

A STUDY ON PREFERENCE FOR INDIAN LOCAL/REGIONAL FMCG BRANDS AMONG DELHI CONSUMERS

M/s.J.Sherli, Assistant Professor &
Dr. S. Suganya, Assistant Professor,
Department of Commerce,
VELS Institute of Science, Technology and Advanced Studies,
Pallavaram,
Chennai -600117.
E-Mail id sherlijenifer003@gmail.com, suganyasiva46@gmail.com.

ABSTRACT

The purpose of the research paper is to study the preferences for Indian local Fast Moving Consumer Brands (FMCG) among Delhi customers. The methodology adopted for the study is both primary as well as secondary data. Primary data was collected with the help of survey questionnaire. The data was collected both through paper-based administration and web-based administration of questionnaires. The results of the study is a framework formed initially was in line with the analysis and results of the data obtained from 199 participants. It can be concluded that brand preference for Indian local/regional FMCG brands among Delhi consumers may be affected by the given 11 factors including Awareness, Perceived Quality, Sense of Belongingness, Taste Perception, Availability, Price, Packaging, Advertising, Prestige/Reputation, Functional Benefits and Non-Functional Benefits.

Key words: FMCG; Consumers; Preferences; Delhi; Brands.

1. INTRODUCON

A brand is an identity that differentiates products in the market space. This is just a superficial definition of the brand; there is something more to it. They say that nothing is unbranded. These days when we want to munch a burger or sip a cup of coffee, the names which suddenly come to our minds are *McDonalds* and *Café Coffee Day*, respectively. But the story of brands is not limited to just urban market with big and known names. When we look into the rural market, *Nirma* is regarded as an epitome of a successful local brand that has revolutionized the Indian washing detergent industry. In today's scenario, apparel brands such as Barcelona of Liverpool Retail India Ltd.; John Hill of Vir Retail as well as Cotton County of Nahar Group, sell outfits at less than one-third the price of national brands.

There is a rat race among different brands across every industry for being chosen by the target consumers. When the big players are struggling hard for maintaining their respective positions, how much more difficult it is for the brands, which are the brainchild of people in those parts of the country, where even the technology is not so advanced as compared to the metropolitans. The current research is an attempt to find out the preference of local/regional FMCG food brands among Delhi consumers

2. OBJECTIVES OF THE STUDY

- To understand the preference of local/regional FMCG food brands among Delhi consumers.
- To determine the factors affecting preference of local/regional FMCG food brands among Delhi consumers.

2. LITERATURE REVIEW

3.1. FastMovingConsumerGoods

The present study is conducted on Indian regional/local FMCG brands. The Fast Moving Consumers goods category includes all consumables that are bought by consumers at regular intervals. Such products include toilet soaps, toothpaste, shampoos, shaving products, detergents as well as packaged foodstuff and beverages. The items mentioned in this category are meant for frequent or daily consumption

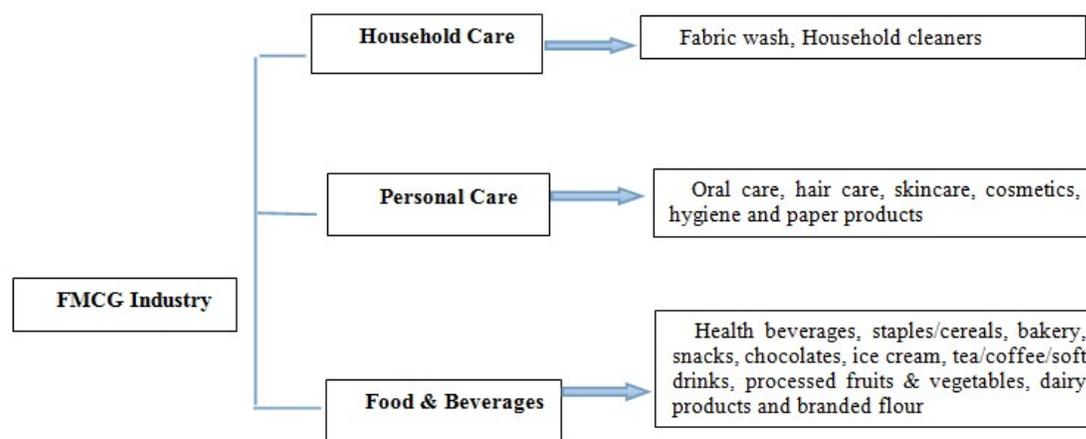


Figure 1 Major Segments in FMCG Sector

The Indian FMCG market consisting of various product categories is growing at a very fast pace. Though various companies are manufacturing and marketing FMCG in the country, Hindustan Unilever and Procter & Gamble are among the leading players. Some of the major characteristics of this sector include well-established distribution network; low operating cost and penetration levels as well as intense rivalry between the unorganized and organized segments. The Nielsen report suggests that low volume packs or sachet packs in the new product introduction have led to the growth of this industry over a period. Other primary factors that are expected to drive sales include an increase in employment and stronger GDP. Additionally, distribution expansion is expected to drive rate of availability, which in turn is predicted to spur sales growth. In another study conducted by Nielsen two years back reveals that the leading regional brands in India are mostly from food and beverage categories such as biscuits, namkeens, coffee, tea and cooking oil as well as detergent and soap category.

Such brands are launched mostly by flexible entrepreneurial teams which are flexible to swiftly respond to changes and are more close to the market. Since the availability of technology is easy, it is no longer monopolized by the established brands. Moreover, various technocrats are understood the importance of technology and are using the same in their entrepreneurial ventures. In order to compete directly with regional brands of tea such as Girnar, Sapat and WaghBakri, Hindustan Unilever Ltd (HUL) introduced

Brooke Bond Sehatmand tea targeted at low-income consumer group. Sehatmand was basically introduced for consumers who opt for cheaper brands especially in the states of Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Bihar and Jharkhand. Additionally, HUL introduced Ruby tea brand, especially for its Karnataka market. In the cold beverages segment, the duopolists Pepsico and Coca-Cola are increasingly facing threats from local, small brands. Regional aerated drink producers across the country include Jayanti Beverages, Alwar; Hajoori & Sons, Gujarat; City Cola and Shri Brahm Shakti Prince, Delhi as well as Boss Beverages, Bareilly, are already selling quality products at around 20% cheaper rates, primarily in rural areas and small towns. Such brands together account for at 10% market share in the aerated drinks industry of India, thereby giving sleepless nights to the two giants of the industry.

“Like P&G and Stengel, more and more businesses are realising the importance of having a „brand ideal“ – a shared goal of improving people’s lives, which in turn has a rub off on brand loyalty, growth and profits.” (Source: Brand Equity, 20th June 2012, “Goodwill Hunting”)

Table 1 Regional FMCG Brands State/Region Wise

State/Region	Brand
Gujarat	Sosyo, Havmor, Hajoori & Sons, Wagh Bakri Tea
Maharashtra	Mapro
Mumbai	Sapat Tea
Uttar Pradesh	Emdees Namkeen, Fresh & Pure Tea and Mohani Tea
Uttarakhand	Himgange Hair Oil Kerala
Namoodiri oral care	Tamil Nadu
Kalimark, Shakthi Masala	Karnataka
Ruby Tea	
Guntur, Andhra Pradesh	Triple-X Tea
Delhi	Tops Foods Fresca Juices, City Cola and Shri Brahm Shakti Prince Himachal Pradesh
Bhujira Jam	Kolkata
Anmol Biscuits	Alwar Jayanti Beverages Hyderabad
Dukes Biscuits	Assam
Wai Wai Noodles	
Nagpur	Dinshaw’s Ice Cream
Ahmedabad	Havmor Ice Cream

3.2. Brand Preference

Consumer brand preference is a basic advance in understanding consumer brand decision; has along these lines constantly got awesome consideration from advertisers. Horsky et al. (2006) exhibit the significance of consolidating data about brand preference into the brand decision demonstrates. Brand preferences speak to consumer demeanours to support a specific brand (Overby and Lee, 2006). It alludes to the behavioural propensities mirroring the degree to which consumers support one brand over another (Hellier et al., 2003; Zajonc and Markus, 1980). Brand preference is near reality as far as reflecting consumer assessment of brands.). In another examination, it was recommended that the relationship of the behavioral result, for example, ability to pay and brand preference, are thought to be related with the behavioural propensities (Chernev et al., 2011) (Dixit, Pandey, Mandal, & Bansal, 2017). Obtaining choices are the behavioural result that goes before separation between a few options is the acquiring choice; a consequent result of consumer preferences (Dhar et al., 1999). Preferences encourage consumers' decision by improving their goals towards the

favoured brand. Genuine acquiring conduct is probably going to compare to aims; the component of expectation development gives proof of persevering consumer preferences (Van Kerckhove et al., 2012). The consistency between consumer preferences and decisions adds to the prescient legitimacy of preference explanation over the state of mind (Bither and Wright, 1977; Hellier et al., 2003). Furthermore, recognizing examples of consumer preference over the populace and revealing consumer heterogeneity is fundamental for outlining and creating inventive showcasing methodologies (Russell and Kamakura, 1997) (Pandey, Dixit, Bansal, & Mandal, 2017), and proficient market division systems (Horsky et al., 2006). It is vital for advertisers to know how consumers exchange off between various brands previously settling on their decisions. Since the brand preference has a coordinate effect on consumer buying choices, at that point portioning the market in light of brand preference is more interpretable and authoritatively valuable than utilizing the coveted brand qualities (O'Connor and Sullivan 1995).

3. RESEARCH FRAMEWORK

Based on the literature review, a research framework was formed which suggests that preference is directly affected by demographic, intrinsic and extrinsic factors as well as functional and non-functional benefits of brands which are the two major components of brand positioning. Finally, the purchase decision is a direct result of the brand preference.

4. HYPOTHESE S

The study had 11 hypotheses formulated from the research framework. All the hypotheses represented intrinsic factors, extrinsic factors and brand positioning factors that could affect the preference/purchase towards local/regional FMCG food brands. Hypotheses H1 to H4 were pertaining to the intrinsic factors, H5 to H9 were tested for extrinsic factors while H10 and H11 addressed the brand positioning factors. Following were the hypotheses formulated based on the research framework.

H₁: There is a significant relationship between awareness on preference for local/regional FMCG brands.

H₂: There is a significant relation between perceived quality and preference for local/regional FMCG brands.

H₃: There is a significant relationship between taste perception and preference for local/regional FMCG brands.

H₄: There is a significant relationship between sense of belongingness and preference for local/regional FMCG brands.

H₅: There is a significant relationship between availability and preference for local/regional FMCG brands.

H₆: There is a significant relationship between price and preference for local/regional FMCG brands.

H₇: There is a significant relationship between packaging and preference for local/regional FMCG brands.

H₈: There is a significant relationship between advertising and preference for local/regional FMCG brands.

H₉: There is a significant relationship between prestige/reputation and preference for local/regional FMCG brands.

H₁₀: There is a significant relationship between functional benefits and preference for local/regional FMCG brands.

H₁₁: There is a significant relationship between non-functional benefits and preference for local/regional FMCG brands.

6. METHODOLOGY

The paper has used both primary as well as secondary data. Primary data was collected with the help of survey questionnaire. The data was collected both through paper-based administration and web-based administration of questionnaires. Researchers and Experts are widely using digital administration methods for questionnaires (Ciolek, 1998) Other studies have found that some respondents choose conventional methods of filling up questionnaire in the paper form. Therefore, the questionnaires were circulated both in the paper form and in web form via Google Forms. A random sample of 199 respondents residing in Delhi was taken which tried to cover people of different demographics. The study used bivariate and multivariate techniques for data analysis.

7. ANALYSIS

7.1 Hypotheses Testing

Table 2 Test for Hypotheses

Null Hypothesis, Correlation Coefficient, t-Statistic, Rejections or Acceptance

H01: There is no significant relationship between awareness and preference for local/regional FMCG food brands	0.592	144.906	Reject H01
H02: There is no significant relationship between perceived quality and preference for local/regional FMCG food brands.	0.100	19.952	Reject H02
H03: There is no significant relationship between sense of belongingness and preference for local/regional FMCG food brands.	0.126	25.222	Reject H03
H04: There is no significant relationship between taste perception and preference for local/regional FMCG brands.	0.047	9.445	Reject H04
H05: There is no significant relationship between availability and preference for local/regional FMCG brands.	0.114	22.769	Reject H05
H06: There is no significant relationship between price and preference for local/regional FMCG brands.	-0.137	-27.400	Reject H06
H07: There is no significant relationship between packaging and preference for local/regional FMCG brands.	0.276	56.668	Reject H07
H08: There is no significant relationship between advertising and preference for local/regional FMCG brands.	0.133	26.472	Reject H08

H09: There is no significant relationship between prestige/reputation and preference for local/regional FMCG brands. 0.098 19.494 Reject H09

H010: There is no significant relationship between functional benefits and preference for local/regional FMCG brands. 0.213 42.962 Reject H010

H011: There is no significant relationship between non-functional benefits and preference for local/regional FMCG brands. 0.119 23.748 Reject H011

From the above table, it can be interpreted that all the 11 factors stated in the research framework section directly affect the brand preference for Indian local/regional FMCG brands. Moreover, it can be observed that Awareness is highly correlated with preference, which means brand awareness is the primary factor that affects customer preference towards a brand (Dixit, Mandal, & Singh, Area of linkage between lean construction and sustainability in Indian construction industry, 2017).

8. CONCLUSIONS

The research framework formed initially was in line with the analysis and results of the data obtained from 199 participants. It can be concluded that brand preference for Indian local/regional FMCG brands among Delhi consumers may be affected by the given 11 factors including Awareness, Perceived Quality, Sense of Belongingness, Taste Perception, Availability, Price, Packaging, Advertising, Prestige/Reputation, Functional Benefits and Non-Functional Benefits.

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(The reason being that negative sign only indicates the inverse relationship between price and preference)

Reject

H011

