

# ETHICAL CONFLICTS OF COCA-COLA COMPANY AND ITS INFLUENCE ON CONSUMERS BUYING BEHAVIOR

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## ABSTRACT

The primary diligence of this research is to understand the importance of ethical behavior and corporate social responsibility in achieving the significant advantages to an enterprise and modern-day moral conflicts going through by way of coca cola and its impact on customers buying behavior.

The study was confined to nearby Tirupati region on 300 probabilistically sampled customers to analyze the impact of Coca-Cola ethical conflicts on consumers buying behavior. In this research to examine the impact, the dependent variable chosen is ethics of Coca-Cola and the independent variables are service excellence, competitive measures, human resources, community and health & safety measures. The research shows that service and excellence factors have high impact on Coca-Cola. The conclusion of this paper emphasizes that the company should undertake several initiatives in its areas of operation to appraise its brand image and sales and be competitive in the market.

**Keywords:** Business Ethics, Consumers' Buying Behavior, Consumers' Loyalty, Business Strategy, Corporate Social Responsibilities.

## 1. INTRODUCTION

Business establishments engaged in ethical practices gain convincing rewards like enhanced reputation among the community, favorable industry trends, increasing investors demand and customer attention. Business ethics can be differed from market to market, country to country, however as an impact of globalization ethical standards and practices are becoming common. Corporations must accept responsibility about the way the business gets initiated to meet the ethical sustainability norms of the consumers. Environmental motivation is the concept of environmental philosophy which considers extending the traditional boundaries of motivation from solely including humans to including the non-human class. Business organizations today are trying to perform their activities in a way that is less harmful and more beneficial towards consumers, society and environment.

Ethics in commerce refers to adhering to the law as rise as mass organizational policies, grownup and association codes, and norms regarding what is thoughtful right socially responsible behavior encompasses a number of different initiatives including: community support, diversity, employee support, product safety and the environment. As business ethics focuses more on ethical standards of the company, corporate social responsibility focuses more on the external issues and supports company's ethical performance when associating with global community.

In India the soft drinks sector has rapidly increased in the span of 10 years. The carbonated and non-carbonated drinks industry in India is to grow near about 45 percent annually and would triple or four times in size by 2018. This study provides necessary detailed analysis about **Coca-Cola Company** which is an American multinational beverage corporation, and manufacturer, retailer, and marketer of nonalcoholic beverage concentrates and syrups. The company is best known for its flagship product Coca-Cola. Companies bear environmental liability, where they are accountable for any impact their operations have on

the environment. Environmental liability includes preservation of the water, air and grime, reaction nursery gasses, securing the variety of the ecosystem, under spent and prudent pattern of the raw sources, reaction the become of languish, and controlling the eudemonia and environmental risks caused by chemicals. A responsible company recognizes the effects of its operations to the environment, knows and carries the legislation, constantly develops its operations, recognizes the needs for change and carries them out. However, the communities at the coca cola bottling plant in India complained on the musculature of substance as chemical, deed health and environmental alteration. The primary issue concerning these communities is the depletion of ground water levels caused by the Coca-Cola bottling dealings which tally drastically reduced water for cultivation. The current use of 80 percent of available water which farmers are using will exhaust their freshwater supplies by 2050 at the current rate, the World Bank estimates. These allegations struck Coca-Cola mostly with its income declining and also caused the conclusion of one of their bottling plants in Kerala. Additionally, Coca-Cola's products are banned in Kerala, India. Even in Tamil Nadu, Coca-Cola has been boycotted by retailers. The food and drug administration in Maharashtra has also asked McDonald's to stop selling Coke Zero across its outlets in the state because of concerns over artificial sweeteners and a lack of warning displayed on the product. While Coca-Cola has implemented various measures to improve its water efficiency, the largest factor driving down the water usage ratio is the shift from refillable glass bottles to plastic (polyethylene terephthalate) bottles, which significantly reduces the water needed to wash the bottles, but still the usage of water by plant is relatively more collate to other localized drinks. This makes the people in Tamil Nadu and Kerala boycott the beverages of Coca-Cola. That's why it is very important for any organization to follow business ethics and environment ethics. It takes lot of time to get reputed image in the market but to get a bad image it just takes fraction of seconds. However beverages company Coca-Cola haven't lose its reputation in other states. Despite all these ethical and social issues, customers are using Coca-Cola due to its wide assortment.

This research helps to find out whether the sales of Coca-Cola have been affected with the above ethical issues and whether these ethical conflicts of Coca-Cola really impacts on consumer purchase. This study helps to know the current ethical conflicts faced by Coca Cola and its impact on consumers buying behavior. It also helps to understand the lieu of ethical behavior and corporate social responsibility in bringing significant benefits to a business. This study provides enough information to know about the buying behavior of the consumers towards Coca-Cola soft drinks private limited. This study provides a framework for Coca-Cola to inspect their operations and identify possible areas for improvement and the factors that affecting the consumer behavior. This simultaneous way to deal with exploring utilization area was checked on research information and writing. The deductive approach likewise offers consistency as every respondent is solicited a similar set from inquiries in a predictable request, 'whereby giving a productive approach to gather reactions from an expansive specimen'. Subsequently, Business Ethics was measured utilizing a five-thing scale. The study also aims to provide suggestions and recommendations for improving the practices for betterment of the organization.

## 2. LITERATURE REVIEW

(Vrontis & Sharp, 2003) examined how Coca-Cola implemented its strategy to enhance their brand in the world's soft drinks market. It was mentioned they are faced with a comprehensible quality of whether to evaluate their fluid offerings globally and reap the voltage benefits of economies of foliage, vary their offerings to a part industry or follow a way of coordinated motion utilizing both approaches simultaneously. Strategy and organizational effectuality are biogenic to the success of any structure, but they are both very antithetical. Coca-Cola is adjusting its timing both at a strategic and a tactical rank by offering right marketing activities and beverages to consumers. Coca-Cola's power and profit is manifestly fountainhead fostered by their substantial contending position and activity deal in their pinion creation mart - Coca-Cola.

(Buzzell & Gale, 1989)denotes that there is a decisive reciprocity between the size of a concern's industry share and the degree of profit i.e. the larger the market acquire the greater the place of profit. They

characteristic to cardinal reasons why market strength is linked to accrued profit. Foremost, measures are economies joined with an amount in the learning experience resulting in the most good and time saving use of creation techniques and study. Secondly, the customers are not ready to face risk and leave therefore they continued with the main market participant due to the console. Thirdly, due to the influence and control the pioneer has in the market it is fit to use its post to discuss secondary pricing with suppliers and to bidding higher activity cost for its products. Finally is that the market person has in point fantabulous management teams and it has fortunate procedures and processes matured throughout the activity.

(Geeta, Pooja, & Mishra, 2016) analyzes literature on ethical doings to set factors and variables which influences ethical behavior. This null is apart into hypothetic and semi empirical studies and its connection to theory. These studies aim to gestate out the usage of trends from seventies to two thousands fifteen in respect to ethical behavior. Ethical behavior has transform rampant remedy to be succeeded in commerce by pretending that it has unparalleled distinguishing. Machiavellianism is an important dissension in ethical behavior. Machiavellianism was negatively corresponding to the ethical selection making. In additional words, piercing Machiavellianism tends to be less right in their judgment making than low Machiavellianism. Value oriented individuals are lower possible to act in the wrong behavior. Rivalry in market brings greater pressing to the disposal on its ethical behavior.

(Khaniwale, 2015) discusses the reflection of consumer conduct is rattling essentials in the arena of marketing as it helps firms to create smarter marketing strategies by getting an intuition almost what affects the choice making of consumers. With the growing advancement of technology, the growing globalization, increasing socio-economic involvement of businesses in foreign countries and the rising political interference in corporate world, it is becoming very challenging for organizations to manage and develop their business. Customers have a very crucial role in the success of any organization since they are the people who generate revenue for the organization by buying, using and influencing others to purchase the companies goods or either services. Hence, companies always want to know what makes the customer buy or not to buy their goods. Consumers do not purchase a product and service only because of its actual utility, but also because of its perceived worth.

(Zsolnai, 2011) study derives operative principles from environment for sector organizations in inflict to attain sustainability. Enterprise affects the nature at antithetic levels. Personal begotten creatures are affected by activity via labor, fishing, business, fauna testing, etc. Earthy ecosystems are elocutionary by acting via excavation, regulating rivers, edifice, polluting the air, liquid and industrialist, etc. the entire earth is deliberate via exterminating species, contributory to climate alteration, etc. Concern have an elemental, non-reciprocal obligation toward raw beings deliberate by its performance. Ecosystem ethics requires that playing organizations interact with the ecosystem in a way that the welfare of the ecosystem is not unsound. Brand equity which is related with an enterprise's ethic for socially right and liable activity, constitutes an essential break of its brand metropolis.

(Anojan & Subaskaran, 2015) review centered to discover the shopper's inclination impact customer's purchasing conduct of soft drinks which devoured by standard shoppers. This overview has been investigated the impact level of buyer's purchasing conduct. The principle target of this review was as to recognize the components that impact the buyer purchasing conduct. Advertising and natural boosts enter the purchaser's awareness. The purchaser's qualities and choice process prompt certain buy choices. The advertisers taste is to comprehend what occurs in the purchaser's cognizance between the landing of outside jolts and purchasers buy choice. Among the distinctive publicizing media the TV appears to catch the cutting edge because of its incessant and appealing nature of offering exposure to an item. The examination uncovers to some degree plainly that, despite the fact that a minority of individuals is nonusers because of the disappointment of the cost of soda pops in the market, a bigger part of individuals is clients since they are happy with the present value level.

### 3. PROBLEM STATEMENT

Coca-Cola is the leading beverages company in the world, having the largest distribution system making available nearly one billion of its products to customers each day. But it has not ever been a squeaky-clean friendship that never had problems. This research outlines the obligation of the Coca-Cola Organization globally and locally and it facilitates to recognize the role of ethical behavior and organization's social obligation in achieving eminent advantages to a commercial Endeavour. This report focus to examine the market trends of Coca-Cola Circle & conceptualize out incompatible factors that affect the growth of Coca-Cola. It allows understanding the modern-day moral conflicts going through by way of coca cola and its impact on consumers buying behavior.

#### 3.1 SCOPE OF THE STUDY

- This study helps to know the current ethical conflicts faced by Coca – Cola and its impact on consumers buying behavior.
- It also helps to understand the lieu of ethical behavior and corporate social responsibility in bringing significant benefits to a business.
- It provides sufficient information to know about the buying behavior of the consumers towards Coca – Cola soft drinks private limited.
- It also provides a framework for Coca-Cola to inspect their operations and identify possible areas for improvement and the factors that affecting the consumer behavior.

#### 3.2 OBJECTIVES

- To analyze the ethical conflicts Coca-Cola and its impact on consumers buying behavior.
- To provide a framework for Coca-Cola to inspect their operations and identify possible areas for improvement.
- To examine the Coca - Cola's possible hazard control methods of products.

#### 3.3 HYPOTHESIS FOR ONE WAY ANNOVA TESTING

- H<sub>0</sub>:** Service factor don't have an impact over ethics of Coca-Cola  
**H<sub>1</sub>:** Service factor do have an impact over ethics of Coca-Cola  
**H<sub>0</sub>:** Competition factor does not have an impact over ethics of Coca-Cola  
**H<sub>1</sub>:** Competition factor do have an impact over ethics of Coca-Cola  
**H<sub>0</sub>:** Human resources does not have an impact over ethics of Coca-Cola  
**H<sub>1</sub>:** Human resources do have an impact over ethics of Coca-Cola  
**H<sub>0</sub>:** Community does not have an impact over ethics of Coca-Cola  
**H<sub>1</sub>:** Community do have an impact over ethics of Coca-Cola  
**H<sub>0</sub>:** Health & Safety does not have an impact over ethics of Coca-Cola  
**H<sub>1</sub>:** Health & Safety do have an impact over ethics of Coca-Cola

### 3.4 METHODOLOGY

#### 3.4.1 RESEARCH METHODOLOGY

The study consists of exploratory, descriptive and causal approach and depends on both primary and secondary information. Primary data includes structured interviews, discussion and direct observations. Secondary data information was gathered from the accessible sources like diaries, articles, journals and site. A sample test of 300 respondents and few dealers were conducted. Tools for data collection involved survey through questionnaires. Response was collected through hard copy. The Data collection method involved is direct interview.

A Likert scale 5-point is used in the set of responses for closed-ended questions. In each question, the respondents had to assess in a five-point Likert scale (strongly disagree – strongly agree).

▪ **Details of the population**

The study was conducted on the consumers of Coco – Cola. Also few of the dealers were interviewed to collect the relevant data.

▪ **Sample size**

A size of 300 respondents was chosen for the study and the samples chosen were the customers of Coca-Cola located nearby Tirupati, for which convenience sampling has been adopted.

▪ **Sampling method**

**Convenience sampling method:** Convenience sampling is a very generic term that covers wide variety of Adhoc techniques for selecting respondents. Convenience Sampling implies that the testing units are Accessible, Convenient, simple to gauge and understandable. Considering the accessibility factor, Bengaluru zone was chosen for the study.

▪ **Data Analysis**

- Collection of Primary data was done through questionnaire.
- SPSS software is been used for analysis.
- Relevant statistical tool is been used to analyze the data like SPSS, Cross tabulation, Chi square test, KMO test and Regression test.

**4. DATA ANALYSIS AND INTREPRETATION**

**4.1 Findings**



Figure 4.1.1

**Inference:**

The finding drawn from the consumers is that majority of the consumers neither agrees nor disagree that Coca-Cola meet their ethical conducts in all areas of business. 45% are neutral while only 6% strongly agree.

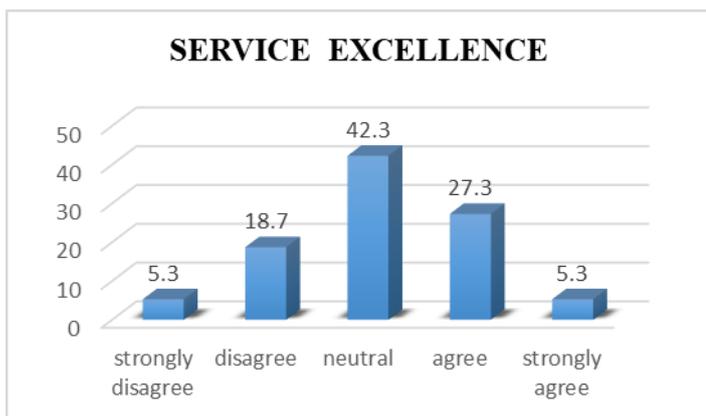


Figure 4.1.2

**Inference:**

27.3% of the respondents agree that Coca-Cola Company set the standard for excellence in its industry only 5.3% of the respondents believe that Coca-Cola doesn't set standards for excellence in its industry and 28% of the respondents believe that Coca-Cola offering better products likeness to its competitors.

Table 4.1.1

**RELIABILITY TEST**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	
.835	.824	29

We can see that Cronbach's alpha from the table is **0.835**, which indicates a high level of internal consistency for our scale with this specific sample.

Table 4.1.2

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.822
Bartlett's Test of Sphericity	Approx. Chi-Square	4148.649
	df	406
	Sig.	.000

Here, KMO = 0.822 which indicates that the sample is adequate and we may proceed with the Factor Analysis

**Bartlett's Test of Sphericity**

Since, the approximate of Chi-square is 41480649 with 406 degrees of freedom, which is significant at 0.05 Level of significance. The KMO statistic of 0.822 is also large (greater than 0.50). Hence Factor Analysis is considered as an appropriate technique for further analysis of the data.

TABLE 4.1.2

**FACTOR ANALYSIS**

COMMUNALITIES		
	Initial	Extraction
Does Coca-Cola Company's business is conducted in a fair, ethical and legal manner?	1.000	.698
Do you believe Coca-Cola bottling operations drastically attenuated availability of water for irrigation purposes?	1.000	.712
Do you think bottled Coca-Cola soft drinks comprise pesticides?	1.000	.663
Does Coca-Cola company sets the standard for excellence in its industry?	1.000	.665
Do Coca-Cola providing adequate support to public relations with its product range?	1.000	.566
Do Coca-Cola providing stock equal to the market demand?	1.000	.653
Does the Coca-Cola offer a wide variety of desirable, premium quality products, in packages appropriate for the occasion, at the right price	1.000	.659
Do Coca-Cola providing effective distribution	1.000	.685
Does Coca-Cola offer safe and refreshing beverages to all of the consumers	1.000	.681
Does the product quality of this brand is satisfactory	1.000	.648
Does Coca-Cola offer better soft drinks compared to its competitors	1.000	.743
Does Coca-Cola offer its products at affordable price	1.000	.693
Do Coca-Cola providing good brand image and a good impression.	1.000	.801
Do you think bottled Coca-Cola soft drinks contain pesticides?	1.000	.757
Do environmental issues of Coca-Cola influence your purchase decision for any of the beverages it produced?	1.000	.637
Will you purchase if Coca-Cola come up with fresh fruit drinks rather carbonated drinks?	1.000	.530
Does Coca-Cola concern to the local communities?	1.000	.585

Do Coca-Cola taking any precautionary steps to reduce its environmental conflicts?	1.000	.694
Do you think Coca-Cola should consider local culture and beliefs?	1.000	.438
Do Coca-Cola providing nifty work environment to its employees?	1.000	.680
Does Coca-Cola handle its crisis situations effectively	1.000	.662
Does the business administrative services of Coca-Cola are satisfactory?	1.000	.707
Does Coca-Cola Investigate the causes of work-related injuries and ill health and take action to prevent recurrence?	1.000	.611
Is Coca-Cola taking any preventive measure to prevent its environmental conflicts?	1.000	.691
Do Coca-Cola manufacturing operations affecting nature?	1.000	.754
Do Coca-Cola bottling plants depleting ground water levels?	1.000	.554
Are you loyal to the soft drink which you purchase?	1.000	.611
Do you think it is important to follow business ethics?	1.000	.781
Extraction Method: Principal Component Analysis.		

**TABLE 4.1.3**

**CORRELATIONS BETWEEN THE DEPENDENT AND INDEPENDENT VARIABLES**

		ETHICS	SERVICE	COMPETITION	HR	HEALTH	COMMUNITY	Inference
ETHICS	Pearson Correlation	1	.349**	.355**	.209**	.152**	.186**	
	Sig. (2-tailed)		.000	.000	.000	.008	.001	
	N	300	300	300	300	300	300	
SERVICE	Pearson Correlation	.349**	1	.607**	.497**	.262**	.401**	Ethics and service are linearly correlated
	Sig. (2-tailed)	.000		.000	.000	.000	.000	
	N	300	300	300	300	300	300	
COMPETITION	Pearson Correlation	.355**	.607**	1	.446**	.504**	.439**	Ethics and competitive factors are linearly correlated.
	Sig. (2-tailed)	.000	.000		.000	.000	.000	
	N	300	300	300	300	300	300	
HR	Pearson Correlation	.209**	.497**	.446**	1	.598**	.712**	Ethics and Human resources are linearly correlated.
	Sig. (2-tailed)	.000	.000	.000		.000	.000	
	N	300	300	300	300	300	300	
HEALTH	Pearson Correlation	.152**	.262**	.504**	.598**	1	.580**	Ethics and Health are linearly correlated.
	Sig. (2-tailed)	.008	.000	.000	.000		.000	
	N	300	300	300	300	300	300	
COMMUNITY	Pearson Correlation	.186**	.401**	.439**	.712**	.580**	1	Ethics and Health are linearly correlated.
	Sig. (2-tailed)	.001	.000	.000	.000	.000		

	N	300	300	300	300	300	300	
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\*\* . Correlation is significant at the 0.01 level (2-tailed).

The correlation Analysis has thus identified 5 core factors that affect the ethics of Coca-Cola. They can be categorized as under: - service, competition, human resources, health and community

**TABLE 4.1.4**  
**CHI SQUARE ANALYSIS**

HYPOTHESIS	Sig.	Sig. observed	INFERENCE
Service factor don't have an impact over ethics of Coca-Cola	0.05%	.000	H <sub>0</sub> is rejected.
Competition factor does not have an impact over ethics of Coca-Cola	0.05%	.000	H <sub>0</sub> is rejected.
Human resources does not have an impact over ethics of Coca-Cola	0.05%	.000	H <sub>0</sub> is rejected.
Community does not have an impact over ethics of Coca-Cola	0.05%	.000	H <sub>0</sub> is rejected.
Health & Safety does not have an impact over ethics of Coca-Cola	0.05%	.000	H <sub>0</sub> is rejected.

### REGRESSION ANALYSIS

There are five hypotheses to test for this study.

#### Regression analysis for overall factors

- Dependent Variable: ETHICS
- Independent variables: service, community, human resources, competition and health

**TABLE 4.1.5**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.393 <sup>a</sup>	.155	.140	2.18689

**TABLE 4.1.6**  
**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	257.182	5	51.436	10.755	.000 <sup>b</sup>
Residual	1406.054	294	4.782		
Total	1663.237	299			

**TABLE 4.1.7**  
**REGRESSION ANALYSIS FOR ALL CO – EFFICIENTS<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.767	.751		9.007	.000
SERVICE	.088	.032	.201	2.720	.007
COMPETITION	.148	.047	.239	3.154	.002
COMMUNITY	.008	.074	.009	.108	.914
HR	.016	.077	.018	.206	.837
HEALTH	-.018	.038	-.036	-.481	.631

From Anova table we examine null hypothesis, i.e. there is no impact of the independent variables on the dependent variables against the alternate hypothesis. i.e. the factors like service excellence, health, community, human resources and health does not have an impact over the ethics.

P-value from the ANOVA table is 0.000 which is lesser than the significance 5% and this leads us to fail to accept the alternate hypothesis and say that there exists a significant impact of the service and excellence, health, human resource, community and human resources over ethics.

The adjusted  $R^2$  value is 0.140. This means that the regression analysis can explain 14% of the data. As such, the factors like service excellence, health, human resources, community and competition vary with the ethics. The P-value 0.000 is lesser than significance value and thus we decline the null hypothesis and accept alternate hypothesis which in this case is factors like health, community, human resources, service excellence and competition does have an impact over ethics of Coca-Cola.

## SUMMARY OF FINDINGS

1. The present study employed a large sample size of 1000 consumers of Coca-Cola. The findings reveal that the consumers surveyed are more male (55.3%) than female (44.7%). This implies that the decisions of the purchase are generally dominated by Males and 67% of the respondents are between the age of 21 – 25 and followed by a range of between 26 - 35 (25%), 17-20 (5.3%) and 36-45(2.7%).
2. The selected consumers are well educated with nearly 50% are at least under graduated and 46% respondents have completed past graduation. Most of the respondents are employed which is 53.3% of the sample and 29.7% of the respondents are students which results employees response is more than the students and business. Most of them have annual income above 3 Lakhs which is 33.3% of the sample and very few 8.3% of the sample are earning below one lakh. High level of education also indicates that consumers are highly aware of ethical and social issues related to products and the opinion of family and friends are less important in their buying behavior.
3. The findings result that 54.7% of the sample commented Coca-Cola products are good following 26.7% respondents commented products are average. The majority 156 respondents are evaluating companies on moral criteria which constitute 52% of the sample while 47.67% respondents were not evaluating companies on moral criteria. This results most of the respondents are concerned towards moral aspects.
4. 54.3% respondents prefer fruit juice frequently rather carbonated drinks; while only 21% respondents of the sample prefer carbonated drinks following 20% of the respondents who prefer bottled water and the 4.3% of the sample prefer alcohol drinks which is very minor part of the sample. This shows most of the consumers are concerned towards their health and most aware of the affects that are associated with chemical drinks. This suggests that fruit juices are more preferred than carbonated drinks by the consumers. When coming to the Coca-Cola products, majority of the consumers prefer coke which constitutes 33.3% of the sample following 25.3% of maza and 18.3% of the sample prefer thumbs up and very minor part of the sample don't prefer any drinks which results majority of the consumers prefer drinks outside. Most of the soft drink consumers prefer drinks because of its taste rather than fashion and brand image. Very few people consume drinks because of its fashion which constitutes 11.3% of the total sample.
5. Majority of the sample which constitutes 43.3% respondents purchase soft drinks few times in a week following 41.7% purchases soft drinks in few times a month, while the minority 2% of the sample will never purchase soft drinks. This results a large difference between the purchasers and non-purchasers of the soft drinks. The findings suggests that most of the consumers won't purchase a product from the company which affects the environment, Here almost 91.7% of the sample don't like to prefer the companies which create hazardous affects to the environment. While only 8.3% of respondents purchase product from the companies even its harm to the environment.

6. The findings drawn from the consumers reveal that 41% of the consumers purchase decision towards Coca-Cola soft drinks gets influenced by environmental problems of Coca-Cola. This may reduce the revenue of Coca-Cola. However 24.6% of consumers' decision won't get influenced by the ethical issues and respondents of 33.7% gets influenced by ethical issues. Hence Coca-Cola should merely concern to the ethical aspects in order to enhance its customers as well its revenue. Another interesting aspect is that 54% of the consumers are expecting fruit drinks from the company rather carbonated drinks. So, if Coca-Cola comes up with fruit drinks, it may increase its profits. The finding drawn from the consumers is that majority of the consumers neither agrees nor disagree that Coca-Cola meet their ethical conducts in all areas of business. From KMO and Bartlett's Test it is proved that there is correlation between ethics and factors called service & excellence, competition, community and health & safety measures taken by Coca-Cola. Chi-square test shows there exists significant influence on ethics of Coca-Cola by its service, competitive performance, its human resources and health & safety measures. Similarly regression analysis also proven that there is significant impact on Coca-Cola ethics by its ethical dimensions.
7. 27.3% of the respondents agree that Coca-Cola Company set the standard for excellence in its industry only 5.3% of the respondents believe that Coca-Cola doesn't set standards for excellence in its industry and 28% of the respondents believe that Coca-Cola offering better products likeness to its competitors. This leads to more number of consumers are willing to purchase products from Coca-Cola which ultimately results more revenue to the company. Also, 36% of the respondents believe Coca-Cola render harmless and refreshing drinks to all of the consumers and only very few respondents were not agreeing that it offer harmless and refreshing drinks. This results Coca-Cola is maintaining good standards in its products.

From KMO and Bartlett's Test it is proved that there is correlation between Coca-Cola ethics and its service. Chi-square test shows that there exists significant influence on ethics of Coca-Cola by its service. Similarly regression analysis also proven that there is significant impact on Coca-Cola ethics by its service.

8. The findings drawn from the consumers' show that 43% of the respondents believe Coca-Cola offer better soft drinks compared to its competitors, only 22% of the respondents doesn't satisfied with Coca-Cola products and the rest of the people were moderately agreed to the products of Coca-Cola.

Price is a more important factor in the determination making process when it comes to the purchase of any product. Financial limitations lead consumers to prioritize price, that's why Price remains a significant barrier to the purchase of ethical products. In this research, from the sample 31.7% respondents give more preference to the price than its benefits and very few i.e. 5% of the respondents of the sample were least bothered about the price. This show launching a product at affordable price is more important to capture the customers. Customers always think whether the product can be affordable or not. Here 36.7% respondents moderately give preference to the price. From KMO and Bartlett's Test it is proved that there is correlation between Coca-Cola ethics and its competitive approaches.

Chi-square test shows there exist a significant influence on ethics of Coca-Cola by its competitive approaches. Similarly regression analysis also proven that there is significant impact on Coca-Cola ethics by its competitive approaches.

9. Another important factor is 27% of the respondents believe that Coca-Cola bottling plants in India, passage of sludge as fertilizer, causing health and environmental damage and 30% of the respondents

were not believe in this, where 41 % moderately agree that Coca-Cola bottling plants in India, passage of sludge as fertilizer, causing health and environmental damage. This results only minority of the consumer believe that Coca-Cola bottling operations affecting environment. So it won't give bring much loss to the company.

The major ethical issue that Coca-Cola facing is ground water depletion and pesticide content in soft drinks but majority of the respondents believe that Coca-Cola drinks are safe to consume. However Coca-Cola need to take certain measure to overcome from these conflicts. From KMO and Bartlett's Test it is proved that there is correlation between Coca-Cola ethics and its health and safety measure.

Chi-square test shows that there exists a significant influence on ethics of Coca-Cola by its health and safety measure. Similarly regression analysis also proven that there is significant influence on Coca-Cola ethics by its health and safety measures.

Also, majority of the respondents believe ethical practices of Coca-Cola were moderate ethical which constitute 65.3% respondents of the sample and 25% respondents confined business practices were unethical and 8.7% respondents have agreed that the business practices of Coca-Cola were very ethical.

## 5. SUGGESTIONS

The respondents gave their suggestions on the following issues with relating to ethics of Coca-Cola.

1. Majority of the respondents moderately agreed that Coca-Cola Company's business is conducted in a fair, ethical and legal manner and meet their ethical conducts in all areas of its business. This implies Coca-Cola still need to focus on its ethics in its business to enhance its brand image and to increase its sales.
2. The findings result that more of the Coca-Cola consumers believe that Coca-Cola bottling operations have drastically diminished availability of water for irrigation purposes. This may affect its sales gravely. This is because, Consumers would be more concerned with environmental aspects that directly affect their daily lives. So it is very essential to the organization to be responsible towards environment. These allegations may reduce Coca-Cola's income and also might cause the occlusion of their bottling plants. If organizations fit social expectations in its activities, it can Increase market share for its product and get good reputation.
3. Bartlett's Test of Sphericity, it is confined that there is significant interrelationship between ethics of Coca-Cola and factors called service, health, community, competition and human resources. Correlation test show that ethics and service are linearly correlated.
4. The Pearson correlation coefficient value of 0.349 confirms a positive correlation between the ethics and service of Coca-Cola. Since the Pearson Chi-Square calculated value for service (1081.240a,  $p=0.00$ ) is less than the table value (0.05) Coca-Cola's service is dependent on ethics of Coca-Cola. So an effective service of Coca-Cola can enhance its brand image as well its sales.
5. The adjusted R2 service is 0.119 and its significance value is less than .05. This means that the regression analysis can explain 11% of the data. As such, the factors like service excellence vary with the ethics of Coca-Cola. This shows that coca-colas service does have an impact over ethics of Coca-Cola. Inadequate service will tremendously reduce its sales. So Coca-Cola should set their standard for excellence in its industry to be pioneer in the industry.

6. Likewise, the value of Pearson correlation coefficient for the Coca-Cola competitive approaches is 0.355 which confirms a positive correlation between the ethics and competitive factors of Coca-Cola. This shows that ethics and competitive factors are linearly correlated. Also, the Pearson Chi-Square calculated value (1142.574a,  $p=0.00$ ) is lesser than the table value (0.05) which states that competitive measures taken by Coca-Cola are dependent on the ethics of Coca-Cola and ethics of Coca-Cola is highly influenced by its competitive measures. The adjusted R2 is 0.140. This means that the regression analysis can explain 14% of the data and its significance value is less than .05 which results competitive measures do have an impact over ethics of COCA-COLA. Hence Coca-Cola should offer better products in an ethical way compared to its competitors to be competitive in the market. Also majority of the respondents are expecting fruit juice from the Coca-Cola, so if Coca-Cola can come up with fruit juice rather carbonated drinks, it can increase its sales and revenue.
7. The Pearson correlation coefficient value for community vs ethics is 0.186 and p-value for this test as being .001 which states that ethics and community are linearly correlated and confirms a positive correlation between the community and ethics of Coca-Cola. Chi-Square's value (758.076a,  $p=0.00$ ) is lesser than the table value (0.05) which results ethics of Coca-Cola is highly influenced by Coca-Cola concern towards local community. The adjusted R2 is 0.031. This means that the regression analysis can explain 3% of the data and significance value is less than 5%. As such, the responsibility towards local community by Coca-Cola varies with the ethics of Coca-Cola. This shows that Coca-Cola should consider local culture and beliefs while producing its products to create a positive image in the society and market.
8. The Pearson correlation coefficient value for human resources vs ethics is 0.299 and its significant value is less than 0.5 which confirms a positive correlation in between ethics and Human resources of Coca-Cola. Pearson Chi-Square calculated value (758.076a,  $p=0.00$ ) is less than the table value (0.05) which states ethics of Coca-Cola is highly influenced by its concern towards human resources. The adjusted R2 is 0.04. This means that the regression analysis can explain 4% of the data and its p value is less than significant value which results Coca-Cola's administrative services do have an impact over ethics of COCA-COLA
9. The Pearson correlation coefficient value for health vs ethics of Coca-Cola is 0.152 and its p-value is 0.008 which is less than the tabular value. Hence it confirms a positive correlation in between health & safety measures and ethics of Coca-Cola. The Chi-Square calculated value (978.776a,  $p=0.00$ ) is lesser than the table value (0.05) which results that Ethics of Coca-Cola is highly influenced by the factors of health and safety. The adjusted R2 is 0.02. This means that the regression analysis can explain 2% of the data and p value 0.000 is less than significance value of 0.05. As such, The Coca-Cola's health & safety measures do have an impact over ethics of Coca-Cola. Hence it is essential for any organization to follow business ethics to sustain in the market for the longer period. It is important for Coca-Cola to examine the causes of work-colligated injuries and ill health and take action to prevent recurrence and Coca-Cola should make sure its manufacturing operations doesn't affect nature because the environmental and ethical issues of Coca-Cola will extremely influence the purchase decision for any of the beverages it produced.

## 6. CONCLUSIONS:

The study focuses how the ethical conflicts of Coca-Cola influence the buying behavior of Coca-Cola consumers. Through analysis the following conclusions were attained. Even though Coca-Cola Company has made considerable efforts in developing the practices related to corporate responsibility, in order to operate in accordance with principles of the sustainable development, majority of the respondents were

moderately agreed that Company's business is conducted in a fair, ethical and legal manner. The company should undertake a risk assessment to determine and control perils which could arise at the work place. The company needs to have its own environmental protection policy and therefore it should develop the policy in line with the government policy concerning environmental protection.

From the findings it is clear that environmental issues of Coca-Cola strongly influence the consumers purchase decision for the beverages it produced. If company is not capable of providing consumes the desired result they will definitely switch over to the other provider. Therefore to survive in this cut throat competition, company should meet their ethical conducts in all areas of its business. According to this research 102 respondents agree that Coca-Cola bottling plants in India, transition of sludge as fertilizer, inducing environment and health damage and 116 respondents were moderately agree and 82 respondents were disagree. This research provides a framework for Coca-Cola to inspect their operations and identify possible areas for improvement.

To overcome ground water depletion, pesticides content in beverages and environment pollutant, Coca-Cola should undertake several initiatives like waste management, water conservation management, etc. in an endeavor to improve the life of communities in its areas of operation. The external and internal factors have significant influence on consumer's behavior which impacts their purchasing process and decision. In this research 85% of the respondents find the company's ethics are important to them.

The conclusion of this study emphasizes that the company should take precautionary steps to reduce its environmental conflicts and needs to reduce its dependence on carbonated drinks and alter its product range into the noncarbonated sector to remain competitive in the market. Hence Coca-Cola Company should meet their ethical conducts in all areas of its business in order to enhance its brand image and customer retention.

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