



A Study on the Effectiveness of Brand in Consumer Decision with Reference to FMCG

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ABSTRACT

This study explores the dynamic interplay between branding and consumer choices within the Fast-Moving Consumer Goods (FMCG) sector. The study is driven by two central hypotheses: first, that brand familiarity significantly influences consumer choices, and second, that brand trust plays a substantial role in shaping consumer preferences and fostering brand loyalty. The methodology involves a survey administered to a demographic, capturing respondent perceptions and behaviours related to FMCG brands. Participants are queried on their frequency of brand encounters, ability to recall familiar brands, and the impact of familiarity on their purchasing decisions. Additionally, their trust levels in FMCG brands are probed, along with instances where brand trust played a pivotal role in product selection. The data collected will be subjected to rigorous statistical analysis to test the hypotheses. The findings aim to shed light on the extent to which brand familiarity and trust influence consumer choices in the FMCG sector. Furthermore, the study explores the intricate relationship between these variables, seeking to understand whether familiarity enhances trust and how this synergy affects consumer decisions. In conclusion, this research endeavours to unravel the complexities of consumer decision-making in the FMCG sector, emphasizing the pivotal role played by brand familiarity and trust. By delving into these facets, the study aims to provide insights navigating the challenges of a highly competitive market, ultimately contributing to the enhancement of branding strategies in the FMCG industry.

INTRODUCTION

Consumer decision-making is a complex process influenced by various factors, and one of the most significant factors is the brand. Brand has emerged as a critical determinant of success within the FMCG sector. It serves as a powerful tool for companies to establish and maintain a distinct identity, build consumer trust, and influence purchase decisions. Brands are not just logos and slogans; they are the embodiment of a company's values, promises, and reputation. This study aims to delve into the intricate relationship between brand and consumer selection within the FMCG sector.

OBJECTIVE

- To analyse whether brand familiarity have an impact on consumer.
- To examine whether brand influences consumer choices and purchasing behaviour
- Factors influencing in selecting the brand.

SCOPE

- The study will explore the influence of brands across various demographic factors, including age, gender, income levels, and educational backgrounds. This inclusive approach aims to identify how different consumer segments respond to branding strategies.
- Each element of branding, including brand awareness, image, perception, loyalty, and trust, will be thoroughly examined.
- The study will investigate how online presence, social media, and e-commerce channels contribute to brand effectiveness.

NEED

- Understanding how brands influence consumer choices can offer a competitive advantage.
- Identifying the key drivers of brand effectiveness.

- Understanding how positive brand image and consumer trust contribute to long-term success is crucial for the sustainability of FMCG brands.

REVIEW OF LITERATURE

Das, G., & Varshney, D. (2019). *Understanding Indian Consumer: A Comprehensive and Compendium Approach*. Springer:

This comprehensive book explores various facets of Indian consumer behaviour, providing a deep understanding of the Indian consumer landscape.

Roy, S. K., & Balaji, M. S. (2018). Exploring the Impact of Brand Experience on Brand Trust and Brand Loyalty: Evidence from India. *Journal of Brand Management*, 25(1), 65-80:

This study discusses the relationship between brand experience, trust, and loyalty in the Indian context.

Saxena, R. (2017). *Consumer Behaviour in India: Insights for Managers*. Springer:

This book offers practical insights into consumer behaviour in the Indian market, including cultural nuances and market dynamics.

Ramanathan, V. (2011). Consumer Behaviour and Branding: Some Theoretical Insights and Research Propositions. *Journal of Indian Business Research*, 3(2), 117-131:

This article focuses on Indian consumer behaviour and how branding influences it, providing insights into the Indian market.

Rajagopal, D. (2015). *Understanding Indian Consumer Behaviour: A Conceptual Framework* Springer:

This book provides a comprehensive framework for understanding consumer behaviour in India, which can be valuable in the context of HUL's operations.

Krishnan, R. (2009). *Consumer Behaviour in Indian Perspective*. Pearson:

This textbook focuses on consumer behaviour in India, helping you understand the cultural, social, and economic factors that influence consumer choices.

Srinivasan, R. (2006). The Role of Brands in Retailing: A Review. *Academy of Marketing Science Review*, 2006(11), 1-24:

This review article discusses the role of brands in the retail context, which can be insightful when considering HUL's distribution and retail strategies.

Chaudhuri, A., & Holbrook, M. B. (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty. *Journal of Marketing*, 65(2), 81-93:

This research article explores the relationships between brand trust, brand affect, brand loyalty, and brand performance, which are relevant concepts for understanding HUL's brand success.

Kapferer, J. N. (2008). *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term* (4th ed.). Kogan Page:

This book explores strategic brand management concepts in depth, offering insights into building and sustaining brand equity.

HYPOTHESIS 1

1) Null Hypothesis (H0): Brand familiarity has no significant impact on consumer preferences in the FMCG sector.

Alternative Hypothesis (H1): Brand familiarity significantly influences consumer preferences in the FMCG sector.

Case Processing Summary

		Cases		Missing		Total	
		Valid	Percent	N	Percent	N	Percent
Brand Familiarity * Consumer Preferences		100	100.0%	0	0.0%	100	100.0%

Brand Familiarity * Consumer Preferences Crosstabulation

Brand Familiarity	Count	Consumer Preferences			Total
		I'm loyal to aspecific brand	I often switch between brands	It depends upon on the product category	
Yes	24	39	35	98	
No	2	0	0	2	
Total	26	39	35	100	

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.808 ^a	2	.055
Likelihood Ratio	5.506	2	.064
Linear-by-Linear Association	3.988	1	.046
N of Valid Cases	100		

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .52.

INTERPRETATION

The p value is 0.046 which is less than the significance value (0.05) hence null hypothesis (H₀) is rejected. And H₁ is accepted.

INFERENCE

Therefore, brand familiarity significantly influences consumer preferences in the FMCG sector.

HYPOTHESIS 2

Null Hypothesis (H₀): Trust in a brand does not significantly affect consumer decision-making in the FMCG sector.

Alternative Hypothesis (H₁): Consumer trust in a brand significantly influences decision-making in the FMCG sector.

Case Processing Summary

	Cases Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Brand Trust * Consumer Decision	100	99.0%	1	1.0%	101	100.0%

Brand Trust * Consumer Decision Crosstabulation

Count

		Consumer Decision			Total
		Loyal	Switch between brand	Depends on product category	
Brand Trust	Great deal	61	6	3	70
	Moderately	12	3	2	17
	Slightly	6	0	2	8
	Not at all	3	1	1	5
Total		82	10	8	100

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.574 ^a	6	.199
Likelihood Ratio	8.012	6	.237
Linear-by-Linear Association	5.254	1	.022
N of Valid Cases	100		

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .40.

INTERPRETATION

The p value is 0.022 which is less than the significance value (0.05) hence null hypothesis (H₀) is rejected. And H₁ is accepted.

INFERENCE

Therefore, consumer trust in a brand significantly influences decision-making in the FMCG sector.

. FINDINGS

- Majority 57% of the respondents are male.
- Majority 26 % of the respondents belong to the age group of 18-24 category.
- Majority 49 % of the respondents are employed.
- Majority 46 % of the respondents belongs to Bachelor's degree.

- Majority 40% of the respondent income are between 3,00,000-7,00,000.
- Majority 40% of the respondents contribute brand loyalty towards consistency in quality.
- Majority 61% of the respondents are very influential in price when choosing a brand.
- Majority 48% of the respondents select brand depending upon the product category
- Majority 60% of the respondents pay attention towards brand's messaging and values when choosing FMCG product.
- Majority 61% of the respondents come across FMCG brands weekly
- Majority 47% of the respondents seek recommendations from friends
- Majority 57% of the respondents stay informed about new products or brands through social media
- Majority 33 % of the respondents purchase products through physical retail store
- Majority 74% of the respondents are affected by the channel of purchase
- Majority 43% of the respondents are influenced by a brand reputation for innovation
- Majority 98% of the respondents agree that they choose a brand because of its familiarity
- Majority 47% of the respondents are influenced by brand trust moderately.
- Majority 48% of the respondents have an impact on a brand differentiation from competitor
- Majority 48% of the respondents are slightly influenced by convenience in selecting FMCG brand
- Majority 61% of the respondents agreed that branding is important in FMCG product choices.
- By performing Chi-Square test we can conclude that consumer trust in a brand significantly influences decision-making in the FMCG sector.
- By performing Chi-Square test we can conclude that brand familiarity significantly influences consumer preferences in the FMCG sector.

5.2 SUGGESTIONS

- Conduct more of employee engagement activities like mentorship programs, collaborations, cross trainings, fun work day etc. Consider strengthening and emphasizing consistent brand messaging to build trust and influence consumer choices.
- Price is a significant factor, explore pricing strategies that align with consumer expectations and market trends.
- Continue to emphasize innovation in product development and differentiation from competitors.
- Implement continuous monitoring and stay updated on consumer trends and preferences for timely adjustments to marketing strategies.
- Ensure that products are easily accessible through various channels, both online and offline, to meet consumer needs.

5.3. CONCLUSION

- Brand familiarity and trust have an impact on consumer decision in FMCG product choices
- Brand name influences consumer choices and purchasing behavior.
- People who prefer to purchase Branded products as compared to non-branded products like the quality and durability that they get on Branded products.
- Trust, Quality, Pricing, Familiarity, Channel of purchase, Convenience are the factors that influence in selecting a brand
- Brand plays effective role in consumer decision in purchasing FMCG product.

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