

A STUDY ON BRAND PREFERENCE OF CONSUMERS TOWARDS FMCG IN CUDDALORE DISTRICT

Dr. K. Sethuraman,

Assistant Professor,
Department of Business Administration,
Annamalai University, Chidambaram, India

ABSTRACT

Consumer preference theory is a way of analyzing how consumers may achieve equilibrium between preferences and expenditures by maximizing utility as subject to consumer budget constraints.

Consumption is separated from production, logically, because two different consumers are involved. In the first case consumption is by the primary individual; in the second case, a producer might make something that he would not consume himself. Therefore, different motivations and abilities are involved. The models that make up consumer theory are used to represent prospectively observable demand patterns for an individual buyer on the hypothesis of constrained optimization.

This study has been done to find the consumer brand preference of FMCG, and it attempts to find the level of brand awareness. This study is carried out to understand consumer brand preference. Sakthi Masalais placed first in the market. Even though the Sakthi Masala brand is placed one among the top in the choice still there is scope for improvement. Based on the findings the researchers have given some suggestions to the company. If the company incorporates ideas, they can improve brand preference, associations and loyalty.

Keywords: Consumer preference, Brand loyalty, perceived quality.

Introduction:

Preferences are the desires by each individual for the consumption of goods and services that translate in to preferences based on income or wealth for purchases of goods and services to be combined with the consumer's time to define consumption activities. Consumption is separated from production, logically, because two different consumers are involved. In the first case consumption is by the primary individual; in the second case, a producer might make something that he would not consume himself. Therefore, different motivations and abilities are involved. The models that make up consumer theory are used to represent prospectively observable demand patterns for an individual buyer on the hypothesis of constrained optimization. Prominent variables used to explain the rate at which the good is purchased (demanded) are the price per unit of that good, prices of related goods, and wealth of the consumer. Fast Moving Consumer Goods (FMCG) goods are all consumable items (other than groceries/pulses) that one needs to buy at regular intervals. These are items which are used daily, and so have a quick rate of consumption, and a high return. FMCG can broadly be categorized into three segments which are:

1. Household items as soaps, detergents, household accessories, etc,
2. Personal care items as shampoos, toothpaste, shaving products, etc and finally
3. Food and Beverages as snacks, processed foods, tea, coffee, edible oils, soft drinks etc.

Global leaders in the FMCG segment are Nestlé, ITC, Hindustan Unilever Limited, Reckitt Benckiser, Unilever, Procter & Gamble, Coca-Cola, Carlsberg, Kleenex, General Mills, Pepsi, Gillette etc.

As per the recent developments in FMCG it is assured that the consumption of the FMCG products will have a satisfactorily growth with the rising income level of Indian populace in both the rural and urban areas. Around 200 million people are expected become the consumer of processed and packaged foods by the year 2010.

The major activities of the food- processing sector are permitted 100% foreign equity 100% NRI and Overseas Corporate Bodies (OCB) investment to meet the rising demand of the consumers.

Beverland (2001) studied the level of brand awareness within the New Zealand market for ZESPRI kiwi fruit. The effectiveness of this branding strategy employed by kiwi fruit, New Zealand was studied. It is indicated that brand awareness could be increased through a relationship making program involving targeted marketing and supply chain management.

Sukato and Elsey (2009) examined the phenomena of male consumer behaviour in buying skin care products in Thailand. In order to cope with the research purpose, Fishbein and Ajzen's theory of reasoned action model is employed as a theoretical framework and modified by adding the self-image construct. The results of the study confirm that beliefs, self-image, normative influences, and attitudes have impacts on purchase intention and purchase behaviour in buying skin care products among Bangkok male consumers and therefore, the modified theory of reasoned action is appropriate to explain male consumer behaviour in the purchase of specific cosmetic product in the Thai setting.

Vani, et al. (2010) examined consumer behaviour in Bangalore city regarding toothpaste brands and found that consumer awareness of toothpaste is less in Bangalore city. Oral care market offers huge potential as penetration and per capita consumption of oral care product is very low in India. Further, the study found that brand image, advertising and offer play an important role in purchasing toothpaste, sometimes based on the offer the consumer compare with competitor product and select the best one. Product attribute also analyzed by the consumer for deciding a brand. Switching of one product to other company product is mainly based on advertisement, brand name, packaging availability and price rise.

STATEMENT OF THE PROBLEM:

A brand is one of the essential elements for the product. A brand which helps to identify the product and it is used among consumers. This study has been done to find the consumer brand preference of FMCG, and it attempts to find the level of brand awareness. So this research is entitled as "A Study on Consumer Brand Preference of Sakthi Masala concerning Cuddalore district".

OBJECTIVES OF THE STUDY:

- To know the percentage of male and females those are aware of Sakthi Masala.
- To study the consumer perception about the taste and availability of Sakthi Masala.
- To find out at what extent do the public response to their products.
- To offer suggestions based on the study to improve the awareness, association and loyalty level of Sakthi Masala products.

LITERATURE REVIEW:

Chandrasekhar (2012) analyzed the consumer buying behaviour and brand loyalty in rural markets regarding fast moving consumer goods and found that brand loyalty is more in Badangpet and Nadergul region and less in Chintulla in soaps category. In hair oil category, branded products usage is more in Badangpet and Nadergul villages and consumer prefer to purchase local brands in Chintulla village. It is also found that Vatika and Navratan hair oils dominate in Badangpet, Parachute hair oil in Nadergul and Gograda local brand and Dabur in Chintulla. In case of Biscuits category, consumers mostly buy in loose, which are available in nearby shops like Salt biscuits, Osmania biscuits etc. Parle-G and Tiger are mostly used brands in Badangpet. Tea is purchased in loose, which is available in local shops. The popular brands Red Label, Three Roses and Gemini are used in Badangpet village. Further, the study found that coffee consumption is very less or no consumption in Nadergul and Chintulla villages. In case of washing powder, Nirma dominate all the three selected sample rural markets regions. In remote area like Chintulla, Nirma sell Rs. 1 sachets.

Jain and Sharma (2012) analyzed the brand awareness and customer preferences for FMCG products in rural market of Garhwal region. The study found that average awareness of the respondents in the rural market is approximately 75 per cent, 70 per cent, 72 per cent, 64 per cent and 73 per cent in case of shampoo, washing powder, soap, tea, toothpaste respectively, which infers that people in the rural market have on an average awareness about most of the products. In the shampoo category, the study found that the respondents give 1st rank to Pantene and last rank to Chik; in case of washing powder, 1st rank to Surf Excel and last rank to Nirma; to soap category, 1st rank to Dettol and last rank to Rexona; in case of Tea, 1st rank to Tata tea and last rank to Maharani tea and in category of toothpaste, 1st rank to Colgate and last rank to Cibaca which infers that advertising and marketing activities have major influences in choices of people in rural market. The study further found that among various factors like quality, price, easy availability, family liking, advertisement, variety, credit attributes of brand preference; the quality is the first preference in case of brand choices and rural people give least preference to variety and credit attributes. It is also concluded that there is a positive impact of media on brand preference of FMCG products among consumers.

Jayswal and Shah (2012) analyzed the effect of some selected FMCG product's television, advertisements with commonly used negative emotional appeals on cognitive message processing style of Indian house wives. The study revealing different effect of different advertisement with negative emotional appeals derived that advertising creative aspect has considered most important and it has been truly said that "what you say is equally important to how you say." Through varied hypothesis developed by the researcher, the findings is negative emotional advertising appeal makes the cognitive response positive, helps to form positive attitude and this increases the customer intention to buy the brand. The different advertising themes have difference in their effect on individual perception. Prajapati and Thakor (2012) examined the competitive and innovative promotional tools used by toothpaste companies in rural market and its impact on consumer buying behaviour in Gujarat. The study found that rural consumers are more concerned about the quality, brand name of the oral care products purchased by them.

Ranu and Rishu (2012) analyzed the scope of Ingredient branding in creating sustainable differentiation advantage for FMCG companies. The results of the study revealed that careful planning must be done before entering into a relationship in order to maximize the benefits of any ingredient branding strategy. Along with the costs involved in forming and maintaining the alliance, and the opportunity cost involved for the partnering firm, the consumer's quality sensitivity and their ability to evaluate quality

must also be considered. Firms considering an ingredient branding strategy must also evaluate the customer's perception toward each brand prior to the alliance. The perceived fit of the products as well as the brands must be understood, and the level of customer familiarity with each brand must be gauged. This will help marketers in developing a successful Ingredient branding strategy, which builds on the strengths of the partnering brands and generates additional value for the consumer.

Mishra, et al. (2012) examined the major dimensions of consumers' perception about the benefits they derive from different types of sales promotion schemes in durable goods and to build a framework showing the valid relationships among all types of multiple consumer benefits of sales promotion in consumer durables. This exploratory study is mainly based on field survey carried out in India. The findings indicate that consumers perceive factors like savings, higher product quality, shopping convenience categorized as utilitarian benefits and value expression, entertainment, exploration categorized as hedonic benefits as primary reasons for taking advantage of various sales promotion schemes.

Vaishnani (2012) examined and measured brand equity perception with reference to sales promotion schemes for selected FMCG products and it is concluded that there is no significant difference between of brand equity perception among gender as one of the demographic variables. Apart from it, it is concluded that there is significant difference between brand equity perceptions among various employment status. Adding to it, it is clear that self - employed consumers compare to not employed.

The identity dimensions reflection (i.e., image of the target group) and self-image (i.e., how the brand makes consumers feel) depict the receiver. The dimensions culture (i.e., values) and relationship (i.e., mode of conduct) form a bridge between the sender and the receiver (Sritharan R, and Samudhrarakumar C. 2008)

Tamizh jyothi and Samudhra Rajkumar (2005) concluded in their study on the effectiveness of celebrity advertisements, wherein they have considered product categories and brands are the important factors that influence the effectiveness of celebrity advertisements.

Tamizh jyothi and Samudhra Rajkumar (2005) conducted a study on the effectiveness of celebrity advertisements, and identified that the products and brands are the key factors in the determination of the effectiveness of celebrity advertisements.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011) concluded in their study on the role of profession in the prediction of effectiveness of multiple celebrity endorsement, and found that attitude towards celebrity and attitude towards brands will be enhanced when it is endorsed by multiple celebrities. However, profession of the celebrity is a major factor in the prediction of multiple celebrity endorsement effectiveness.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011) found that attitude towards celebrity and attitude towards brands have significant influence on the purchase of multiple celebrity endorsed products or brands. Profession of the celebrity is also considered while predicting the effectiveness of multiple celebrity endorsement.

RESEARCH DESIGN:

Descriptive research design is used in this study. This study includes both Primary and Secondary data. The primary data are collected from the public through a well-structured questionnaire. The secondary data are collected from internal and external records like Websites, Journals, Books, and so on. The sample size of this study is 425. The sampling method used in this research is Quota Sampling.

FINDINGS OF THE STUDY:

Majority of 91 per cent of the respondents are 35- 41 years of age category. A significant portion of 76 per cent of the respondents is female. A significant portion of 75 per cent of the respondents is married. Considerable portion of 45 per cent of the respondents is school level/Diploma/ITI. A significant portion of 65 per cent of the respondents is salaried employees. Considerable portion of 51 per cent of the respondents is up to Rs.10000 monthly income.

There is no significant difference between the ages of the respondents and satisfied Sakthi Masala. There is no significant difference between the educational qualification of the respondents and advertisements

of Sakthi Masala. There is no significant difference between the educational qualification of the respondents and leader of Sakthi Masala. There is no significant difference between the educational qualification of the respondents and the reputation of Sakthi Masala. There is no significant difference between the marital status of the respondents and the usage of Sakthi Masala. There is no significant difference between the marital status of the respondents and recommend of Sakthi Masala. There is no significant difference between gender of the respondents and loyal of Sakthi Masala.

The value '4' shows that the respondents are somewhat aware of the opinion about the logo of Sakthi Masala. The value '3' shows that the respondents are moderate with the opinion about the recognition of Sakthi Masala among other competing brands. The value '3' shows that the respondents are moderate with the opinion about the advertisements of Sakthi Masala. The value '3' shows that the respondents are moderate with the opinion about the logo/symbol of Sakthi Masala comparison with other brands. The value '3' shows that the respondents are moderate with the opinion about the mind of Sakthi Masala. The value '3' shows that the respondents are somewhat aware of the opinion about the brand awareness of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the taste of Sakthi Masala. The value '3' shows that the respondents disagree with the opinion about the offers of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the comfortable of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the reputation of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the leader of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the personality of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the image of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the understanding of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the promotional of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the usability of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the promises of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the period of Sakthi Masala. The value '3' shows that the respondents agree with the opinion about the aspects of Sakthi Masala. The value '3' shows that the respondents are with neither agree – nor either agree with the opinion about the usage of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the satisfaction of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the loyal of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the choice of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the good reputation of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the trust of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the attachment of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the induce of Sakthi Masala. The value '3' shows that the respondents neither agree – nor either agree with the opinion about the recommend of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the recommend of Sakthi Masala. The value '2' shows that the respondents disagree with the opinion about the bad experience with this brand of Sakthi Masala. The value '4' shows that the respondents agree with the opinion about the satisfied of Sakthi Masala.

SUGGESTIONS FOR THE STUDY:

The logo of each masala is not remembered by all the consumers. So the company may create an attractive logo to attract the consumers and also for easy recall. Customers are not fully aware of the Sakthi Masala brand. The company may introduce more possibilities to create high awareness among consumers via advertisements in TV, newspaper, etc., Consumers could not recognise the competing brands comparing to each masala. So it is suggested that the company may give attractive packaging, pricing, advertising, etc., will be useful when compared to the competitors brand. Consumers have received information in various ways, not merely through advertisements. Sakthi Masala which comes in the mind of consumers at the beginning itself, but the finding shows that it is in moderate level. So the company has to give inputs to the consumers. Taste of each masala is at a moderate level, so the company

may improve the level of flavour to attract the consumers. The promotional strategy of Sakthi Masalais not good. So it is suggested that to promote the Sakthi Masala, the company may introduce some offers system like coupons, samples etc., to attract the consumers. The brand offers in neutral level because it does not fulfil the promises of the brand offers. Company has to fulfil the needs and expectation of the consumers when the consumer's expectation is met, then they will promote the brand to others through word-of-mouth. The company may promote the products with good quality, taste etc. to satisfy them.

CONCLUSION:

This study is carried out to understand consumer brand preference towards Sakthi Masala and it is placed first in the market. Even though the Sakthi Masalabrand is placed one among the top in the choice still there are number of scopes for improvement. Based on the findings, the researchers have given some suggestions to the company. If the company incorporates suggestions, they can improve brand preference, associations and loyalty.

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