

Factors Influencing Brand Choice: An Investigation In FMCG Sector

Dr. R.Sritharan

Abstract: Brand choice issues have spawned considerable attention in recent past both in academic and managerial fields. It has become full-size as companies spend hundreds of thousands of rupees every 12 months in figuring out the factors that have an effect on choice preference. The main objective of the study is to determine the factors influencing brand choice. To find out the brand choice Talcum Powder was selected as product as it was highly used by the respondents in a day. By using convenience sampling method, data were collected from 100 respondents. The results found out that brand choice is inevitable in purchase decision, corporate have to look into account that 'quality aspects', 'promotional aspects', 'preferential aspects', 'image aspects' and 'retailers influence' were to be considered for continuous growth

Index Terms: Brand, Brand Choice, Satisfaction.

1. INTRODUCTION

THIS Brand occupies a place of paramount importance in an organization and has become a major strategic factor in the corporate world providing competitive advantage, delivering shareholder value, creating wealth, and ensuring social prosperity. In today's world of internet and media explosion, the role of marketing is redefined as creating, communicating and delivering value to customers (Keller, 2003). Today the Indian consumers are flooded with plenty of brands, both Indian and International. The new brands offer innovative features with better quality, but from the perspective of Indian manufacturers, these new entrants are major threats (Samudhra Rajakumar and Sritharan, 2004). Marketers develop their products into brands, which help to create a unique position in the minds of customers. By developing a unique identity, branding permits customers to develop associations and establish 'trust' in their minds. Ehrenberg et al. (1990) explains that brand superiority leads to high sales, has the ability to charge price premiums and the power to resist distribution strength. For example, Coke or Pepsi comes to mind when one refers to soft drink; Vicks Vaporub comes to mind as a solution for cold and Dettol as an antiseptic for everyday nicks and cuts. These examples highlight the role of brands in consumers' buying behavior. Some brand images remain in the consumers' mind forever (eg., Cadbury's, Pears, Ponds, etc.) and they come to stand for an entire range of ideas, sentiments, etc. A brand is created by augmenting a core product with distinctive values that distinguish it from competitors. Brand names today have come to represent not only a distinct identity for the product of a company but also present certain values - a personality for the brand in addition to projecting the benefits or the product (Shekhar, 1996). Brand is the soul of an organization and understanding its core values becomes the responsibility of everyone in the organization (Adamson, 2003). Brand name of a product plays a vital role in the success of any business. A company can succeed in the business, if it creates a memorable brand name in the mind of the consumer.

2. Review of Literature

Brand awareness has a strong relationship with brand choice

- Dr.R. Sritharan, Associate Professor, Department of Business Administration, Annamalai University, India, PH-9486456461. E-mail: srisrithar13@gmail.com

and it is one of the core steps to strong brand equity (Sritharan et al, 2008). Moorman et al. (1992) suggest that brand trust can influence attitudinal loyalty, a higher degree of attitudinal commitment. Balathandayutham and R Sritharan (2013) views also support this point. Aydin et al. (2005) conducted a survey to measure the effects of customer satisfaction and trust on brand loyalty, and the direct and indirect effect of "switching cost" on brand loyalty. The data set covered 1,662 mobile phone users in Turkey. The finding of the study show that the switching cost factor directly affects loyalty, and has a moderator effect on both customer satisfaction and trust. In 2008 Sritharan and samudhrarakumar, added a strong finding through his research, that brand awareness will contribute more on brand loyalty and continues its worthy support to brand equity. A general service sector model of repurchase intention (attitudinal) from the consumer theory literature has been developed by Hellier et al. (2003). A key contribution of the structural equation model is the incorporation of customer perceptions of equity and value and customer brand preference into an integrated repurchase intention analysis. The model describes the extent to which customer repurchase intention is influenced by six important factors – service quality, equity and value, customer satisfaction, past loyalty, expected switching cost and brand preference. The general model is applied to the customers of comprehensive car insurance and personal superannuation services. The analysis shows that although perceived quality does not directly affect customer satisfaction, it does so indirectly via customer equity and value perception. The study has also found that past loyalty is not directly related to customer satisfaction or current brand preference and that brand preference is an intervening factor between customer satisfaction and repurchase intention. The main factor influencing brand preference is perceived value with customer satisfaction and expected switching cost having less influence.

3. METHODOLOGY

The main objective of the study is to determine the factors influencing brand choice. To find out the brand choice Talcum Powder was selected as product as it was highly used by the respondents in a day. By using convenience sampling method, data were collected from 100 respondents. Factor analysis were used to fulfill the objectives. The various important characters that are deciding factor for product selection were identified and listed in questionnaire.

Factor Analysis for Product Attributes of Talcum Powder

ITEMS	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Quality	0.975				
Fragrance	0.975				
Long Lasting Freshness	0.949				
Ingredients	0.522				
Price		0.872			
Eye Catching Display		0.852			
Free Offers		0.844			
Easy Availability		-0.603			
Advertisement			0.920		
Attractive Package			0.788		
Availability of Variants			0.690		
Brand Image				0.970	
Corporate Image				0.502	
Recommendation					-0.764
Retailers Influence					0.710
Eigen Value	3.463	3.218	2.541	2.083	1.913
Percentage of Variance	23.08	21.45	16.93	13.88	12.75
Cumulative Percentage	23.08	44.54	61.48	75.37	88.12

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 18 iterations.

Factor analysis was used for grouping the factors that influence consumers in their buying decision for talcum powder. A total of 15 variables were subjected to factor analysis. The result of factor analysis is obtained by principle component analysis and specifying the rotation. In the above table the rotated component matrix for the respondents shows the extraction of 5 factors. Talcum powder helps men/women to safeguard the skin of their face from the radiation of sunlight, maintain their beauty and look attractive. Even though many number of face creams are available, to enhance one's complexion and to protect the face from moisture, consumers use both face cream and talcum powder. While purchasing the talcum powder consumers consider many factors. Fifteen attributes were given to the respondents and were asked to indicate the importance given to them while buying a talcum powder. The first factor comprises of items such as 'quality', 'fragrance', 'long lasting freshness' and 'ingredient' for which the factor loading are 0.975, 0.975, 0.949 and 0.522. Because of the common nature of these items, the researcher has identified these factors as 'quality aspects'. Among the 'quality aspects' factor, product quality secures the first place, with the highest loading of 0.975. As usage of talcum powder is related to skin, while selecting the talcum powder respondents give more importance to the quality of the product. In the process of buying the product, people would like to ensure that it does not affect the face and cause any side effect such as irritation, pimples, allergy, etc. Fragrance has got the second place in 'quality aspect'. In the past, talcum powder was used only for appearing bright, but now consumers buy the product for pleasant smell also. Sometimes the fragrance of the powder may arrest the attention of others. Fragrance is important especially in summer season as it protects a person from bad odour due to sweating. Consumers' third choice is 'long lasting freshness'. In the past, talcum powder gave freshness for one to two hours. But due to the technological revolution powder

industries have developed products, which can maintain freshness for longer duration. While purchasing the product consumers were very specific about the ingredients that are included in the product. Regarding the talcum powder, they are very particular about the fragrance (for e. g. jasmine, lime, rose, sandal etc.). This 'quality aspect' factor works well with the consumers and prevent not to switchover to other brands. 'Price', 'free offers', 'eye catching display' and 'easy availability' have high loading on the second factor. The researcher views these items as "promotional aspects". Implementation of the LPG (Liberalisation, Privatization and Globalisation) concept paves way for many MNC companies to enter Indian markets, resulting in high competition, especially in cosmetic products. To survive against the competition "quality aspects" alone is not sufficient. Corporate should focus on promotional aspects too. Among the 'promotional aspect' group, 'competitive price' stands at the first place, with the value of 0.872. Majority of Indian consumers belong to middle income group. They want to purchase the product for nominal price. High price and fluctuation in pricing are not advisable for the corporate.

'Free offers' has got the second place in the second factor. In the fast growing competitive environment, sales managers have adopted the strategy of giving more offers for rapid selling of products, because if the competitor sells the product with offers, consumers may be pulled towards that brand. Changing offers frequently also will help the corporate to create a strong consumer base and to retain them also.

Eye catching display has got the third place with the value of 0.844. It has got the power to change the preference of the consumers even within a second. It especially works out in non-durable segment. Normally, at the time of introduction of a product, brand executives want to create awareness among the consumers. "Eye catching display" is one of the important techniques adopted by the company to attract the consumers towards their brand. Not only it creates awareness but also retains the existing customers. Whenever consumers enter a store, attractive display helps the sellers to remind them about the brand as well as to induce them to purchase the brand.

There are more chances for the consumers to switchover to the competitors' brand due to the non-availability of existing brand in the retail outlets. To retain the consumers companies should put more efforts to make the product easily available in all the stores. (super markets, grocery shop, petty shops, etc). If the consumers are satisfied with competitors' product (due to non availability of currently using brand), then the firms have to put enormous efforts to regain them. The third factor (preferential aspects) comprises of three items such as 'advertisement', 'attractive package' and 'availability of variants'. In the case of FMCG products, there are several occasions wherein consumers are tempted to change brands. To avoid this, corporate should continuously advertise the product (helps to increase the recall level), offer the product with attractive package (act as powerful point-of-purchase strategy) and more varieties (satisfies different expectations of customers) to retain the existing customers. Persuasive advertisements capture a strong position in the consumers' mind (e.g. Horlicks, Hutch, Mento fresh, etc.), paving way for the permanent remembrance of a particular brand and influence the buyers to stick on to a particular brand. Attractive package has got the second place in preferential aspect with the value of 0.788. Package is one of the important aspects of inducing the buyer to purchase a product. Buyers who enter a

shop with a plan to purchase their regular brand would change their idea after seeing a competitive brand sold in an innovative, attractive and reusable package.

Availability of variants captures the third place in this group. This study confirms that availability of variants enhance consumers' repeat purchase of the existing brand. Consumers who have been using a brand for a longer period may feel monotonous and subsequently search for variety. To satisfy these customers, firms adopt a strategy of line extension (launching of more variants). This helps the companies to keep their customers intact. However, brand executives need to be cautious as line extension leads to cannibalization (Ries and Jack, 1981). The items such as brand image and corporate image are loaded in the fourth factor and it is named as 'image aspects'. Strong image acts as a foundation for building favourable attitudes and it leads to continuous purchase of a particular product. Through this firms can create strong loyal customers. Companies can build strong image by way of offering quality products and effective communication of its unique attributes. By using multi dimensional scaling technique, suitable positioning strategy can be designed and image for a brand can be established. A strong image, both brand and corporate, helps the brand executives in the successful management of competition. The items such as 'retailers influence' and 'recommendations from friends and relatives' are loaded in the last group and the researcher named them as 'external influence'. Literature on marketing reveals that influence of retailers and friends / relatives are predominant for durable goods than non-durable products. In the case of durable goods, retailers can devote more time for every customer and hence more chances of their recommendations being accepted in the final product selection. Quantum of money involved is an important aspect in the decision making process. Friends / relatives do play a vital role in influencing the buying decision. However, these arguments are not fully applicable to non-durable products. Consumers, due to their regular buying habit do not seek advice from the retailers (except in the case of a new product) and even the retailers cannot spend adequate time for each and every customer. That is why the influence of retailers, friends / relatives is considered as less significant factors. The values in the cell represent partial correlations between the item and the rotated factor. The Eigen values for the five components after rotation are 3.463, 3.218, 2.54, 2.083, and 1.913 respectively. The percentages of variance for the five components are 23.08 percent, 21.45 percent, 16.93 percent, 13.88 percent and 12.75 percent respectively. It is worth pointing out that the total variance summarized explains approximately 88.12 percent of the variance of the five factors extracted from the analysis.

4. Findings and Suggestions

Five factors are identified and named as 'quality aspects', 'promotional aspects', 'preferential aspects', 'image aspects' and 'retailers influence'. Items such as Quality, fragrance, long lasting freshness and ingredients are grouped as factor 1 and are named as quality aspects. Price, free offers, eye-catching display and easy availability are grouped as factor 2 and named as promotional aspects. Advertisement, attractive package and availability of variants are grouped as factor 3 and named as preferential aspects. Brand image and corporate image are grouped as factor 4 and named as image aspects. Retailers' influence and recommendations from

friends and relatives are grouped as factor 5 and named as external influence.

REFERENCES

- [1] Adamson, Allen (2003), "What is Branding? Future of Branding Based on Current Trends," *Marketing Mastermind*, 3 (2), 46 – 50.
- [2] Aydin, Serkan and Gokhan Ozer (2005), "National Customer Satisfaction Indices: an Implementation in the Turkish Mobile Telephone Market," *Marketing Intelligence and Planning*, 23 (5), 486 – 504.
- [3] Ehrenberg, A. S. C., Goodhardt and T. P. Barwise (1990), "Double Jeopardy Revisited," *Journal of Marketing*, 54 (July), 82 – 91.
- [4] Hellier, P., Geursen, G., Carr, R. and Rickard, J. (2003), "Customer Repurchase Intention: A General Structural Equation Model," *European Journal of Marketing*, 37 (11), 1762 – 1800.
- [5] Keller, K. L. (2003), "Brand Synthesis: the Multidimensionality of Brand Knowledge," *Journal of Consumer Research*, 29 (4), 595 – 600.
- [6] Moorman, C., Zaltman, G. and Deshpande, R. (1992), "Relationships between Providers and Users of Marketing Research: The Dynamics of Trust within and between Organizations," *Journal of Marketing Research*, 29 (August), 314 – 329.
- [7] P Balathandayutham and R Sritharan (2013), Service quality survey in apartment industry: a study on residential satisfaction among urban residents, IISRO Multi-conferences proceeding,
- [8] R. Sritharan, KT Jyothi, CS Rajakumar, (2008). Role of Involvement in Predicting Brand Loyalty. *Asia Pacific Business Review*, 4 (1), 44-58.
- [9] Samudhra Rajakumar and Sritharan, (2004), "Strategies for Building Brands through CRM," Tapan K. Panda (eds), in *Building Brands in Indian market*, New Delhi: Excel books.
- [10] Shekhar, V. (1994), "Product Positioning," *Indian Journal of Marketing*, (February), 30 – 32.
- [11] Sritharan R, and Samudhrarakumar C. (2008). "Loyalty Behaviour of Consumers' towards Non-Durable Products". *SRM Management Digest*, 6, 41- 46.