pulp that surrounds the bean. The cherry will change color from green to red on Coffee Bean Development

The root system can extend 20-25 k in total length (Malavolta, 195) and absorbing surface of a tree ranges from 400 to 500 m² (Nutman). There are main vertical roots, taproots and lateral roots which grow parallel to the ground. The taproots extend no further than 30-45 cm below the soil surface. Four to eight axial roots may be encountered which often originate horizontally but point downward. The lateral roots can extend 2m from the trunk. About 80-90% of the feeder root is in the first 20 cm of soil is 60-90 cm away from the trunk of the tree (Malavolta, 195-196). However Nutman, states

that the greatest root concentration is in the 30-to60 cm depth. The roots systems are heavily affected by the type of soil and the mineral content of the soil. To be thick and strong the root system needs an extensive supply of nitrogen, calcium and magnesium.

The elliptical leaves of the coffee tree are shiny, dark, green, and waxy. The leaf area index is between 7 and 8 for a high-yielding coffee (Malaviots, 195). The coffee plant has become a major source of oxygen in much of the world.

PREPARATION:

After the buyer has received the green coffee there are three major steps needed to prepare the green beans for consumption. First the beans must be roasted to just the right level to highlight any outstanding characteristics of the coffee, then the coffee must be ground relative to how it will be brewed, and lastly the freshly roasted and freshly ground coffee must be brewed at the right temperature for the correct amount of time.

Subsections within preparation:

Roasting

Grinding

Brewing

Roasting

ROASTING

Roasting is a chemical process by which aromatics, acids, and other flavor components are either created, balanced, or altered in a way that should augment the flavor, acidity, aftertaste and body of the coffee as desired by the roaster.

The first stage of roasting is endothermic (beans absorb heat), where the green beans are slowly dried to become a yellow color and the beans begin to smell like toast or popcorn.

The second step, often called the first crack, occurs at approximately 206 C to approximately 220 C, the color changes from light brown to medium brown (Agtron # 60-50), and a weight loss of approximately 13% occurs (Davids, Roasting 68).

The resulting chemical process is called pyrolysis and is characterized by a change in the chemical composition of the bean as well as a release of CO₂.

The second step is followed by a short endothermic period, which is followed by another exothermic (beans release heat) step called the second crack. This second pyrolysis occurs between 225-230 c, and the roast color is defined as medium –dark brown (agtron #50-45) (Davids, Roasting, 68). The second pop is much quicker sounding and the beans take on an oily sheen. Roasting well into the second pop or darker is not favorable since volatile aromatic compounds are stripped off and oils on the outside of the beans are more easily oxidized. Unfortunately, in America the trend is to roast to a dark black, with a bright-shiny surface, and a final temperature 240 c. This type of roast is often preferred since it masks poor blending, dirty machines, and stale coffee.

Every coffee will taste different at different roast degrees. A roast will bring out certain nuances that will be favorable to amplify. Until there is a scientific way to predetermine proper roast degree it is necessary to experiment until you achieve the desired flavors.

One way to ensure the same roast degree is achieved each time it is necessary to purchase a set of Agtron tiles from the SCAA or purchase an agtron roast analyzer.

Grinding

For proper extraction, grinding properly is essential. Freshly grinding coffee before brewing is one of the most important steps for achieving a quality cup of coffee. Coffee should not be ground more than 2 minutes before brewing or major staling (oxidations) begins to take place.

There are two main types of grinders available. Blade grinders sell for about \$20, grind the bean unevenly, and are messy. Burr grinders, are about \$60-\$125, grind evenly, and are clean and easy. The extra money for the burr grinder is one of the best investments one can make for improving cup quality and one's sanity.

For any scientific analysis, a blade grinder is unacceptable due to its lack of reproducibility.

Burrs should be replaced periodically (every 600-2000 lbs of coffee), but for typical home use it is only necessary to clean the burrs.

Each brewing method requires a different grind size: Drip coffee requires a medium size grind, espresso requires a fine size grind, and a French press requires the

largest grinds size, while the vacuum pot also requires the largest grind size. For cupping it is preferred to use a French press size.

COFFEE BREWING

Coffee brewing is as much of an art as it is a science. The history of coffee brewing devices is rich, and methods of brewing are culturally dependent. Of thousands of coffee machines and brewing devices invented since the advent of coffee consumption only a few have gained worldwide popularity. The methods discussed below are recommended since they have been found to maximize the extraction of the beneficial flavors of coffee, while minimizing the extraction of bitter and undesirable components.

General rules: The following general rules apply to each brewing method discussed. Coffee should be brewed for 4.5-5 minutes using a ratio of 55 grams of ground coffee per liter of filtered water (195-206°F). It is convenient to use 2 tablespoons of coffee per ounces of filtered water. Filtered water and spring water are recommended. Tap water imparts flavour, distilled water is not recommended.

French press: The best way to control the time and temperature is to use a French press. The French press unparalleled due to perfect extraction time and delivery of the volatile oils that are often trapped in filters. A French press is also the least expensive brewer available. To brew in a French press: boil the correct amount of water, freshly grind the beans using a coarse setting remove the plunger, place the grounds at bottom of the glass,

adds the hot water, stir by shaking, and after 4-5 minutes press the plunger down to separate the ground from the extracted coffee. The best French presses are made by Bodum and come in sizes of 3,8, and 12 cups. An insulated version is also available.

Unfortunately, the French press is not quite as convenient as a drip maker due to preparation time and cleaning time. The French press also loses heat faster than some other methods, but extraction at slightly varying temperatures will promote a more dynamic and complex cup of coffee. To minimize heat loss effects, Bodum has developed an insulated coffee press. This press is highly recommended for both design and attention to coffee brewing details.

A novel integrated electric water heater-French press also available from Chef's Choice. This French press minimizes the complexity of using multiple devices to boil and then brew the coffee. We use it daily at the Coffee Research Institute and highly recommended it for those who want to simplify the brewing process without sacrificing quality.

Vacuum pot: The vacuum pot is a clever device invented by Robert Napier in 1840 that prepares an exceptional cup of coffee with a potent aroma. This is an appropriate alternative for those who have an aversion to the taste of the paper filters from the drip brewers or who do not like the sediment in the bottom of the cup from the French press method.

To prepare coffee in a vacuum pot add the proper amount of filtered water to the bottom bulb, attach the filter to the upper bulb and fit the upper glass bulb, and fit the upper tightly over the bottom glass bulb. place the vacuum pot on the stove making sure that the bottom bulb is completely dry on the outside. Use a medium grind and add the Grounds when the water begins to fill the upper chamber. Leave the pot on the stove for 3.5 minutes and then place on a hot pad. Within 30 seconds the lower pot will cool enough to form a vacuum to pull the brewing coffee into the lower chamber, thereby separating it from the grounds. Experiment with the heating and cooling cycles until the total extraction time is between 1-5 minutes. The best and least expensive vacuum pot available is the Bodum pot (pictured to the left). An electric vacuum pot (pictured to the right) is also available.

Automatic drip Brewer: The easiest way to brew coffee is by using an automatic drip brewer. Unfortunately, few machines brew at the right temperature for the correct amount of time. The best drip brewers currently available models the MoccaMaster Clubline KB 741 with the insulated carafe is probably the best drip brewer available on the market. The capresso MT500 has recently been making the news as a great ten cup brewer. A wide selection of non-Techni vorm coffee makers can be found here.

To brew coffee in a drip brewer place a thick paper filter in the brewing cone (basket) and wet thoroughly with water. This helps remove the paper taste from the filter. Then freshly grind the coffee using a medium grinder setting. As the water begins to boil pour the coffee into the coffee filter. Now as the water pours over the coffee shake the basket (remove in the Technivorm) to ensure an even extraction. Brew time and temperature are taken care of automatically. If your brewer has a hot plate under a glass carafe, remove the carafe after the coffee is fully brewed to prevent the coffee from burning.

1.2 THEORETICAL INTRODUCTION

INTRODUCTION:

Marketing is an orderly and insight full process for thinking about and planning for markets. The process starts with researching for the market place to understand its dynamics. The marketer uses research to identify the opportunities that is to find the individual or group of people with unmet needs or a latent interest in some product or services. The market process involves segmenting the market and choosing those target market process involves segmenting the market and choosing those target market that the company can satisfy in a superior way. The company must formulate a broad strategy and define a specific marketing mix and action plan to optimize its long run performance. The company deals in asset of controls so that it can evaluate results and operates as a learning organization, constantly improving its marketing know-how.

Today's world marketing is not like Euclidean Geometry, a fixed system of concept and axioms rather marketing is one of the most dynamic fields within the management arena. The market place continuously throws out fresh challenges, and companies must respond.

CONSUMER BEHAVIOIR

As the twentieth century has come to a close and we have moved into the third millennium, we can see many developments and changes taking place in and around the world. though for decades together, marketers have regarded 'customer' as the king and evolved all activities to satisfy him or her, this concept is gaining more momentum and importance today.

This can largely be attributed to the prevailing market situation. Not only has competition become intense but over and above with the market being flooded with many me- too product, the challenge before the marketer is to understand the diversity of consumer behavior and offer goods/services accordingly. Today the company image is built and made known by its customers. Thus the success of the firm will be determined by how effective it has been in meeting the diverse consumer as unique and offering products and services to suit his or her needs.

More than a century ago, the father of our nation, Mahatma Gandhi, had made a visionary and deep meaningful statement at Johannesburg, South Africa in 1890-“a customer is the most important visitor in our premises. He is not dependent on us. We are dependent on him. He is not interruption on our work. He is the purpose of it and an

outsider on our premises. He is doing us a favour by giving us the opportunity to do so”. Thus satisfying customer should be the primary objective of any business.

The study of consumer Behavior can solve questions such as, how often do they buy the product? When do they buy them? Why do they buy them? And how often they use them?

CUSTOMER SATISFACTION

Traditionally the word ‘customer’ was used to define people whom the organization dealt with externally. Though the word “customer is used as single unit, purchases could be made both by individuals and groups of people involved in the decision making process. The term customer refers to the purchaser of a product of service.

All business firms have released that marketing is a core element of management philosophy and the key to its success lies in focusing more and more on the customer. That is, it will be the customer who will decide where the firm is heading. Thus the challenge before the marketer is to ensure that they satisfy every customer. Adam smith in his wealth of nations. Has said “consumption is the sole end and purpose of all

production and the interests of the product ought to be attended to, only so far as it may be necessary for promoting those of the consumer”.

This quotation only reiterates that the purpose of productions and one's own purpose will be served only if the consumer's interests are attended to. Here then arises a very vital question. How can a marketer ensure that his/her firm is able to respond to their customers' requirements quickly? The answer to this question lies in the quality of service it is offering to its customers. This again will depend upon the customer expectations from the product or service. No doubt the quality of the product or service will decide whether it must make all efforts to ensure that consumer satisfaction is achieved.

Below are the characteristics of the consumer markets, identify the possible sources of dissatisfaction, work towards handling complaints from consumers, which in turn will help in enhancing customer satisfaction and prevent dissatisfaction.

CUSTOMERISATION

Today consumer is looking out for value for money. The challenge before the marketer is to identify what value would appeal and convince the consumer. Marketers are trying to enhance the concept of value through unique delivery methods. They have

realized the products services characteristics, customer's aspiration and perceptions and the availability of competing alternatives can be used to enhance customer value.

But the focus and challenge before every firm is to rebuild itself around its customer. It should be able to perceive interpret, serve and satisfy the customer with the type of products and services he/she desires and arm itself so as to gain a competitive edge of customerisation.

Customerisation refers to the process where in all the employees of the firm are required to interact directly with the customer and end user.

They can have access to every person and function within the organization, be involved in designing and fine tuning key products and processes, and turn every interaction with the customer into a platform of interactive communication so as to add value and increase customer satisfaction.

Customerisation will help a firm in:

Providing the quality of services of match the customer requirement

Help to focus on consumers needs so as to add value and offer benefits to the customer.

To identify new customers, new market segments and new application for existing products.

Work towards total customer satisfaction and maximum customer delight

However, it may be noted that consumer satisfaction is a relative rather than as absolute measure. Further, very often satisfaction after the purchase is dependent on expectations held before the purchase of the product or service.

EXPECTATIONS

Consumer expectations though many times realistic is very often built up on a very high platform. Then the quality of the product or service may not match the expectations. This again will affect the consumer's satisfaction level.

So as to reduce the level of dissatisfaction amongst the customers, the marketing decision maker could adopt an approach wherein he can classify markets in relation to the degree of opportunity to deliver customer satisfaction. He could establish a list of common factors and then evaluate each market opportunity against these. The most probable factors which influence consumer behavior are:

- Market size.
- Rate of growth of the market.
- Stability of demand.
- The due importance attached to price by the consumer before making a
- Purchase decision
- Consumer emphasis and the importance given to the quality aspect
- The consumer's expectations of pre and post purchase service.

- Customer desire for product innovation
- The level of competition (inclusive of both existing and potential competitions).
- The firms competitive strength in terms of price and product performance.

The above aspects will help the firm to assess the various factors which can help them in building up consumer expectations and then deliver customer satisfaction accordingly. Of course there are other sources of information which may also influence the consumers expectations. These may be the consumers own experience (if has exposure to the product or service before), the experience of friend, neighbors and colleagues, price-as an indicator of quality and corporate image. Consumer expectation can exist of four levels.

Expectation at the general level: Here there is a general expectation (function like quality durability, reliability, style etc.) of the high level of quality of product or service along with some negative external effects. For instance one may expect high service levels but also come negative external effect like pollution.

Expectation at the product level: Here the consumers expectation is associated or build up from the particular product category or class. For instance, Blue dart Express realized that the key satisfier destinations. This facility was expected from all courier companies.

Expectation at the brand level: Here the consumers expectation is build up based on his knowledge and information about the expertise and reputation of the organization. Names

like Cellotape, Post-in Xerox are actually brands which have become identified with the product. Names of the fast food chains like “Mc Donald’s” form the core of the company’s brand identity.

Expectation at the transaction level: This refers to the expectation that is built up at the time of a transaction between the customer and firm. For instance, British Airways world’s Favorite Airline because of it offering its customer/passengers. Facilities and advantages ahead of its time. Due to this brand image, the expectation is built up while boarding the ‘British Airway’ for the first time i.e. at the transaction level.

More often than never consumers try to compare expectations with their post purchase experience with the product or service. If the outcome falls short of expectations, it is referred to as negative discrepancy. Thus discrepancy will induce satisfaction or dissatisfaction. As per Oiver R.L, this is referred to as ‘disconfirmation hypothesis’. This discrepancy approach is co-related to perceptions. There is a general tendency to perceive a person, object or ideas against stimuli, which is again based on our past experience. Then one also develops certain expectation in one’s perception and compares the new stimuli with these expectations. When expectations are used as reference points in evaluation of outcomes, they may follow a symmetric going by the asymmetric value function in prospect theory. There is no doubt that negative discrepancy causes greater dissatisfaction than a commensurate positive discrepancy which causes satisfaction.

As per disconfirmation theory, consumer satisfaction or dissatisfaction results from a positive or negative discrepancy between the outcome and the expectations regarding a purchase. Though there is some evidence of disconfirmation theory at times it is found that the satisfaction may also be based on perceived performance. This is because studies (by Churchill Jr.G.A and Suprenant C.) revealed that in case of durable, satisfaction was determined more by product performance rather than expectations.

One can easily note that expectations may vary at various levels and also influence each other. For instance, expectations from a particular product category will be seen in the consumer's expectation from a particular brand. Conversely, consumer satisfaction at the brand and transaction levels can be generalized to a category level. It may be noted that if dissatisfaction occurs from a particular brand, they will be seen a shift/change in the brand is considered as an inferior brand in the particular product class otherwise not.

WORKING TOWARDS ENHANCING CUSTOMER SATISFACTION

In the existing business environment-markets are turbulent and customer needs fast changing, companies should opt for ways to add value for their customer by offering products or services just the way they want it. When the customer has to choose from a large and bewildering number of options, features, pricing structures and delivering methods, offering a unique product to every individual customer will go a long way in adding value to the customer decision making process.

Customer satisfaction is continuous process which does not begin or end with a purchase. It covers the entire 'ownership experience from selecting a product, to purchase, through aftercare to repeat purchase. Clearly there are three phases in customer satisfaction process, namely:

- 1) **Pre sales:** During this stage the customer's expectations are developed through the various information sources like advertising, word of mouth and so on.
- 2) **During sales:** when the customer is engaged in experiencing on how to deal with Enquirer and sell products.
- 3) **The after sales period:** This refers to the period when the customer started using the product.

Thus customers expectations and their experience will together determine the level of satisfaction . These expectations are inclusive of:

PRE-SALES PERIOD

Availability of clear, useful information on:

- The product or service.
- Its quality aspect.
- Its core benefits or advantages

- Its price.
- Its availability or sales outlet.
- How to obtain it.

DURING SALES PERIOD

- Opportunity to inspect the products.
- Provision of an attractive sales environments.
- Courteous and attractive service
- Reasonable and reliable delivery.
- Enhancing quality of goods or services.
- Prompt redress in case of complaint receipt.
- Freedom to choose with out undue sales pressure.

THE AFTER SALES PERIOD

- If requires necessary support or advice be provided.
- Prompt replacement or refund it necessary.
- A smooth and straight forward complaints procedure.
- Efficient repair and maintenance service.
- Efficient and effective consumer follow-up process.

From the above it is seen that consumer satisfaction goes beyond the core product or service offering. Marketing decision makers have to start by trying to understand the elements which together will determine the satisfaction levels. Then list the elements in a

proper sequence so as to identify which is to be done so as to increase the consumers satisfaction level. This can be done only if marketers involve a system which facilitates interaction with their customers. These interactions will prove to be equally by the company in the long run.

IMPORTANCE OF REGULAR RESEARCH

Regular research is necessary to keep track of the changing levels of customer satisfaction. Market research will give excellent clues to the firm about what existing or prospective customers think. At the same time they will also provide information on how they rate one's competitor. This will indirectly indicate where the firm stands. In short, market research will help the firm to enter into a dialogue with their customers and also help in avoiding losing sight of them. Very often companies have found themselves in deep trouble for neglecting the very their business customer.

There are many cases of brands and companies which have witnessed a downward swing in their business only on account of forgetting their customers and not doing anything to enhance their customer satisfaction. A classic case referred to world over is that of the automobile giant the Ford Motor Company, which got into deep trouble twice for not listening to their customer: by providing the no frill, low priced model T. Ford had revolutionized the American markets and the top automobile maker for 17 years the same customers rejected 'Ford' in favor of options available from General Motors. This was

because Ford failed to recognize the new value providers or the change in customers choices.

Alyque padamasee, Chief Executive, A.P. Associated had opined that companies are not making products today: they are making customers. A brand's success can no longer be evaluated on the basis of its market share but has to be measured by the share of the customers. Firms which fail to do market research and try to understand the consumers choices or consumer wants and what is the value for money that buyers out for, will ultimately have to be satisfied with second best. With the constantly changing consumers choices, the firm must understand the real customer satisfaction indicator-value can be said to be what the buyer is willing to pay for. The concept of value though universe, its delivery has to be unique. In today's competitive scenario with plenty of modern and economical alternatives available, the market should provide value and add to customer satisfaction. They can do this by offering superior value products at lesser price their competitors or by providing benefits that more than offset a higher price.

Regular researchers can enable marketers to become aware of the changing consumer satisfaction levels. For instance, the car manufacturer could mail a customer satisfaction survey forms to their new car buyers twice-the first time a month after around eighteen months after the purchase. Such a research or exercise will help the firm to assess whether satisfaction levels have changed as the customer 'lives with the product'. Added to this the manufactures can also keep their dealers informed about the

customer satisfaction levels with periodic reports so that they can respond immediately to any changes in level.

FEEDBACK

Many of the companies are encouraging their customers to give a feedback and use this as a means of maintaining regular contact and dialogue. Having released the importance of obtaining a feedback from their customers, rather than avoiding comment, companies are encouraging their customers to talk. As mentioned above feedback helps the marketer and firm to get an idea about the customers viewpoint on their products services and more important is that this information will help them to take action and deal with any problem immediately.

Various methods can be used to obtain information and the customer satisfaction levels of the product purchased or service provided.

- Did you feel responded to your request quickly?
- Did the service engineer arrive on the time communicated to you by us?
- How long did the engineer take to complete the job?
- Did the engineer have the necessary inputs parts?
- How was the engineer's attitude? Was he courteous and helpful?
- Are you fully satisfied with the type of job done by our services engineer?

When companies are trying to get the consumers view point on their opinions regarding the treatment provided at the retail outlets, their questionnaire as:

- From where did you buy the product? How did you find the sales staff-friendly, helpful and courteous?
- How did you find the sales staff-friendly help full and courteous?
- Was all your queries answered to by the sales staff?
- Did the retail outlet provide you all the necessary information and product literature?
- Was the product displayed well?
- Was a demonstration for the product provided at retail outlet?
- Did the retailer have stock of the product desired by you or did you have to wait for delivery?
- In the absence of the necessary stock or otherwise were you offered our competitors products?
- Were you fed with information regarding the guarantee or warranty period and after sales services?

Companies, who are interested in assessing consumer satisfaction after having purchased the product, may ask for the feedback after a time interval that is after having experience with the product purchased. In this case the questions may include:

- From where (which source) did you come to know about our product?
- Did you feel the product to be in good condition when you bought it?
- Did you find the instruction's to be clear?
- Did you feel that the product matches your expectations?

- Would you like to suggest any changes or improvements in the product?
- Are you satisfied with the product bought by you?

Of course, there is no guarantee that there will be full response to such questionnaire from the customer. Very often the level of the feedback will be dependent on a combination of various factors such as:

- The value of the product and its importance to the consumer.
- On the type of questionnaire (the structure of the questionnaire and whether the questionnaire was framed so as to elicit proper response).
- Any incentive offered to consumers say, entry in a prize draw etc.

The marketer could be in a position to understand general levels of customer satisfaction by analyzing the customer responses received, with the help of various statistical methods. More specifically these will indicate

- General levels of customer satisfaction
- The level of consumer satisfaction keeping in mind certain aspects of a product or service.
- Differences if any, in the levels of customer satisfaction in a particular region or form a branch.

- Variations in departmental performance in customer satisfaction.
- If any changes are observed in the levels of customer satisfaction over a period of time.
- Improvements (changes in the customers feedback questionnaire, account of implementing certain specific improvements programmes).

Based on the responses from the customers feedback questionnaire, it will go a long way if the marketing manager works towards enhancing the consumer satisfaction level to a higher level.

It has been rightly said 'Design delivers value' Good marketers have always worked towards channelising their customers feedback into their product development, in order to establish a link between product features and customer requirements. In the words of N.JAYARAM, executive vice president (Sales & Marketing) Colgate Palmolive " when you look at the development of a latent need, but you can also create a need. That's where an understanding of the consumer is critical. We conduct studies constantly in every category on consumer usage and attitude".

Add value through Effective pricing:

Pricing is another sensitive issue. Markets should use the entire pricing issue as to have a long term relationship with the customer with the customer. In the competitive

pricing scenario, the manner in which the product or service can add perceived value will determine what the consumer is willing to pay and whether this will add to customer satisfaction.

At times supply pricing can generate considerable value for the customer when the firm is offering a range of products or services in a mix-and match formula. This is what the ITC group of hotels which ran the Welcome group chain of hotels did to add value to customer satisfaction by adopting a suitable flexible pricing policy. For instance, its basic occupation rates in Asian Hotels.

Hyatt Regency (rs1, 400) or The Bharat Hotels New Delhi Hilton (rs10, 200). Since its economies prevented it from lowering the rates across the board in order to create a price differential, what the company did was to create a flexible rate by charging different prices for the rooms in different cities- so long as customers patronize the ITC chain of Hotels in all cities.

In other words, on one hand while the total price remains undercharged for the customer, he or she can cash in on the lower tariff of rooms in one city to use the hotel in that city more, thus generating saving in Delhi to a big customer provided he offers more business from the firms Bangalore Hotel. at a higher rate. This will also provide the customer an opportunity of using the Delhi services more frequently.

By allowing the consumer to choose the price to be ultimately paid, the company is contributing towards enhancing the value they would derive from the price. Other companies following this flexible pricing strategy are Delhi's two cellular phone services. Airtel and Eassy cell phone. While their basic charges in terms of both the cost of the handset and airtime tariffs were undifferentiated from each other; they were offering several combinations price packages for the phone and airtime. Similarly standard charted bank was also offering a different menu of features to go with its credit cards of the customers who were liking to match their budget to particular combination

CREATE DISTRIBUTION EQUITY

Marketers have realized that with greater availability of that are substitutes to competing brands, having good distribution channels can actually prove to be the differentiating factor in determining customer value, satisfaction and hence their loyalty also.

Also, while it will be easy for companies to match product technologies and prices, it will not be easy to duplicate an effective distribution system offering a value chain of quality of services. Wipro Infotech had built a network of 15C & F agents and 400 declares to enable it to keep its inventories low as well as peg a high turnaround time for network of distributors also kept the company close to the customers. In other words of Sri.K.Purshotham, the business manager (channel) wipro Infotech "what the customer orders is critical to us, and given the complication of assembling a customer-

specific configurations, our complication of assembling a customer-specific configurations, our objective is that one should be able to revise an order between six days to 48 hours”.

Today, firms are going all out to enhance customer satisfaction and value and also increase their distribution equity by monitoring and sustaining the quality of their product till it reaches the customers doorstep. Such firms do so this by getting closer to the physical activate of distributing their products. To quote a few examples:

- Videocon international has built own fleet of distribute its high value CTV's and white goods even though this has pushed up the Company's costs.
- But such sealed trucks ensure that there is no dust or damage to the delicate goods.
- At Maruti Udyog's Ltd.,
- The four key elements that are constantly measured are transit time, damage to product, turnaround time and transporter rating. In the words of the Ex. CEO of Maruti Udyog. R.C.Bhargava “if a transporter has a stored safely at the ware house.

As the market place gets tougher by the brand, it is only the presence of a strong distribution equity which will eventually determine or able to stand the test of customer satisfaction and hence the brand equity.

PLANNING PROMOTIONS TO ENEFIT THE CONSUMER

Promotions which deliver value will go a long way in building customer franchise. Marketers must work out different promotions to attract various kinds of customers. These could take the form of:

- Make use of lure of more for less to attract the promiscuous buyer who switches brands frequently. Here the opportunity of getting a bargain will prove to be a source of value for the customer.
- Rewards the regular buyers with a lower price during certain months of the year. Here the marketers must make efforts to convey that these few promotions offers are exclusively meant for their regular buyers only.
- Offer lessor process and communicate a feeling of protecting them against inflation. This gesture will ensure that the consumer will remember the value of getting the same for a lower price especially when the value of money is ordered by riding prices.

- When respective consumers are post phoning their purchase decisions especially seen in the case of consumer durables promotions in the form of discounts, freebies etc. could motivate them to take the decision more quickly.
- Capitalize on the need for promoting one brand by assign samples of another brand, may be a new one. This not only ensures sampling but will also give the customer a feeling of satisfaction and a sense of value for having had a opportunity to test anew product free to cost.

No doubt that the ultimate impact of the consumer promotion depends on the appeal-and not just the rupee value of the offer. Promotions should represent a source of value that reinforces the customers buying behavior, reassuring them that they are on the right track.

Some of the promotions used by well-known firms are:

Cadbury's "30 percent more for the same price in a 5 star bar"
 Benckiser's "20percent more lotion in 100 ml Coty Vita Care" both the above instances, once the customer is convinced that her investment is less., he/she will be more upon to converted to the value proposition of product.

At times a two-got-price-of one offer can work as an investments to motivate and get the consumers t advance their purchase decision-in favor of the particular brand. For

instance, Baran International had this intention when it launched its scheme of offering a 14" TV free with its Akai T.V. Besides seeing the immediate value of lower prices, customers viewed this offer with a greater value in helping them to overcome a difficult purchase decision.

Similar to Akai's offers was Reebok's offer of a bob cap free with purchase of its shoes also Airtel's offer of a free pager with every new cell phone connection in Delhi. From the above few examples it is seen that such promotions programs would result in value addition for the customer satisfaction.

Sometimes promoters use their schemes not just to offer more, but to assure the buyer that the promotion addresses a special need. This costs as another source of customer satisfactions. For instance PepsiCo had offered a free crate of soft drinks with every four crates purchased by housing societies during the traditional Lore festival Delhi. Though this offer, PepsiCo could effectively contribute to a celebration which would always be remembered by customers.

Of course, 'changing consumer behavior by educating him' may be a part of every service provider's plan to differentiate in the competitive environment.

But unless the customer is convinced about the benefits it will be a losing game. The customer spends more time deciding what is good for him.

The Indian customer can no longer be taken for granted. He/she will no longer be contented with average services. He is aware that he is being charged for every little odd job and thus expects to quality treatment. Thus he/she their well being is to being taken care of may look out for other options.

Since the nature of customer needs is different, the services markets exhibit certain unique characteristics.

- 1) The nature of the product exhibits varying degrees of intangibility because unlike a product, services can be considered to be deed, a performance or an effort.
- 2) The services may become perishable if remained unsold for a long time because unlike product it cannot be stored for later consumption.
- 3) Here the production and consumption go hand in hand and are often inseparable.

Only has temporary access to it (for instance, taking credit from Citibank or say renting a car from “ Car Rental Agency”.

Going by the convention wisdom-in the face of changes in the technology and capital movement, increasing competition, every brand (except for the name and packaging) will represent is by offering added values of an emotional or symbolic nature.

Philip Kotler had given the definition of services. “ services can be defined as any activity or benefit that one pay can offer to another that is essentially intangible and does

not result in the ownership of any thing. Its production may or may not be tied to a physical product”.

WORK TOWARDS BECOMING A CUSTOMER FAVORITE

However, marketers of services industries have come to realize that an Indian customer today will not be satisfied with average services especially since he knows he is being charged for every little odd job and thus expects best quality treatment also. So the services industry manager is involved in offering some benefits of services beyond customers' expectations. For instance, “The value added’ augmented services provided to its clientele by ‘Citibank’ or ‘times Bank’ etc. another notable pioneering venture was ‘grind lay banks’ “My money” deposit, similarly standard Chartered Bank’s Scheme “Two-in –one”. Offering a savings-cum-fixed deposit also premised a lot to its customers.

Firms should diligently search for additional services values to persuade prospective customers because very often it is observed that the customer doesn't mind paying more if he gets what he wants. So the name of the game is ‘customization’. In other words companies go for customizing the augmented envelope around the standardized core especially when the customers' requirement for specialization are not enquire to main concept of product services. To elaborate this given below are a few well-known customer services.

Housing development finance corporation (HDFC) extends its extra customer services right till the point to delivery. The standardization process of obtaining housing loan may require the respective customer to go through an ordeal in the form of queuing up at different counters and completing all the formalities as in assembly line without a personal touch to meet the individual needs. However, if the prospective client wants to avail of a housing loan, he can complete all the formalities by interacting only with a single company representative who will conduct the process at the customers pace and convenience by handling queries and also explaining everything at each step.

The Taj group of Hotels had, with a farsighted vision, started redefining its business strategy and reiterating its image in the consumers mind. Its new Ad campaigning communicates the base line “Nobody cares so much “ to reiterate Taj’s facilities and level of services the entire ad campaign attempts to personify the key attributed of Taj’s brand –warmth and care and efficient attention as a woman.

The Taj group is also planning to promote all its leisure hotels in South India as an integrated circuit that offers everything-culture. Sports, exotic sights and activities. Further, this group is also trying for tie-up with airlines which will enable it to further customize exclusive services to its clientele.

The reality of delivering customer satisfaction in the services industry cannot be achieved merely by focusing on a single variable such industry as the range of product

choice or employee interpersonal skills. This is match the perception formed by them during all the stages selection purchase and consumption of the desired services.

Today we have entered a era of true choice and real competition. Marketers have realized that the business will e driven by hat consumers think. So the only way to beat competition is by concentrating on their customers on a one-to-one basis.

SOURCES OF CUSTOMER DISSATISFACTION

Very often customer dissatisfaction may occur on account of discrepant exceptions and realizations. At times the nature of exception may be ambiguous. Such situations of ambiguity may occur in various ways:

- Lack of experience with an existing with product. For instance, a customer when buying a CDROM package may not know what to except, since it may be his first experience at buying CD-ROM
- The product under consideration may be a new product or an innovation. For instance doing marketing, over the internet.
- While making the purchase decision, the service may not be physically present as in the case when placing orders over telephone for in-home telescoping.

- The quality of services varies spontaneously. For instance, not all tailors cut and stitch in the same style or way and also neither does the same tailor perform the same way at different times.

Sometimes exceptions are built up due to comparisons which may lead to dissatisfaction. Very often a product is judged in comparison with some standard or criterion, say the description on a leaflet or use of a similar product by one's friend/neighbours or one's own experience with a similar product. Then causes for dissatisfaction will be less if the product meets one's expectations and vice-versa if not.

PERCEPTION OF THE QUALITY:

Quality is a term frequently used in relation to product or service. Though every one has an idea of what quality is, it is very hard to define the same. According to D.A. Garvin. The term 'quality' may be approached from various perspectives:

- Transcendental quality: is a kind of innate excellence which is generally recognized. Skill and love for one's profession work as to its quality of service provision.
- Production design quality: here the product or service has to conform to its design specifications as an assurance of quality.

- Product character quality: is an accurately measurable product characteristic. For example the proportion of fruit pulps and other ingredients in the Kissan Jam, the Cocoa content of chocolates etc.
- Value directed quality: is defined in terms of price or cost. A product had a high if it functions well at a reasonable price. This is in relation to the equity of the price-value ratio of the product. For instance: TVS's MSP series of printers could outscore over its competitor EPSON printers based on the customer's perception of better quality and reasonable prices.
- Perceived quality: is associated with consumer's perception products and services have high quality if they meet the desires and expectations of consumers. For instance British Airways has made history when it came to be known as 'World favorite' Airways on account to its exclusive customized qualitative services.

INHIBITING AND FACILITATING FACTORS

It is also important to make a note of the dimension of satisfaction and dissatisfaction. Sometimes since satisfaction may have more than one dimension, a distinction between facilitations and inhibition is necessary. Too high a price may deter consumers (inhibition) whereas a reasonable price may not stimulate them enough to purchase or accept the product. At times it may be an unfriendly salesman who may purchase off a prospective buyer, at the same time a friendly sales person may not act as a sufficient reason for buying. But manufacturers or producers have to remember to dispose off inhibition factors and create facilitating factors.

Likewise presence of inhibiting and facilitating factors can influence consumer satisfaction. Here also inhibiting factors cause dissatisfaction and removal of these though may prevent dissatisfaction may not create satisfaction facilitating factors cause satisfaction provided inhibition is absent.

SOME QUOTES

Did you ever try to outsmart your 17year old daughter? Well, don't try to outsmart

Your customers, either.

Rick Stewart, Chief Executives officer

Frontier cooperative Herbs

A smile costs nothing ~ and in the hospitality industry,

It means everything.

BRAYN D. LANGTON, CHAINMAN & CEO

Holiday inn worldwide

Customer Services does not come from a manual....

It comes from the heart.

When it comes to taking care of the customer...

You can never do too much and

There is NO wrong way if it comes from the heart!

Debra j.Fields, president Mrs.Fields, inc.

**Stop thinking “customer satisfaction,” start thinking “customer
Enrichment.”**

**A blind focus on customer satisfaction binds a business to the here and
now ,to articulated customer needs.**

**“Customer enrichment” leaps over the paradigms of
the present to new technologies, new products,
new approaches and, ultimately, wonderful new markets.**

Melvin R. Goodes, Chairman & CEO

Warner-lambert Company

**The road to real customer satisfaction begins with
Sincerity and integrity, followed by hard work
And dedication for the long haul.**

ZOROB J.KABODIAN, FATHER OF TH

CHAPTER – 2

RESERCH DESIGN

2.1 STATEMENT OF THE PROBLEM:

The hospitality industry plays a very important role in the Indian market. Especially the F&B refreshment sectors such hotels, Motels, and refreshment center help the people by providing them time being relief from their stress and Karma.

Even though the concept of a café was started by “café Coffee Day” in the Indian markets there are lot of competitors such as Java city, Barista, Infiniti, Quick’s, Nescafe and other small restaurants.

All the big MNCs and small time hotels are fighting for supremacy in the market and all want to become customers favorite.

Therefore customer preference and their satisfaction in this particular sectors complicated. The satisfaction level of customer may differ because different influential factors play different role in the Indian consumers

The satisfaction level also differs according to different problems faced by consumers in respect to their taste and preferences and their spending capacity.

Thus with the help of this study an attempt was made to study the concept of Café in Indian market scenario and consumer satisfaction in coffees at coffee day was made.

The research is selected for the purpose of this project is a study of concept of café in Indian market scenario and consumer satisfaction.

2.2 OBJECTIVE OF STUDY:

- 1) To study the level of consumer satisfaction in respect to coffees
- 2) The taste and preferences with respect to cold coffees and hot coffees.
- 3) To offer suggestions to café coffee day based on consumer satisfaction survey can be made if necessary.

- 4) To find out the customer opinion towards the brand.
- 5) To find out the purchase behavior and purchase pattern of consumers.
- 6) To get meaningful idea of what an Indian consumer expect from a café.

2.3 SCOPE OF THE STUDY:

Market is now facing a cutthroat competition due to the invasion of MNC's. But the satisfaction level among their potential customers is the main factor to determine the future customers and this has been well understood by every organization. Hence the scope of this study is to determine the level of satisfaction attained by the customers of Café Coffee Day. The study will help the future scope related to customer satisfaction in Café Coffee Day. It also helps the future study on the subject comparing Café Coffee Day with others.

2.4 CONCEPTUAL DEFINITIONS:

Marketing:

Marketing is the process of discovering and translating consumer wants into product and service specification and then in turn, helping to make it possible for more and more consumer to enjoy more and more of these products and services.

Marketing research:

Marketing research is the systematic design, collection analysis and reporting of data and findings relevant to a specific marketing situation facing the company.

Market segmentation:

Market segmentation is identified and profile distinct groups of buyers who might require separate products and/or marketing mixes.

Product:

A product is any tangible, intangible offering that might satisfy the needs or aspiration of a consumer.

Customer:

Customer is an individual who by virtue enjoys a commodity or service offered by an enterprise.

Consumer behavior:

It is all psychological, social and physical behavior of all potential consumers as they become aware of, evaluate, purchase, consume and tell others about products and services.

Consumer behavior is the behavior of the consumer and deciding to buy or not buy the product which satisfies their needs and wants.

Perception:

Perception is a process by which an individual selects, organizes, interprets stimuli into meaningful coherent pictures of the world. Perception describes the process whereby people become aware of the outside world & themselves.

Consumer behavior is very strongly affected by the concept of perceived quality. In the absence of direct experience or other information, consumers often rely on the price, as an indicator of quality. Similarly, consumers very often view the company image as an indicator of their perceived quality of products. It is useful in evaluating new products, opportunities and for determining the way consumers perceived their products as similar or dissimilar to another brand, and can provide clues on how the advertiser can create the brand image and equity.

Satisfaction

Satisfaction is a person feeling of pleasure or disappointment resulting from comparing products perceived performance (or outcome) in relation to his or her expectation.

2.3 RESEARCH METHODOLOGY:

2.3.1 Type of research:

A survey was conducted in different parts of Bangalore on random basis, with the study about the consumer behavior

2.3.2 Sampling method:

Sample:

A part of population, which is selected for obtaining necessary information. Sampling is the process of obtaining information about an entire population by examining only part of it and hence the sampling procedure used in this study, was random sampling.

Therefore the survey was conducted in different I different parts of Bangalore on a random basis i.e. questionnaire were given to customer randomly.

2.3.3 Sample size:

100 customers were interviewed in different Café Coffee Days in Bangalore.

2.44 Tools of data collection:

Primary data:

Primary data are data collected for a specific purpose or for a specific research project. It is the main source of data for the project. For collection of data, questionnaires

are prepared which is the most common instrument to collect primary data. After questionnaires prepared, it is circulated to few selected number of customers, direct contact methods are applied to get the information through questionnaires. 100 selected respondents are used to collect the information.

Secondary data:

Secondary data are data that were collected for another purpose and already exist. Somewhere. Secondary data provides a starting point for research and offer the advantages of low cost and ready availability secondary data will be collected to acquire more information, which will be helpful in solving the problems. In this project work secondary data are collected through company brochures and other publications. Internet also plays a vital role in collecting the secondary data.

2.45 TYPE OF ANALYSIS

The analysis is done using various statistical tools like tables and graphs etc. For the analysis of the study questionnaires prepared and information obtained were graphically presented and were tabulated in order to give a meaningful interpretation.

2.5 LIMITATIONS OF STUDY:

The following are the limitations of study:

1. The study is limited to Café Coffee day, Bangalore city.
2. Not all café coffee day in Bangalore were surveyed

3. The study is based on only `100 respondents so it may not be sufficient for comprehensive study.
4. Some respondents are non co-operative in nature, therefore the view expressed by the respondents may be biased.

CHAPTER – 3

COMPANY PROFILE

BACKGROUND:

It was in the golden soil of chikamagalur that a traditional family owned a few acres of coffee estates, which yielded rich coffee beans. Soon Amalgamated Bean Coffee Trading Company Limited, popularly known as Café Coffee Day was formed. With a rich coffee growing tradition since 1875 behind it coupled with the opportunity that arose with the deregulation of the coffee board in the early nineties. Café Coffee Day began exporting coffee to the connoisseurs across Usa, Europe & Japan. In the calendar year 2000, Café Coffee Day exported more than 27000 tones of coffee valued at US\$ 60 m to these countries and, for the second time in its short career of 7 years retained the position as the largest coffee exporter of India.

Café Coffee Day has a wide and professional network in the major coffee growing areas of the country comprising over 50 agents and 50 collecting depots. Café

Coffee Day's two curing works at Chikmagalur and Hassan cure over 70,000 tonnes coffee per annum, the largest in the country.

Café Coffee day has a well-equipped roasting unit catering to the specific requirement of the consumers. The process is carried out under the control of experienced personnel to meet highest quality standards. The most modern technology available is used to maintain consistency and roast the coffee beans to the demanding specifications of the discerning coffee consumers.

Key features

- 125 years of coffee growing history
- A fully equipped ISO certified roasting plant with a 70000 tones per annum capacity at Hassan
- 5000 acres of self owned coffee plantations
- A ready and enviable base of more then 10000 suppliers
- Among the top exporters of Coffee in India (Coffee Day Exports).

Coffee Day Comprises of the following Sub Brands

- Coffee Day – Fresh & Ground
- Café Coffee Day
- Coffee Day – Vending
- Coffee Day – Xpress
- Coffee Day – Exports

CAFE COFFEE DAY

Background:

Café Coffee Day currently owns and operates 198 cafes in all major cities(49) in India. It is a part of India's largest coffee conglomerate named Coffee Day, Rs 200 crore ISO 9002 certified company. Coffee Day's most unique aspect is that it grows the coffee it serves in its cafes.

Key features

- Pioneers of the Cafe Concept in India with its first Cafe at Brigade Road, Bangalore in 1996. This Café was opened as a Cyber Café (first of this kind) but later, with the burst of cyber cafes it reverted to its core competency...coffee
- Essentially a youth oriented brand with majority of its customers falling inn the 15-29 year age bracket.
- Each café, depending upon its size attracts between 400 and 800 customers daily.
- At present it operates a 198 cafes all over the country in 49 cities.

- Plans to operate around 225 cafes by March 2005
- It is a place where customers come to rejuvenate themselves and be themselves.

Comments:

Café Coffee Day entered the Mumbai market in the month on June 2002, through a tie up with Mars Restaurant as well as the stand-alone cafes. The other Café Coffee Day Cafes in Mumbai are at Juhu Tara road, Andheri West, Colaba, Lokhandwala Dalal Street and Chembur. Café Coffee Day is geared to launch 55 cafes in Mumbai alone by March 2005.

This is in line city Café Coffee Day's pan-India expansion plane. There will be more than 225 cafes by March 2005.

THE COFFEE DAY STORY

ABC: SHAPING OF A COFFEE GAIANT

In 1992, when the coffee board relinquished its control over the coffee industry, V.G.Siddhartha established Amalgamated Bean Coffee Trading Co. Ltd., as a proprietary concern in Chickmagalur, Karnataka. With staff strength of just 3 people, 2500 tons of coffee was procured initially from various coffee plantations, cured and utilized for internal sales. A humble beginning had thus been initiated.

In 1993, with the liberalization of coffee industry, coffee exports were freed from the control of the Coffee Board. This paved the way for a new system called the FSQ (free sales quota). Seizing this opportunity, ABC forayed into coffee exports, by procuring 8000 tons of coffee. In November 1993, ABC set up its first coffee processing unit at Hassan, with a fierce determination to succeed at the highest level. And succeed it.

Today, ABC is a fully integrated coffee company and the largest exporter of green coffee in the country (since 1999). ABC exports 30,000 tons of coffee to USA, almost all countries of Western Europe, Japan, Russia, Poland Czech Republic and the Middle East. It also contributes a good 15% to India's coffee exports.

ABC has 42 depots and two state of the art processing factories. One at Hassan (30 acres) and the other at Chickmagalur (35 acres), each with a capacity to cure 50,000 tone of coffee. ABC also possesses 5000 acres of Prime Coffee estate in Chickmagalur and Mudigere in Karnataka where both Arabica and Robusta coffee are cultivated.

And that's not at all! ABC is an ISO 9002 company producing the largest volume of green coffee in India. A remarkable achievement in a very short span of time.

Coffee day: Takes South India by Storm

The mid nineties saw a number of local players in the retail coffee industry in a market which was disorganized and highly segmented. But there were no clear leaders. ABC grabbed the opportunity eagerly. The success with exports proved to be a shot in the arm and a much required platform for its foray into the domestic roast and ground coffee, market.

In 1994, ABC launched the brand 'Coffee Day' in Bangalore through exclusive retail outlet called 'Coffee points'. Today Coffee day has grown from 4 blends and 10 coffee points, to 22 blends (of Roast and Ground coffee) and coffee points now, outlets encompassing Karnataka, Tamilnadu, Kerala and Andhra Pradesh.

What's more it has over lakh of customers streaming in every week, 70 tone of coffee sales a week. A success born out of a resolve. To be the leader in the retail Roast and Ground coffee powder segment.

Café coffee day: Breaking mindsets

Having establishes itself successfully both in the export and domestic retail market, ABC explained various avenues for extending its presence and diversifying. It found a dearth of 'cafés' across the country. Cafes that could provide the connoisseur with a wide range of flavors and blends in a 'contemporary' and world-class ambience the youth changing for the better. 'Higher disposable incomes' were burgeoning by the day. Confident of doing well, ABC made a successful transition from the 'bean' to the 'cup'.

It launched café coffee say in November 1996, with the primary objective of offering mature coffee connoisseurs and teenagers – who found the prospect of exciting new ways of enjoying coffee- a 'complete coffee experience'.

Thus the first café – cyber café. Opened its doors t coffee lovers on Bang lore's brigade road. but to create a stir in the still untested 'café market, providing 'internet access' along with coffee, seemed the perfect marketing strategy.

The plan worked successfully. Today, café coffee day's performance had surpassed all expectations. As of now, we have a presence all over India, with many more 'Cafes' being set-up-almost one a week.

Visit our website at www.cafecoffeeday.com to find out the exact number of cafes in different cities currently.

CCD wins silver at the WBC

Café coffee day does India proud by securing the silver medal in the Annual World Barista Championship held in Oslo.

India secured the silver medal in the annual World Barista championship organized by the Specialty Coffee Association of Europe. The competition was held in Oslo, Norway between June 14th and 16th 2002. Café Coffee Day represented India at this contest. Twenty-seven baristas from various countries across the world competed for the top four hours.

Waiting for history to repeat itself....

Café Coffee Day won the platinum, Gold, Silver & Bronze medals at the National Coffee Brew master championship 2003.

Café coffee day represented India in the annual World Barista Championship 2003 held at Boston between April 27th to 30th 2003. Fifty countries from across the globe competed for the top four honors. In 2004 we secured the fifth position in the Championship.

Coffee day: vending machines

Overwhelmed with the success of coffee points and Café coffee say outlets, ABC has now set its sights on yet another diversification. It has set up Coffee Vending Machines at high traffic areas as Take away points. Machines that will offer the flavor of Roast and Ground coffee to every day consumers, at very nominal rates.

Coffee day: Xpress:

The Xpress is a convenience kiosk which services customers who desire quick and unfailing service.

The customers are people on the move, who frequent offices, shopping, malls, movie theaters, and educational institutions. The Xpress will be in the form of kiosks with limited seating, servicing. Hot and cold coffee along with packed snacks with price points ranging from Rs 10 to Rs 20. The outlets are in Bangalore, Delhi, Mumbai, and Chennai.

Aromatic future:

ABC is gearing itself to setting up

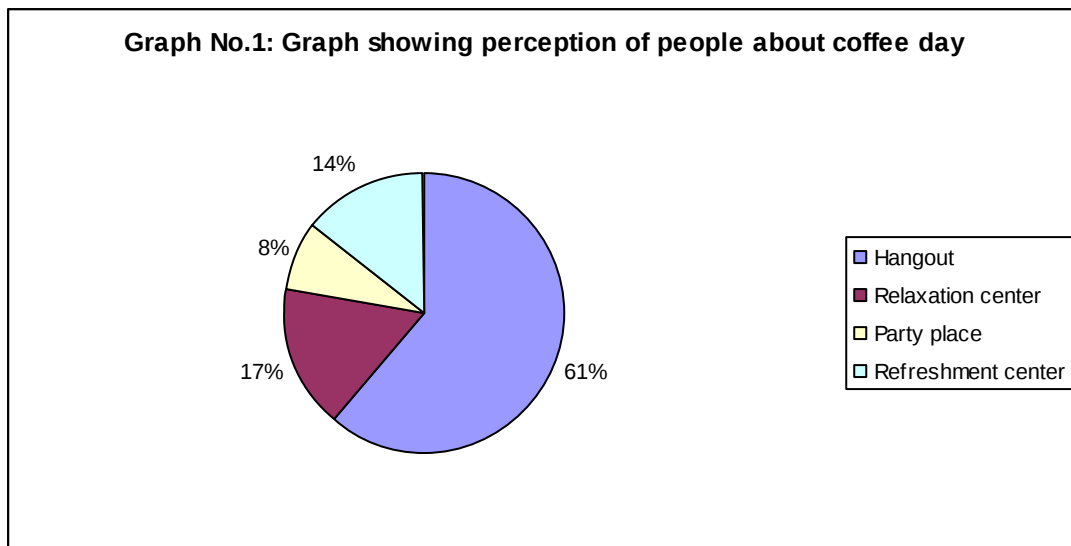
- 400 'Coffee Points' by March 2005.
- Over 225 cafes in all major cities by march 2005. These cafes will be at Airports, Corporate offices, shopping malls, Retail chain etc.as well as stand alone cafes.
- 11,000 vending machines by march 2005.
- Export over 35,000 tones of coffee by March 2005.
- 225 coffee day Xpress outlets.

CHAPTER –4

ANALYSIS AND INTERPRETATION

Q1. Table showing perception of people about coffee day

Options	No. of Respondents	Percentage (%)
Hangout	55	55
Relaxation center	15	15
Party place	7	7.5
Refreshment center	13	22.5
Total	100	100



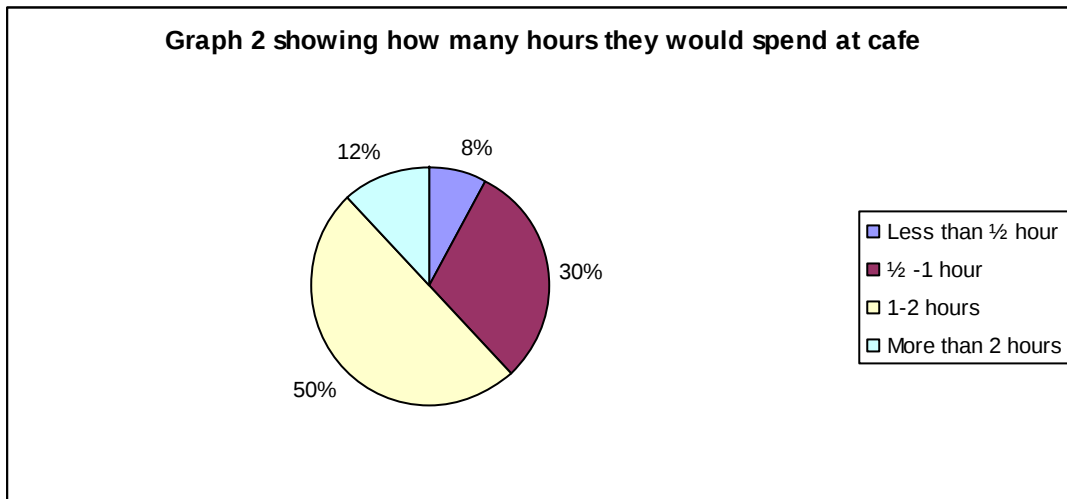
Interpretation:

Out of 100 people 55 of them consider coffee day as hangout. 15 of them consider it as Relaxation center, 7 of them consider it as party place and 13 of them consider it as party place.

2. Table showing how many hours they would spend at cafe

TABLE - 2

Options (Range)	No. of Respondents	Percentage (%)
Less than $\frac{1}{2}$ hour	8	7.5
$\frac{1}{2}$ -1 hour	30	30
1-2 hours	50	50
More than 2 hours	12	12.5
Total	100	100



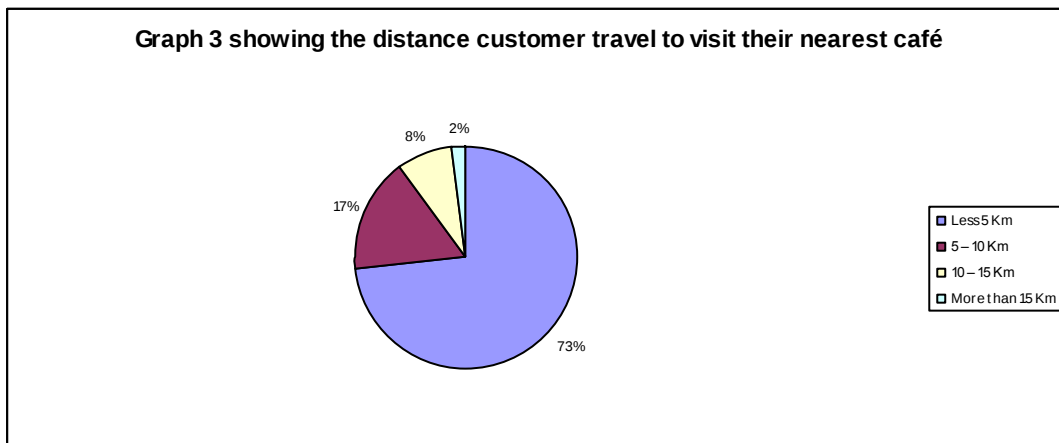
Interpretation:

Out of 100 respondents, 8 of them spend less than $\frac{1}{2}$ hour in coffee day, 30 of them spend $\frac{1}{2}$ to 1 hour, 50 of them spend 1-2 hour and 12 of them spend more than 2 hour at coffee day.

Q.3 Table showing the distance customer travel to visit their nearest café

TABLE - 3

Options(Ranges)	No. of Respondents	Percentage (%)
Less 5 Km	73	73
5 – 10 Km	17	17
10 – 15 Km	8	8
More than 15 Km	2	2
Total	100	100



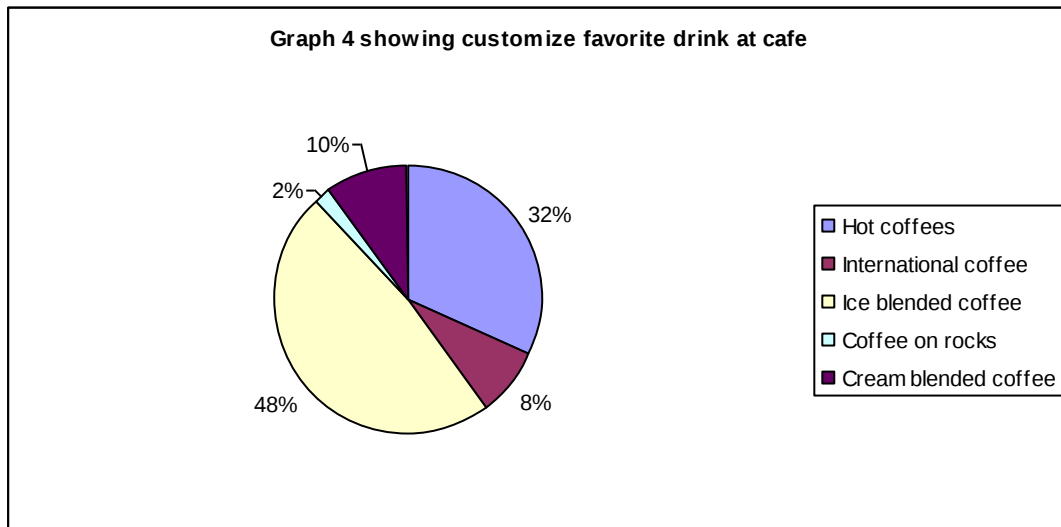
Interpretation:

Out of 100 respondents, 73 of them travel less than 5 Km to visit their nearest coffee day, 17 of them travel 5 – 10 Km, 8 of them travel 10 – 15 Km and 2 of them travel more than 15 Km to visit their nearest coffee day.

Q4. Table showing customize favourite drink at cafe

TABLE - 4

Options	No. of Respondents	Percentage (%)
Hot coffees	32	32
International coffee	8	8
Ice blended coffee	48	48.5
Coffee on rocks	2	1.5
Cream blended coffee	10	10
Total	100	100



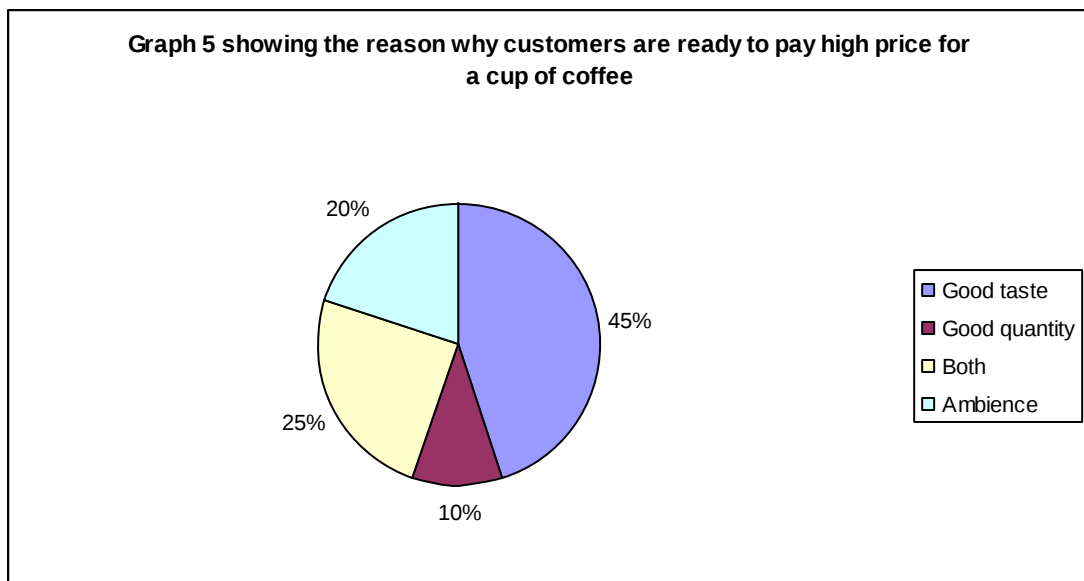
Interpretation:

Out of 100 respondents 32 of them prefer hot coffees , 8 of them prefer International coffee , 48 of them prefer Ice blended coffees (Indian Gringos), 2 of them prefer coffee on the rocks, 10 of them prefer tea or there favorite drink.

Q5. Table showing the reason why customers are ready to pay high price for a cup of coffee

TABLE - 5

Options	No. of Respondents	Percentage (%)
Good taste	45	45
Good quantity	10	10
Both	25	25
Ambience	20	20
Total	100	100



Interpretation:

Out of 100 respondents, 45 of them are ready to pay high price for the good taste provided, 10 of them are for good quantity given, 25 of them are ready to pay for both quantity and 20 of them pay to other reasons such as ambience and place.

Q6. Table showing coffee day should advertise through media and have a brand ambassador

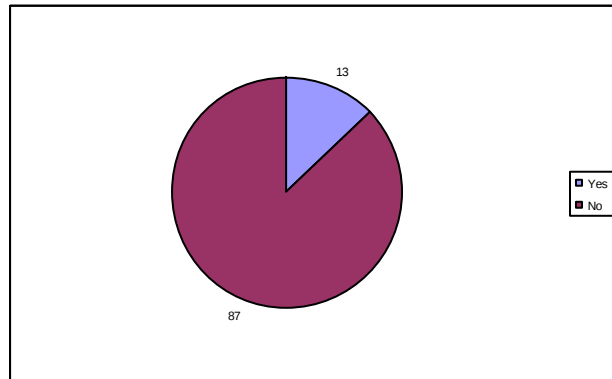
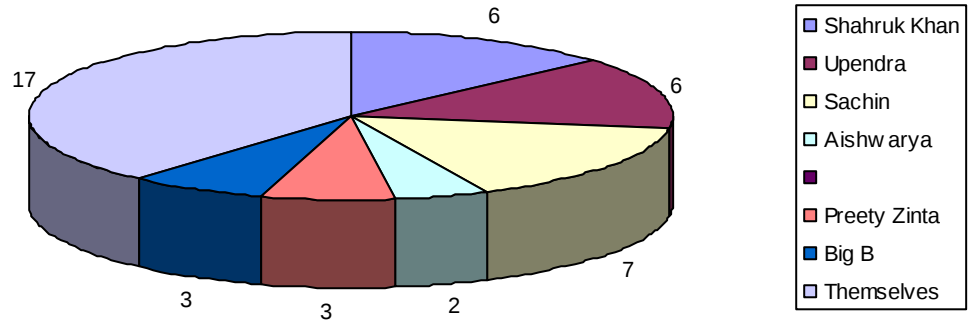
TABLE -6

Options	No. of Respondents	Percentage (%)
Yes	13	18
No	87	82

100

Options	No. of Respondents	Percentage (%)
Shahruk Khan	6	14
Upendra	6	14
Sachin	7	16
Aishwarya	2	4
Preety Zinta	3	7
Big B	3	7
Themselves	17	38
<u>Total</u>	44	100

showing coffee day should advertise through media and have a brand ambassador



Q 7. Table showing the perception of customer towards cold coffees

TABLE - 7

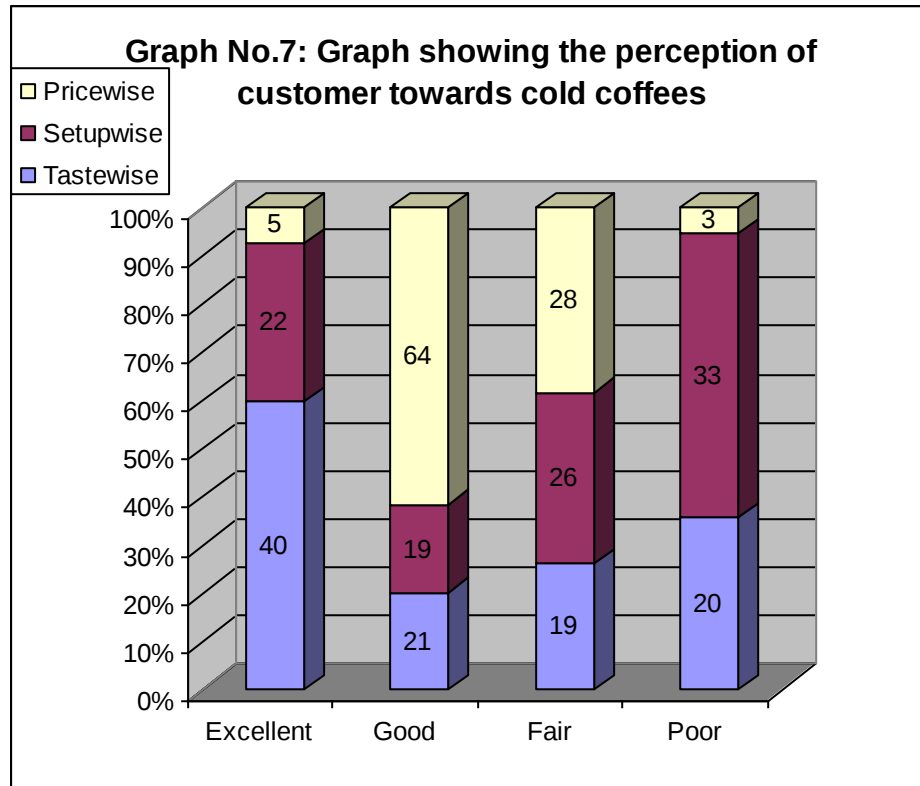
Options	No. of Respondents	Percentage (%)
<u>Taste wise</u>		
Excellent	40	40
Good	21	21
Fair	19	19
Poor	20	20
	100	100

Setup wise

Excellent	22	22.5
Good	19	19
Fair	26	26
Poor	33	32.5
	100	100

Price wise

Excellent	5	5
Good	64	64
Fair	28	28.5
Poor	3	2.5
	100	100



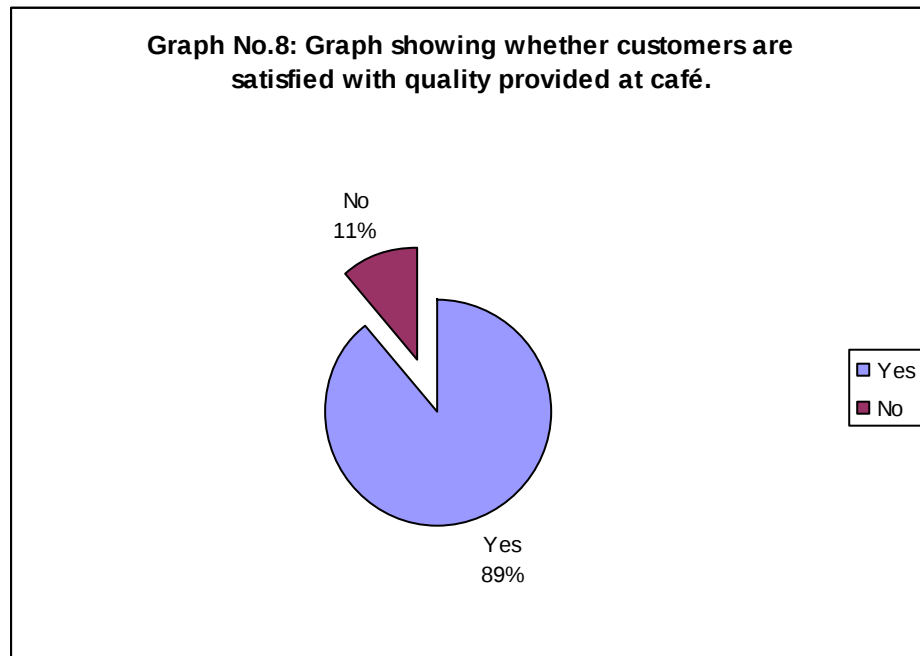
Interpretation:

Out of 100 respondents, 40 of them feel taste wise cold coffees is excellent, 21 of them feel it is good, 19 of them feel it is fair and 20 of them feel it is poor. Price wise 5 of them feel it is excellent 64 of them feel it is good, 28 of them feel it is fair and 3 of them feel it is poor. Setup wise 22 of them feel it is excellent, 19 of them feel it is good, 26 of them feel it is fair and 33 of them feel it is poor.

Q 8. Table showing whether customers are satisfied with quality provided at café.

TABLE – 8

Options	No. of Respondents	Percentage (%)
Yes	89	64
No	11	36
	100	100



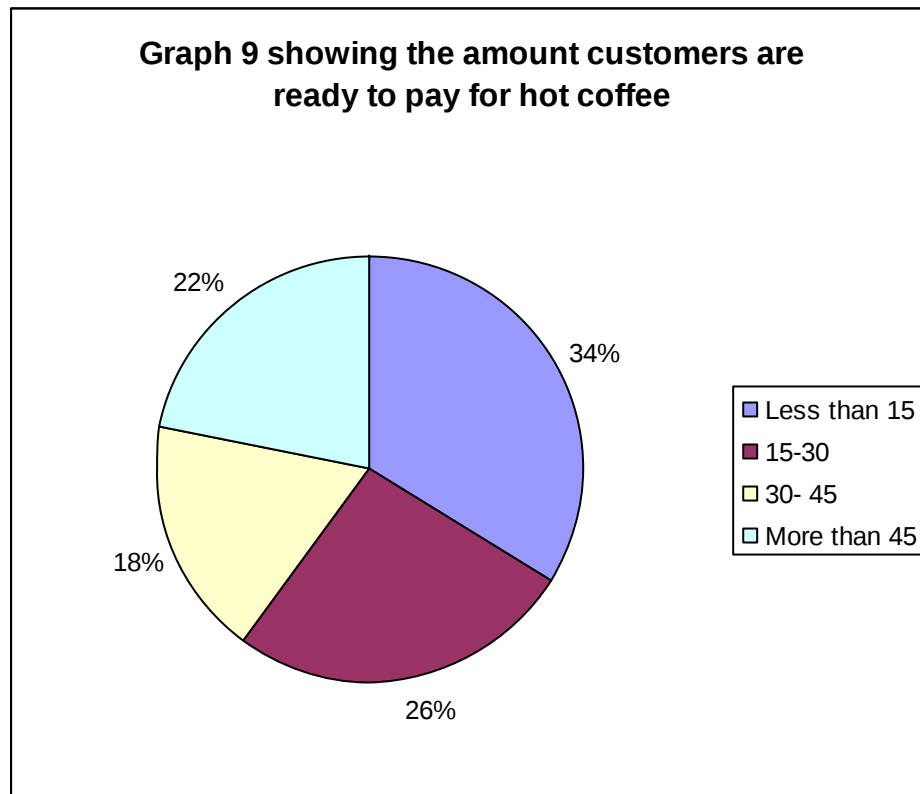
Interpretation:

Out of 200 respondents, 178 of them are satisfied with quality provided and 22 of them are not satisfied.

**Q9. Table showing the amount customers are ready
to pay for hot coffee**

TABLE - 9

Options (RS)	No. of Respondents	Percentage (%)
Less than 15	34	34
15-30	26	26
30- 45	18	18
More than 45	22	22
	100	100



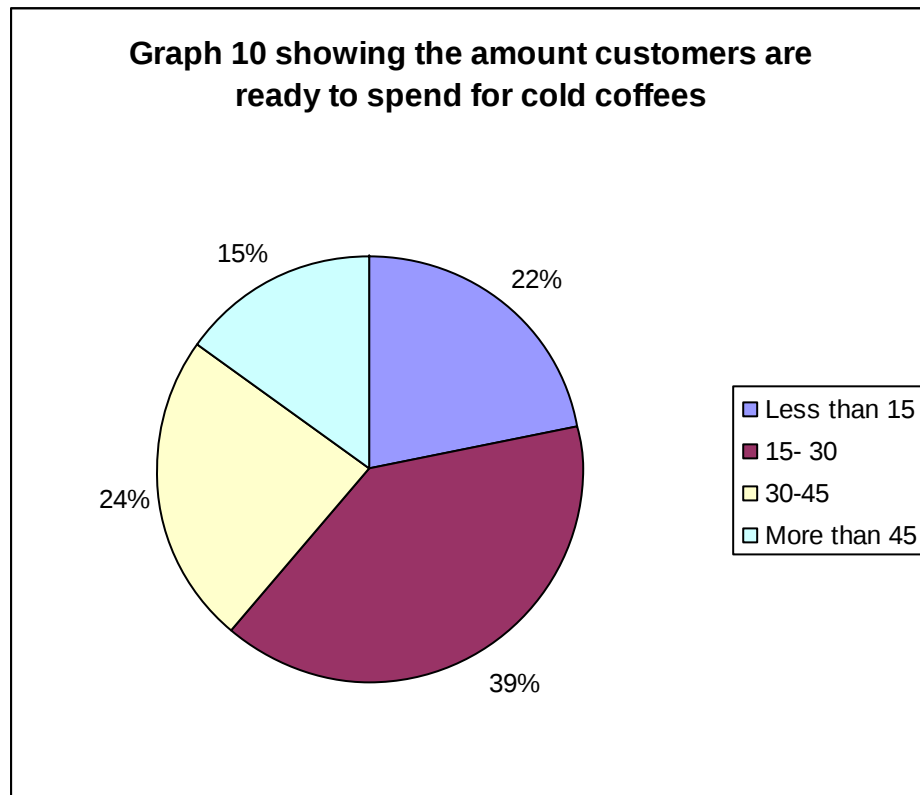
Interpretation:

Out of 100 respondents, 34 of them are ready to pay less than Rs.15/-, 26 of them are ready to pay Rs.15 to Rs.30/-, 18 of them are ready to pay Rs.30/-to Rs 50/- and 22 of them are ready to pay more than Rs.50/- for hot coffee.

Q10. Table showing the amount customers are ready to spend for cold coffees

TABLE -10

Ranges (RS)	No. of Respondents	Percentage (%)
Less than 15	22	22.5
15- 30	39	39
30-45	24	23.5
More than 45	15	15
	100	100



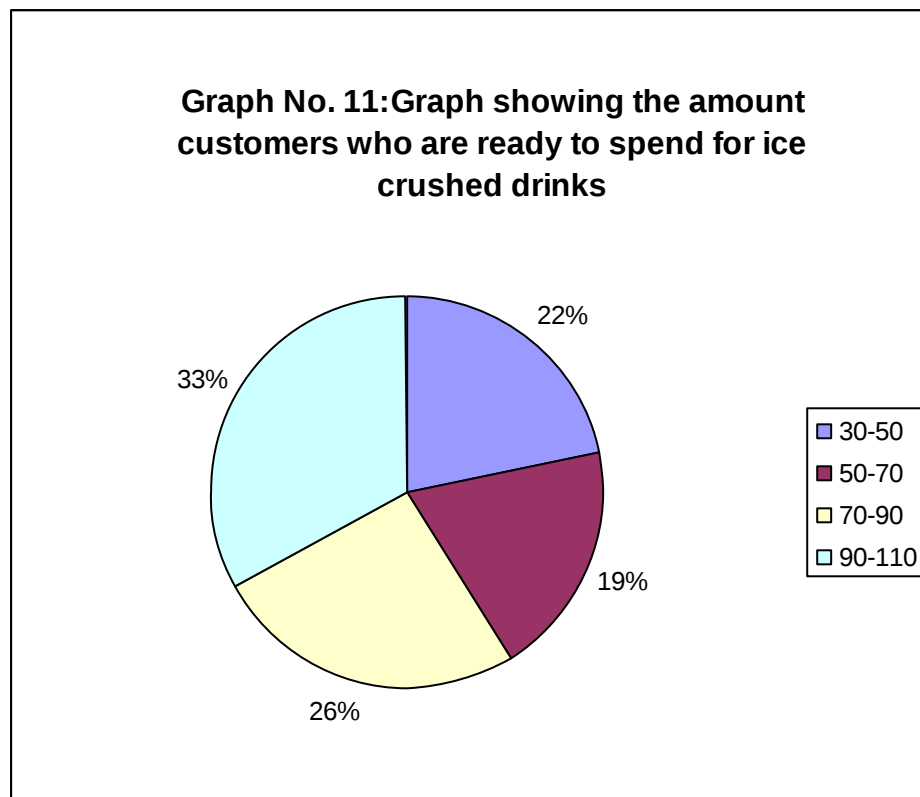
Interpretation:

Out of 100 respondents, 22 of them are ready to pay less than Rs.15/-, 39 of them are ready to pay Rs.15 to Rs.30/-, 24 of them are ready to pay Rs.30/- to Rs.78/- and 15 of them are ready to pay more than Rs.78/- for hot coffee.

Q11. Table showing the amount customers who are ready to spend for ice crushed drinks

TABLE - 11

Ranges (RS)	No. of Respondents	Percentage (%)
30-50	22	22.5
50-70	19	19
70-90	26	26
90-110	33	32.5
	100	100



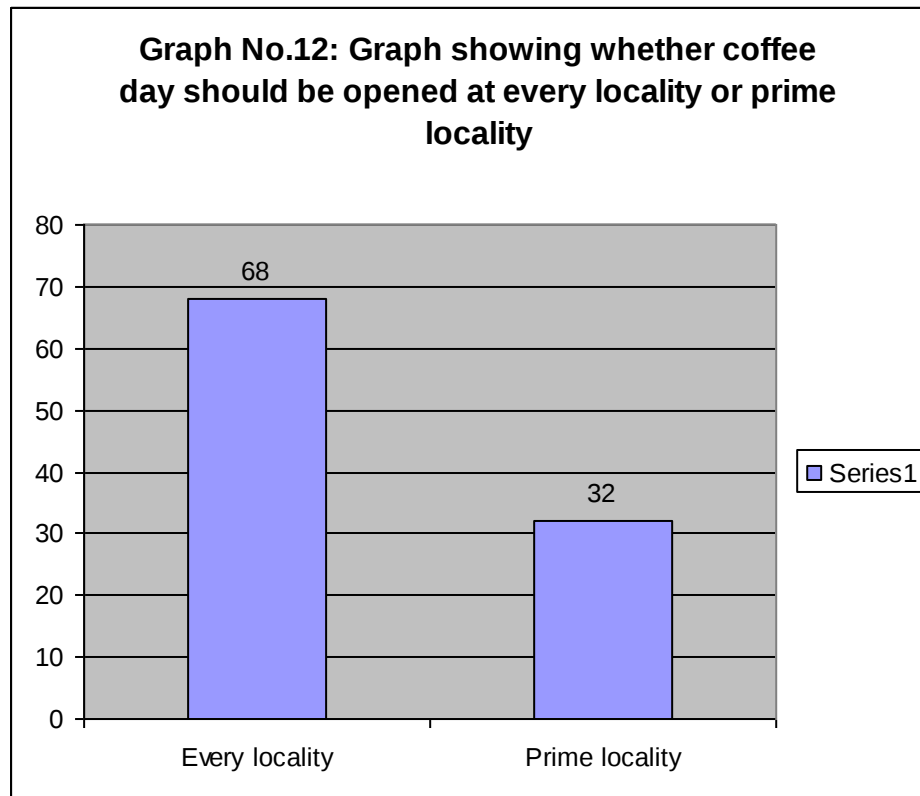
Interpretation:

Out of 100 respondents, 22 of them are ready to pay Rs. 30-50, 19 of them are ready to spend Rs.50-75,26 of them are ready to spend Rs.75-90 and 33 of them are ready to spend more than100.

Q12.Table showing whether coffee day should be opened at every locality or prime locality

TABLE - 12

Options	No. of Respondents	Percentage (%)
Every locality	68	67.5
Prime locality	32	32.5
	100	100



Interpretation:

Locality and 32of them want it to be opened only at prime locality. Out of 200 respondents, 68 of them want coffee day to be opened at every

Q13.Table showing the comparison with other top cafes

TABLE - 13

Options	No. of Respondents	Percentage (%)
<u>Music wise</u>		
Exc Excellent	30	30
Good	50	50
Fair	12	12.5
Poor	8	7.5

Taste wise

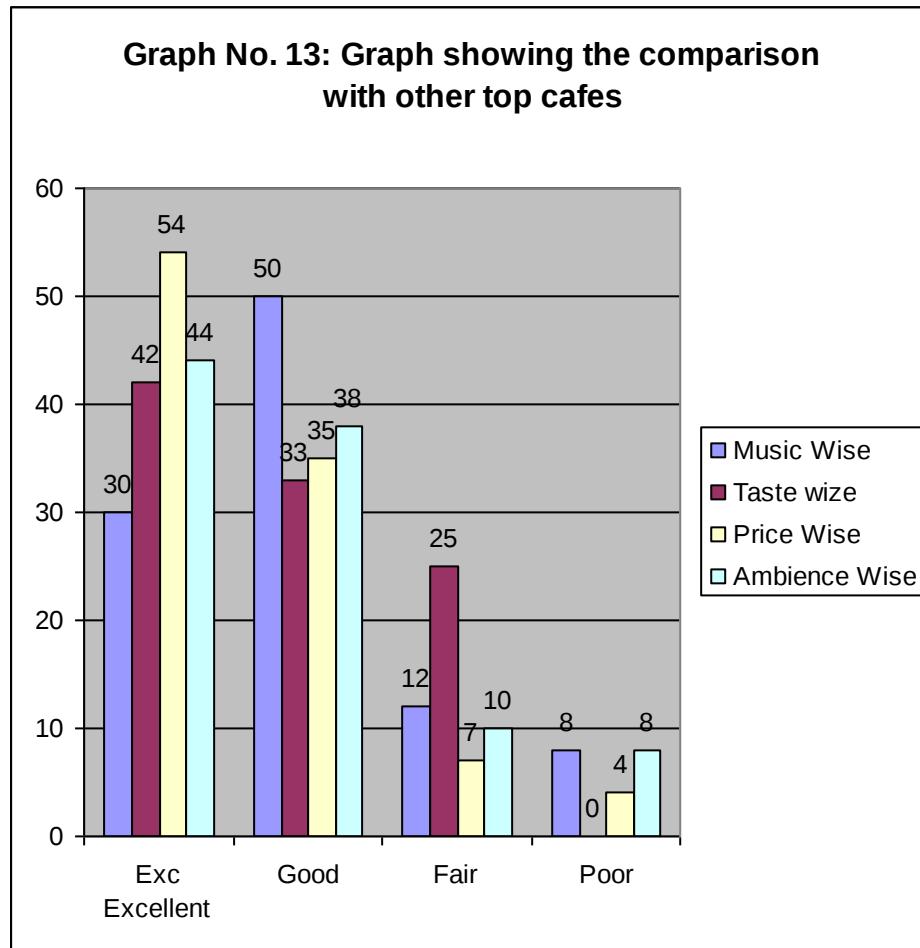
Excellent	42	41.5
Good	33	34
Fair	25	24.5
Poor	Nil	0

Price wise

Excellent	54	57.5
Good	35	34
Fair	7	5
Poor	4	3.5

Ambience wise

Excellent	44	43.5
Good	38	39
Fair	10	10
Poor	8	7.5



Interpretation:

Out of 100 respondents, 30 feel music played here is excellent compared to other top cafes, 50 feel that is good, 12 feel that is fair and 8 feel it is poor.

42 feel taste of coffee is excellent, 33 feel it is good, 25 feel it is fair and no one feels it is poor.

54 of them feel ambience is excellent, 35 of them it is good, 7 of them it is fair and 4 of them feel it is poor.

44 of them feel is excellent, 38 of them feel it is good, 10 of them it is fair and 8 of them feel it is poor.

CHAPTER – 5

SUMMARY OF FINDINGS

After conducting a thorough survey of 200 customers in different cafes of Bangalore, following are the findings :

1. Majority of customers i.e. 55% of them consider café coffee day are their regular Hangout and the rest 45% consider café coffee day as a relaxation center, party and refreshment center.
2. From the survey conducted it is clear that 50% of customers spend atleast 1-2 hours and rest of them spend more than 2 hours or less than 1 hour at the cafes.
3. 73% of customers travel less than 5 kms to visit to their nearest coffee day.
4. From the survey conducted it is found that 32% of the customers refer hot coffee, 8% of them prefer international coffees, 48.5% of them prefer cold Coffees and 12% of customers prefer tea & coffee on rocks on regular basis.
5. After conducting a thorough investing it is found that 10% of the customer are ready to pay high price for the quantity and the quality provided, 45% of them ready to pay high price for the good taste and 45% of them will prefer for both quantity and taste, ambience.
6. 82% of the consumer feel that coffee day has already created a brand image and there is no need for it to advertise through media and have a brand ambassador 18% of them feels it requires a brand ambassador .

7. Nearly 40% of the consumer felt that the taste of cold coffee is excellent and 11.5% of them feel it is good and 19% of consumers feel that the coffee is provided at good price and 19.5% of them feel that price is fair.
8. 64% of the customer are satisfied with the quantity of coffee provided at coffee day and 36% of the customers are not satisfied.
9. 44% of the consumers feel that the price of the hot coffee should be less than Rs15-/, 26% of them are ready to pay between 15-30 , 11% of the consumers are ready to pay 30-50 and 22% of them are ready to pay more than 45.
10. 67.5% of consumer feel that the coffee day should be opened at every locality and 32.5% of them feel that it should be opened at prime localities.
11. Nearly 30% of the customers feel that the music played at coffee day is excellent compare to other coffee days such as Barista, Java city and 50 of them feel that it good and only 20% of them feel it is fair and poor.

The ambience of coffee day is excellent when compare to other top cafes by

43.5% of the consumers and rest of them are said to be fair and good.

57% of the consumer feel that drinking a coffee at café coffee day is money worth.

12. when the survey was conducted the surveyed customer said that, it is very important because

- It's a nice place to hang out with friends and family
- Gives change from routine and monotonous life.
- Give scope for change of life style

- Provides employment to young generation
- Amalgamation of western culture in India.

CHAPTER – 6

RECOMMENDATIONS

Even though café coffee day has proved to be the best in service industry, scope for further improvement always remains:

- Quick and fast service has to be provided by the staff.
- Service standards has to be kept high
- A standard procedure of training its team members has to be followed.
- Since majority of the customers are college students special events based on them should be organized on occasions such as valentines day, friendship day, etc. by inviting some celebrities.
- New ice crushed drinks and ice creams should be added as summer special.
- Since it's a service industry, certain duties towards the society (social; welfare) has to be followed.
- Café at prime localities such as Brigade road, lavelle road has to be made into 24 hours café.
- New cafes in areas such as R.T.Nagar, Basaweshwanagar, vijaynagar and other Residential locality.
- Reasonable prices should be offered in order to get more walk in.

Conclusion

In the competitive market economy, firms can survive only if it could assess the needs of the customer well in advance and meet the same in time. The present market mainly lies on the product quality, and nowadays market is consumer oriented. Stability of the product mainly lies on the product quality and consumer preference.

As we know the present market is very competitive where the customer is called as the king of the market. So the companies of the modern era have to take care of the customers on the basis of their tastes and preferences, consumption pattern, lifestyle and many other things.

The study has been conducted to know the customer preferences and their consumption pattern. Also an emphasis has been made to identify the good will and reputation of the company in the market, in regard with that a sizable number of Orchards and Dealers were contacted.

From the present study it is evident that most of the dealers are familiar with the company and its products also, the company provide enough of credit facility to its dealers.

The customers of the company have an overall satisfaction level with the company and the facilities provided by the company.

In general the company should give prompt services to its customers by giving a reliable product and other trade promotional activities this will enable not only a customer to meet his needs but also the economy as a whole.

CUSTOMER FEEDBACK

Name : _____

Age : _____

Sex : Male ☐ Female ☐

Date : _____

Email_ID: _____

Contact No: _____

1) **What do you consider Café coffee day as**

a) Hangout ☐ b) Refreshment center ☐

c) Party place ☐ d) Relaxation center ☐

2) **One an average how many hours would you spend at cafe**

a) <1/2 hour ☐ b) 1/2 to 1 hour ☐

c) 1 to 2 hour ☐ d) >2 hour ☐

3) **How far do you travel to visit your nearest café coffee day: _____
Km**

4) **Your usual drink at Café coffee day**

_____ (Please specify)

5) **What makes you spend a minimum of Rs. 20/- for a cup of coffee when the same can be availed at lesser price in a local restaurant.**

a) Good Taste ☐ b) Good Quantity ☐

c) Both ☐ d) Others(Specify) _____

6) **Do you think café coffee day should advertise through media and have a brand ambassador**

☐ ☐

a) Yes

b) No

If Yes specify the name of the personality

7) **Your perception towards cold coffees**

	Excellent	Good	Fair	Poor
Taste wise	☐	☐	☐	☐
Price wise	☐	☐	☐	☐
Setup wise	☐	☐	☐	☐

8) **Are you satisfied with the quantity provided at café**

a) Yes

☐

b) No

☐

9) **How much would you spend for**

1) Hot coffee

a) <Rs.15/-

☐

b) Rs.15 > 30/-

☐

c) Rs.30>50/-

☐

d) >Rs.50/-

☐

2) Cold coffee

a) <Rs.15/-

☐

b) Rs.15>30/-

☐

c) Rs.30>50/-

☐

d) >Rs.50/-

☐

3) Iced crushed drinks

a) <Rs.15/-

☐

b)Rs.15>30/-

☐

c) Rs.30>50/-

☐

d) >Rs.50/-

☐

10) **DO you think café coffee day has to opened at every locality or only at prime locality**

_____ (Please specify)

11) **Have you visited any other café**

a) Barista ☐

b) Java City ☐

c) Nescafe ☐

d) other specify ☐

If yes please differentiate

	Excellent	Good	Fair	Poor
Music				
Taste of the drink	☐	☐	☐	☐
Value for money	☐	☐	☐	☐
Ambience	☐	☐	☐	☐

12) **How important do you feel the concept of café is in today's market scenario**
