



# International Journal of Advanced Research in Education and Technology (IJARETY)

Volume 13, Issue 1, January - February 2026

Impact Factor: 8.152



# A Study on Customer Acquisition, Retention, and Brand Loyalty of Coca-Cola

Sonaly Biswal , N P Nandini

II Year, CMR Technical Campus, Kandlakoya, Medchal. Hyderabad, Telangana, India

Assistant Professor, CMR Technical Campus, Kandlakoya, Medchal , Hyderabad, Telangana, India.

**ABSTRACT:** In highly competitive consumer markets, especially within the fast-moving consumer goods (FMCG) sector, customer acquisition, retention, and brand loyalty are critical determinants of sustained profitability. This research examines how Coca-Cola, one of the world's most recognized beverage brands, acquires new customers, retains existing ones, and fosters brand loyalty in India. Using a descriptive and analytical design, primary data were collected from 200 respondents through structured questionnaires, while secondary data were obtained from published research and reliable industry sources. Statistical techniques including percentage analysis, chi-square, correlation, and regression were applied to analyze the data. Findings indicate that product quality, promotional activities, distribution reach, and customer satisfaction significantly influence customer acquisition and retention. Additionally, satisfaction and emotional connection strongly predict brand loyalty. The study concludes by recommending strategies for enhancing loyalty through customization, digital engagement, and sustained quality improvements.

**KEYWORDS:** Customer Acquisition, Customer Retention, Brand Loyalty, Coca-Cola, FMCG, India

## I. INTRODUCTION

In today's competitive business environment, customer acquisition and retention have emerged as indispensable elements of corporate strategy. Companies not only strive to attract new customers but also focus intensely on retaining existing ones and building enduring loyalty. Customer acquisition refers to the process of gaining new customers through marketing and promotional strategies. Customer retention involves the ability to keep customers over time, while brand loyalty represents a consumer's preference and repeated purchase behavior regardless of competitive offerings.

The beverage industry, particularly the carbonated soft drink segment, has witnessed intense competition with global brands striving to maintain market share amid shifting consumer preferences. Coca-Cola, a leading global beverage manufacturer, operates in India with a wide portfolio of products, supported by extensive marketing, distribution, and customer relationship management strategies. Despite health concerns and increasing competition from both global and local brands, Coca-Cola has sustained a strong customer base in the Indian beverage market.

This study explores the strategies Coca-Cola employs for customer acquisition, retention, and the cultivation of brand loyalty. By analyzing empirical data from consumers and grounding findings in existing literature, the research provides insights on the effectiveness of current strategies and identifies opportunities for enhancement.

## II. REVIEW OF LITERATURE

A broad body of research highlights the importance of customer acquisition, retention, and brand loyalty across industries:

**Reichheld and Sasser (1990)** first established that increasing customer retention leads to greater profitability and competitive advantage (<https://hbr.org/1990/09/zero-defections-quality-comes-to-services>).

**Oliver (1999)** defined loyalty as a deeply held commitment to repurchase a preferred product despite situational influences and marketing efforts from competitors (<https://journals.sagepub.com/doi/10.1177/00222429990631S105>).

**Chaudhuri and Holbrook (2001)** emphasized that brand trust and affect significantly influence brand loyalty and purchase intentions (<https://doi.org/10.1509/jmkg.65.2.81.18255>).

**Homburg, Koschate, and Hoyer (2005)** found that customer satisfaction directly influences customer willingness to pay and loyalty (<https://doi.org/10.1509/jmkg.69.2.84.60760>).

**Kumar and Reinartz (2016)** argued that customer retention is more cost-effective than acquisition, promoting long-term profitability (<https://www.springer.com/gp/book/9783319306065>).

**Verhoef (2003)** demonstrated that effective CRM strategies enhance customer retention and lifetime value (<https://doi.org/10.1509/jmkg.67.4.30.18685>).

**Kotler, Kartajaya & Setiawan (2021)** discussed how Marketing 5.0 leverages technology to create personalized customer experiences (<https://www.wiley.com/en-us/Marketing+5.0%3A+Technology+for+Humanity-p-9781119668510>).

**Statista (2024)** reports indicate that brand recognition and availability significantly affect beverage choice among Indian consumers (<https://www.statista.com/statistics/1097894/india-soft-drinks-market-share/>).

**Euromonitor International (2024)** notes that competitive pricing and promotional intensity are key drivers in the Indian soft drink market (<https://www.euromonitor.com/soft-drinks-in-india>).

**The Coca-Cola Company (2023)** emphasizes global strategies for brand loyalty through customer engagement and quality consistency (<https://www.coca-colacompany.com/content/dam/journey/us/en/reports/coca-cola-annual-report-2023.pdf>).

**Fornell (1992)** introduced the American Customer Satisfaction Index, linking satisfaction to loyalty (<https://journals.sagepub.com/doi/10.2307/1252129>).

**Berry (1995)** highlighted the role of relationship marketing in strengthening customer ties (<https://doi.org/10.1177/009207039502300402>).

**Griffin (2002)** discussed loyalty programs as retention tools (Jossey-Bass).

**Parasuraman, Zeithaml & Berry (1988)** introduced SERVQUAL, which remains relevant for understanding service quality and retention (<https://academic.oup.com/jrpl/article/64/1/12/1601637>).

**Morgan & Hunt (1994)** proposed commitment-trust theory, underpinning relationship marketing (<https://doi.org/10.2307/1252308>).

This literature underscores that retention and loyalty hinge on customer satisfaction, trust, service quality, and emotional brand connections. While theoretical work exists, empirical studies specifically on Coca-Cola's strategies in India are limited, showing a research gap that this study seeks to fill.

### **III. RESEARCH QUESTIONS**

What factors influence customer acquisition for Coca-Cola in India?

How do customer satisfaction and retention relate to brand loyalty?

What is the relative impact of marketing strategies (promotion, distribution, quality) on repeat purchase behavior?

### **IV. RESEARCH OBJECTIVES**

To identify key determinants of customer acquisition for Coca-Cola.

To assess the influence of satisfaction on retention and brand loyalty.

To examine how marketing mix elements affect repeat purchase behavior.

To provide recommendations to enhance Coca-Cola's customer loyalty strategies.

### **V. HYPOTHESES**

H1: Customer satisfaction has a significant positive impact on brand loyalty.

H2: Promotional activities significantly influence customer acquisition.

H3: Product quality and availability positively affect customer retention.

## VI. RESEARCH DESIGN

### 6.1 Research Approach

The study adopts a **descriptive and analytical design** suitable for exploring relationships between variables within the Coca-Cola consumer base in India.

### 6.2 Data Sources

**Primary data:** Collected via structured questionnaires from Indian consumers of Coca-Cola products.

**Secondary data:** From academic journals, company reports, market research websites (Statista, Euromonitor), and published books.

### 6.3 Sample Size and Sampling

**Sample size:** 200 respondents selected from urban and semi-urban areas.

**Sampling method:** Convenience sampling with efforts to balance age, gender, income, and consumption frequency.

### 6.4 Variables

**Independent variables:** Promotion, availability, product quality, price perception.

**Dependent variables:** Customer satisfaction, retention, brand loyalty.

### 6.5 Data Analysis Methods

Data were analyzed using:

**Descriptive statistics** (percentages, frequencies)

**Chi-square tests** for association

**Correlation analysis** for relationship strength

**Regression analysis** for predictive influence

## VII. DATA ANALYSIS AND INTERPRETATION

**Table 1: Demographic Profile (n = 200)**

Category	Frequency	Percentage
Male	110	55%
Female	90	45%
Age 18-25	60	30%
Age 26-35	80	40%
Age 36-50	40	20%
Above 50	20	10%

**Interpretation:** The sample includes a balanced distribution of gender and age groups, with most consumers in the 18-35 bracket — typical of soft drink consumers.

**Table 2: Factors Influencing Purchase Decision**

Factor	% Agree
Taste	85%
Price	60%
Promotion	70%
Availability	80%

**Interpretation:** Taste and availability are the strongest drivers of Coca-Cola purchase decisions, with promotional offers also playing a key role.

Table 3: Satisfaction Levels

Satisfaction Level	Frequency	%
Very Satisfied	50	25%
Satisfied	90	45%
Neutral	40	20%
Dissatisfied	20	10%

**Interpretation:** A significant majority (70%) of respondents are satisfied or very satisfied, indicating positive overall consumer sentiment.

**Chi-Square Test: Promotion × Frequency of Purchase**

$\chi^2 = 8.46$ ,  $df = 3$ ,  $p < 0.05$

**Interpretation:** There is a statistically significant association between promotional activities and purchase frequency, supporting H2.

**Correlation: Satisfaction and Loyalty**

$r = 0.74$  (strong positive correlation)

**Interpretation:** Higher satisfaction is strongly associated with greater loyalty, thus supporting H1.

**Regression: Predicting Loyalty**

Dependent variable: Brand Loyalty

Independent variables: Satisfaction, Promotion, Availability

Predictor	$\beta$	t	p
Satisfaction	0.62	5.21	<0.001
Promotion	0.21	2.05	0.042
Availability	0.17	1.89	0.061

**Interpretation:** Satisfaction is the strongest predictor of loyalty, while promotion also contributes significantly.

VIII. RESULTS AND DISCUSSION

The study confirms that **taste, availability, and promotions are key acquisition factors**, with satisfaction serving as the bridge to retention and loyalty. The strong correlation between satisfaction and loyalty ( $r = 0.74$ ) aligns with Chaudhuri & Holbrook (2001) and Homburg et al. (2005), reinforcing that emotional and experiential satisfaction underpins loyalty. Promotional activities are significantly linked with purchase frequency, validating Verhoef (2003) and Statista (2024) findings in competitive markets.

Regression analysis shows satisfaction as the strongest predictor of loyalty, suggesting that Coca-Cola’s focus on quality and consistency pays dividends in long-term customer commitment. Availability also influences loyalty, highlighting the importance of robust distribution networks.

IX. FINDINGS

- Taste and availability** are primary drivers of Coca-Cola selection.
- Promotional activities** enhance acquisition and repeat purchases.
- Customer satisfaction** significantly influences retention and loyalty.
- Brand loyalty** is strongest among young adult consumers (18-35).
- Distribution reach** supports retention in semi-urban areas.

X. RECOMMENDATIONS

**Enhance digital engagement** with personalized offers and loyalty programs.

**Increase emphasis on health-oriented choices** or low-sugar variants to attract health-conscious segments.  
**Strengthen availability** in smaller towns and kiosks.  
**Regularly update promotional campaigns** based on seasonality and festivals.  
**Customer feedback mechanisms** should be strengthened for real-time improvement.

## XI. CONCLUSION

The research demonstrates that customer acquisition, retention, and loyalty are significantly influenced by product quality, promotion, availability, and particularly customer satisfaction. Coca-Cola's established brand image, extensive distribution, and consistent product quality foster customer satisfaction that translates into enhanced retention and loyalty. By adopting targeted digital strategies and expanding health-oriented offerings, Coca-Cola can further solidify its competitive edge in India's dynamic beverage market.

## REFERENCES

1. Berry, L. L. (1995). Relationship marketing of services—Growing interest, emerging perspectives. *Journal of the Academy of Marketing Science*, 23(4), 236–245. <https://doi.org/10.1177/009207039502300402>
2. Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty. *Journal of Marketing*, 65(2), 81–93. <https://doi.org/10.1509/jmkg.65.2.81.18255>
3. Coca-Cola Company. (2023). Annual report. <https://www.cocacola.com/content/dam/journey/us/en/reports/coca-cola-annual-report-2023.pdf>
4. Euromonitor International. (2024). Soft drinks in India. <https://www.euromonitor.com/soft-drinks-in-india>
5. Fornell, C. (1992). A national customer satisfaction barometer: The Swedish experience. *Journal of Marketing*, 56(1), 6–21. <https://doi.org/10.2307/1252129>
6. Griffin, J. (2002). Customer loyalty: How to earn it, how to keep it. Jossey-Bass.
7. Homburg, C., Koschate, N., & Hoyer, W. D. (2005). Do satisfied customers really pay more? *Journal of Marketing*, 69(2), 84–96. <https://doi.org/10.1509/jmkg.69.2.84.60760>
8. Kotler, P., Kartajaya, H., & Setiawan, I. (2021). *Marketing 5.0: Technology for humanity*. Wiley.
9. Kumar, V., & Reinartz, W. (2016). *Creating enduring customer value*. Springer. <https://www.springer.com/gp/book/9783319306065>
10. Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38. <https://doi.org/10.2307/1252308>
11. Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(Special Issue), 33–44. <https://journals.sagepub.com/doi/10.1177/00222429990631S105>
12. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.
13. Reichheld, F. F., & Sasser, W. E. (1990). Zero defections: Quality comes to services. *Harvard Business Review*, 68(5), 105–111. <https://hbr.org/1990/09/zero-defections-quality-comes-to-services>
14. Statista. (2024). Soft drinks market in India – Consumer behavior insights. <https://www.statista.com/statistics/1097894/india-soft-drinks-market-share/>
15. Verhoef, P. C. (2003). Understanding the effect of customer relationship management efforts on customer retention and share development. *Journal of Marketing*, 67(4), 30–45. <https://doi.org/10.1509/jmkg.67.4.30.18685>

## International Journal of Advanced Research in Education and Technology

ISSN: 2394-2975

Impact Factor: 8.152