

BRAND AWARENESS AND CUSTOMER PREFERENCES FOR FMCG PRODUCTS: AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

The purpose of this study is to examine the brand awareness in Coimbatore city and to study the interest of consumers in branded products of Fast Moving Consumer Goods (FMCG). The brand awareness is showing increasing tendency everywhere and Coimbatore city in Tamilnadu State is not an exception to it. To examine the validity of this general statement that is being discussed day in and day out by the researcher, market managers, producers, consumers, advertisers, etc., Research Paper on brand awareness of Fast Moving Consumer Goods in Coimbatore city is taken up.

Keywords: *Brand Awareness, Consumer Preferences, Consumer Goods.*

1. INTRODUCTION

1.1. Fast Moving Consumer Goods (FMCG)

Fast Moving Consumer Goods (FMCG) satisfies the elemental and day-to-day household needs other than grocery, ranging from packaged foodstuff, dairy products, cooking oil, bread, butter, cereals, beverages like tea & coffee, pharmaceuticals, confectionery, biscuits, glassware, stationary items, watches, toiletries, detergents, shampoos, skin care products, cosmetics, toothpaste, dish washing liquid, shaving cream, razor, batteries, shoe polish, energy drinks, soft drinks, clothing, furniture and household accessories to electronic goods like cell phones, laptops, computers, digital cameras etc. that are usually categorized as Fast Moving Consumer Electronics or FMCEs.

A major portion of the monthly budget of each household is spent on FMCG products. The introduction of sachets made people who are traditionally not accustomed for bulk purchase, to buy branded FMCG products like Rs1/- shampoo, nut powders, oils, detergents, cleaning powders & liquids, tooth pastes, etc. in shops. This changed the pattern of buying from traditional products to branded products.

The Fast Moving Consumer Goods (FMCG) sector is a corner stone of the Indian economy. This sector touches every aspect of human life. The FMCG producers have realized that there is ample opportunity for them to enter into the market. Today we notice this shift towards branded FMCGs in rural areas as a result of Socio Economic & Political changes in the last 5 years. This has made rural areas more viable markets even compared to urban areas. The Socio Economic and Political changes contributed to a great extent for changes in the life styles of countryside people who patronized branded FMCG products. The Government policies to promote education enhanced their brand awareness due to the presence of at least one higher education pursuing student in their family or neighboring family. The different Government policies are also being helpful for people contributed in enhancing people's income followed by a change in their lifestyles resulted in patronizing the branded products.

According to the National Council of Applied Economic Research (NCAER) about 70 per cent of Indian population living in villages, India has perhaps the largest potential rural market in the world. It has as many as 47,000 hats (congregation markets), compared to 35,000 supermarkets in the US. And of the total FMCGs demand in India, nearly 53 per cent comes from the rural market. At present Indian FMCG sector is worth Rs. 1300 billion and expected to be around a whopping value of Rs. 4000 to Rs. 6000 billion by 2020. Henceforth FMCG and its closest companion Retail sector, both are likely to create most of the jobs in India in the coming years primarily in functions like marketing, sales, advertising, supply chain, logistics, human resources, product packaging and development, finance, operations, general management, supervising and so on.

1.2. Brand Awareness and Customer Preferences

Brand awareness is the degree of familiarity among consumers about the life and availability of the product. It is measured as ratio of niche market that has former knowledge of brand. Brand awareness includes both brand recognition as well as brand recall. Brand recognition is the ability of customer to recognize prior knowledge of brand when they are asked questions about that brand or when they are shown that specific brand, While brand recall is the potential of customer to recover a brand from his memory when given the product class/category, needs satisfied by that category or buying scenario as a signal. In other words, it refers that consumers should correctly recover brand from the memory when given a clue or he can recall the specific brand when the product category is mentioned. It is generally easier to recognize a brand rather than recall it from the memory.

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer. Note that preferences are independent of income and prices. Ability to purchase goods does not determine a consumer's likes or dislikes. This is used primarily to mean an option that has the greatest anticipated value among a number of options. Preference and acceptance can in certain circumstances mean the same thing but it is useful to keep the distinction in mind with preference tending to indicate choices among neutral or more valued options with acceptance indicating a willingness to tolerate the status quo or some less desirable option.

2. REVIEW OF LITERATURE

The two important measure of brand awareness is brand recognition and recall. (**Hoyer and Brown, in 1990.**) **Kapferer, in 1988** says "top of mind awareness is critical as it captures the 'consideration set' in a given purchase situation. (**Laurent, Kapferer and Roussel, 1995**) Study on recall of pictorial advertisements as compared to non-pictorial advertisements indicate how much more effective they are rural consumers as compared to urban consumers. (**Velayudhan, 2002**) In some studies, brand preference has been equated with brand loyalty (e.g., **Rundle-Thiele and Mackay 2001**). In other studies, it has been evaluated as a precursor to brand loyalty (e.g., **Odin et al. 2001**). **Ben-Akiva et al. (1999)** define preferences as "comparative judgments between entities." Additional reasons (other than promotions) why consumers may purchase other brands despite a stated brand preference include a desire to try and learn more about different brands in the category; changing needs or situations; variety seeking; and changes in the available alternatives due to new products or improvements to existing products (**Coulter et al. 2003**). **Alba and Hutchison (1987)** propose that experts are more likely to search for new information because (a) expertise increases awareness of the existence of potentially acquirable information and (b) familiarity reduces the cost of information acquisition. **Schmidt and Spreng (1996)** further postulate that knowledge increases the perceived ability to search and therefore should decrease the perceived costs of search. Greater knowledge has been shown to be positively related to increased involvement with a category (e.g., **Raju et al. 1995**). **Dunn et al. (1978)** viewed advertising from its functional perspectives; **Morden (1991)** is of the opinion that advertising is used to establish a basic awareness of the product. Those views of **Etzet et al. (1997)** coincide with the simple but all-embracing definitions of **Davies (1998)** and **Arens (1996)**. **Aaker (2000)** regarded brand awareness as a remarkably durable and sustainable asset. **Yee and Young (2001)**, aimed to create awareness of high fat content of pies, studied consumer and producer awareness about nutrition labeling on packaging. **Hen (2001)** expressed a different thought on brand awareness that it was a necessary asset but not sufficient for building strong brand equity. **Beverland (2001)** analyzed the level of brand awareness within the New Zealand market for zespri kiwi fruit.

3. OBJECTIVES OF THE RESEARCH PAPER

The objective of the study is to understand the buying perception of the consumer towards FMCG Products. For this, the objectives of the Research Work are as under:

1. To study the perception of the consumer towards FMCG products
2. To examine the brand preference and awareness of consumer towards FMCG products.
3. To study the attributes of brand preference.

4. To study the impact of media on brand awareness & Preferences.

4. HYPOTHESIS OF THE STUDY

The main aim of the study is to test the following hypothesis,

- H1:** There is significant difference between male and female attitudes towards brand
H2: There is significant difference among different age groups attitude towards brand.
H3: There is significant difference among different Academic Qualification attitudes towards brand
H4: There is significant difference among different income group attitudes towards brand
H5: There is significant difference among male and female attitudes towards brand awareness through Media.

5. SCOPE AND NEED FOR THE STUDY

FMCG products are substantially used to enhance and protect the health and physical appearance and also the dignity of the people among their counterparts. The spending on FMCG products is showing an increasing tendency in the last 5 years. This is due to increase in income levels, fascination towards urban culture, good connectivity to near- by towns & cities, improvement in sanitary conditions, beauty awareness among teenagers of rural areas emulating their counterparts in the urban areas led to the increased usage of FMCG products particularly beauty & health care products in this city. With this backdrop the brand awareness with reference to FMCG products is thought of. The study is confined only to Coimbatore city in Tamilnadu State. It is believed that the findings in this region are fairly representative of the other parts of the State and the lifestyle & other parameters are not much different from what exist in the area of survey.

6. RESEARCH METHODOLOGY

The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. The study is confined to Coimbatore city. Due to paucity of time and financial constraints Coimbatore city is chosen for survey adapting simple random sampling technique. In all 100 respondents are chosen from different age groups classifying them on the basis of literacy with the help of structured & unstructured interviews & discussions with these respondents the information for this survey is gathered. The information gathered through the questionnaires was analyzed with the help of SPSS 18 software by using the Tabular Presentation, t test and Analysis of Variance (ANOVA).

7. LIMITATIONS OF THE STUDY

Three limitations have been identified in this study. First, the research work covers only Coimbatore city only. Second, the respondents don't want to disclose their personal information and their perception about the organization to the researchers. Third, the sample size do not ensure representative and conclusive finding and finally, a more robust analysis is needed to reach a strong conclusion.

8. FINDINGS & INTERPRETATIONS

Table 8.1: The Demographic Profile of Respondents

Details	Frequency (N)	Percentage (%)
<u>Gender</u>		
Male	50	50%
Female	50	50%
<u>Age</u>		
Below 20	8	8%
Between 20-30	25	25%
Between 30-40	40	40%
Above 40	27	27%

<u>Academic Qualification</u>		
Up to School	34	34%
Up to Graduate	40	40%
Up to Post Graduation	22	22%
Professional	4	4%
<u>Monthly Income</u>		
5,000-10,000	24	24%
10,000-15000	21	21%
Above 15000	22	22%
Dependent Respondent (No Income Group)	33	33%
<u>Types of Products Prefers</u>		
Prefer Brand	25	25%
Prefer Non Brand	37	37%
Prefer Quality of Product over Brand	38	38%

Table 8.2: Brand Awareness

Shampoo	(%)	Washing		Soap	(%)	Tea	(%)	Toothpaste	(%)
		Powder	(%)						
Garnier	64	Nirma	78.9	Lux	95.8	Taj Mahal	78	Colgate	97
Chik	67	Wheel	85.3	Dettol	82.1	Tata Tea	90	Pepsodent	91
Vatika	72	Surf excel	70.5	Lifebuoy	89.5	Maharani	50	Babool	65
Lux	73	Rin	87.4	Rexona	56.8	Agni Tea	65	Cibaca	61
Pantene	80	Arial	53.7	Centhol	65.3	Brooke bond	61	Dabaralal	67
Sunsilk	81	Tide	75.8	Dove	52.6	Red label	62	Vicco	46
Clinic plus	87	Hanko	41.1	Hamam	62.1	LiptonTaza	44	Close-up	82
Average	75	Average	70.3	Average	72.02	Average	64	Average	73

Interpretation

It has been concluded from the above table that the average awareness of the respondents in the market is 75%, in case of shampoo, in case of washing powder the average awareness of the respondents is 70.3% , in case of soap the average awareness of the respondent is 72.02%, in case of Tea it is 64% and in case of Toothpaste the average awareness is 73%.

Table 8.3: Brand Preference

Shampoo			Washing powder			Soap			Tea			Tooth Paste		
C	WS	R	C	WS	R	C	WS	R	C	WS	R	C	WS	R
Pantene	3.40	1	Surf	3.40	1	Dettol	3.60	1	Tata tea	4.07	1	Colgate	4.21	1
Vatika	3.05	2	Rin	3.08	2	Lux	3.59	2	Taj mahal	3.16	2	Pepsodent	3.60	2
Lux	3.02	3	Wheel	3.02	3	Lifebuoy	3.29	3	Brookbon	3.00	3	Dabar lal	2.51	3
Garnier	3.01	4	Arial	2.76	4	Centhol	2.65	4	Agni tea	2.84	4	Babool	2.49	4
Chik	2.53	5	Nirma	2.75	5	Rexona	2.31	5	Maharani	2.16	5	Cibaca	2.21	5

WS-Wt Score, R-Rank. C- Category

Interpretation

From the above table we can see that in case of the shampoo category the respondents give 1st rank to pantene, 2nd to Vatika, 3rd to Lux, 4th to Garnier and 5th to Chik. In case of washing powder the respondent's gives 1st, 2nd, 3rd, 4th, 5th rank to Surf, Rin, Wheel, Ariel, Nirma respectively. In case of soap the respondents give 1st to Dettol, 2nd to Lux, 3rd to Lifebuoy, 4th to Centhol and 5th to Rexona. In case of Tea the respondents give 1st rank to Tata tea, 2nd to Taj Mahal, 3rd to Brook Bond, 4th to Agni and 5th to Maharani tea. In case of category toothpaste the respondents give 1st to Colgate, 2nd to Pepsodent, 3rd to Dabarlal, 4th to Babool and last rank to the Cibaca.

Table 8.4: Attributes of Brand Preference

Factors	Weighted Score	Rank
Quality	5.72	1
Price	5.31	2
Easy availability	4.34	3
Family liking	4.16	4
Advertisement	3.00	5
Variety	2.76	6
Credit	2.66	7

Interpretation

From the above table no 8.4 it is inferred that the respondents give 1strank to Quality, 2nd to Price, 3rd to Easy Availability, 4th to Family Liking, 5th to Advertisement, 6th to Variety & 7th rank to Credit Facility Allowed by the Shop-keeper for brand preference.

9. INTERPRETATION THROUGH INFERENTIAL ANALYSIS

To analyze the impact of brand across demographics, the following hypothesis has been tested through T- test and Anova.

9.1. Gender Vs Brand

H₀: There is no significant difference between male and female attitude towards brand.

H_A: There is significant difference between male and female attitudes towards brand.

Table 9.1 (A) : T-Test : Test of Significance between Brand Preference & Gender of the Respondents

Gender of the Respondents	N	Mean	Std. Deviation	Std. Error Mean
Male	50	1.72	.757	.107
Female	50	2.04	.781	.111

Table 9.1 (B) : T-Test : Test of Significance between Brand Preference & Gender of the Respondents

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	d.f.	Sig. (2-tailed)
Attitude	Equal variances	.328	.568	.208	98	.040
	Equal variances not assumed			.208	97.901	.040

Interpretation

The above table indicate that Significant value is 0.040 which is less than ($P < 0.05$), hence the null hypothesis is rejected and we may conclude that there is a significant difference between male and female attitude towards brand.

9.2. Age Vs Brand

H₀: There is no significant difference among different age groups attitude towards brand.

H_A: There is significant difference among different age groups attitude towards brand.

Table 9.2: Anova : Test of Significance between Brand Preference & Different Age of Respondents

Age of the Respondents					
Variable	Sum of Squares	D.f.	Mean Square	F	Sig.
Between Groups	4.883	3	1.628	2.769	.046
Within Groups	56.247	96	.588		
Total	61.310	99			

Interpretation

The above table indicate that Significant value is 0.046 which is less than ($P < 0.05$), hence the null hypothesis is rejected. There is a significant difference between different age groups attitudes towards brand

9.3. Academic Qualifications Vs Brand

H₀: There is no significant difference among different Academic Qualification attitudes towards brand

H_A: There is significant difference among different Academic Qualification attitudes towards brand

Table 9.3: Anova: Test of Significance between Brand Preference & Academic Qualification of Respondents

Academic Qualifications					
Variable	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.626	3	2.209	3.932	.011
Within Groups	53.934	96	.562		
Total	60.560	99			

Interpretation

The above table indicate that Significant value is 0.011 which is less than ($P < 0.05$), hence the null hypothesis is rejected. Thus, there is a significant difference between different Academic Qualification attitudes towards brand.

9.4. Monthly Income Vs Brand

H₀: There is no significant difference among different income group attitudes towards brand.

H_A: There is significant difference among different income group attitudes towards brand.

Table 9.4 : Anova : Test of Significance Between Brand Preference & Monthly Income of Respondents

Monthly Income					
Variable	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	1.826	3	.609	.995	.399
Within Groups	58.734	96	.612		
Total	60.560	99			

Interpretation

The above table indicate that Significant value is 0.399 which is greater than ($P > 0.05$), hence the null hypothesis is accepted. There is no significant difference between different income group attitudes towards brand. Thus, we may conclude that only income does not affect the attitude towards brand.

9.5. Correlation between Media and Brand Preference

H₀: There is no significant relation between Media and Brand Preference.

H_A: There is significant relation between Media and Brand Preference.

Table 9.5 : Pearson Correlation: Correlation Analysis Between Brand Preference & Different Media

	Brand	Role of Media
Brand Preference Pearson Correlation	1	.185
Sig. (2-tailed) N		.046
	100	100
Role of Media Pearson Correlation	.185	1
Sig. (2-tailed) N	.046	
	100	100

Interpretation

The above table indicate that Significant value is 0.046 which is less than ($P < 0.05$), hence the null hypothesis is rejected. There is a positive impact of media on brand preference.

10. EXPERIMENTAL RESULTS

1. The average awareness of the respondents in the market is 74.70%, 70.3%, 72.02%, 64.1%, 72.7% in case of shampoo, washing powder, soap, tea, toothpaste respectively which infers that people in the market have on an average awareness about most of the products.
2. In the shampoo category the respondents give 1st rank to pantene and last rank to Chik ,to washing powder they gives 1st rank to Surf excel and last rank to Nirma , While to soap the respondents give 1st to Dettol, and last rank to Rexona, while to Tea they give 1st rank to the Tata tea and last rank to Maharani tea and to toothpaste the respondents give 1st rank to Colgate and last rank to Cibaca which infers that advertising and marketing activities have major influences in choices of people in market.
3. The respondents give 1st ,2nd ,3rd ,4th ,5th ,6th 7th rank to quality, price, easy availability, family liking, advertisement, variety, credit attributes of brand preference respectively. It infers quality is the first preference in case of brand choices and people give least preference to variety and credit attributes.
4. Testing the hypothesis, it is found that male and female attitude towards the brand differs significantly. In other words, both gender categories have different attitude towards brand.
5. Consumers of different age groups have different attitude towards the brand.
6. Educational Qualification as one of the Categorical Independent variable also has a significant difference in terms of attitude towards the brand.
7. While, it is found that there is no significant difference among different income categories towards the brand of various FMCG products.

Hence, other than Family income all other demographic variables should be considered while designing brand quality, Price, advertising and sales promotion schemes more specifically cash discount. It is also concluded from the hypothesis testing there is a positive impact of media on brand preferences of FMCG products among consumers.

11. CONCLUSION

The brand awareness particularly in respect of beauty care and health care products is showing an increasing tendency. (Most of the people both from illiterate & literate groups prefer branded products with the belief that quality is assured as the manufacturers are reputed companies. For Ex: Colgate Tooth Paste, Head & Shoulder shampoo). People are not worried about the price of the product. They are showing willingness to spend higher price when they realize that they can afford to spend. Since the usage of branded products of reputed companies will elevate their status as well as stature in the city.

This change in the attitude to spend more on the highly priced branded products (Example: Dove Soap, Garnier Hair Oil) among high income groups clearly suggests that there is an ample scope for such products to capture the markets in this areas by increasing the supply of these products. The marketing agencies are advised to conduct health awareness programs by educating the people about the need to use the health care products to arrest tooth decay, hair fall, dry skin, etc. These products can be made more popular and acceptable among the people.

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