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CHAPTER 3

Consumer Perception

3.1 Introduction

Consumer Perception is a process through which people select, organise and interpret sensations.

Figure 3.1 An Overview of the Perceptual Process

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When we choose among competing options the sensory experiences we receive from products and services become larger priority. Colors can be correlated or may even influence our emotions more directly. Odours can stir emotions or create a calming feeling. They can invoke memories or relieve stress. We are bombarded with the sound of voices and music (some good, some painful) all the time – but now advertisers can be more selective about just who hears what they have to say.

Common observation tells us that the effect of touch on consumer behavior is important, although scientists have done relatively little research on this sensory channel. To influence clients when making their choices, understanding and managing brand equity comes from achievement in brand management which makes strong attributes.

According to Ailawadi et al., (2003), this has led to various points of view on brand equity dimensions, the factors that affect it, the perspective from which it should be studied as well as how to measure it. Brands are regarded as an important source of capital for most business. Low
and Lamb Jr (2000) stated that when it comes to service market, the main brand is the firm’s brand while in packaged goods market, the main brand is the product brand. A powerful brand enhances a customer’s attitude and also the strength of the product association of that brand. With the experience of the product attitude strength is developed.

### 3.2 FACTORS INFLUENCING CONSUMER PERCEPTIONS OF A BRAND

**Figure 3.2 Factors Influencing Brand Perceptions**

(Source: The Chartered Institute of Marketing)

Kotler (2005) says that perception is a process through which information is received, selected, organised and interpreted by an individual. Factors that influence consumer perceptions of a brand are:

- Quality

This is one of the factors which consumers take into account when making their choice of brand. According to Uggla (2001), an integrals part of brand identity is quality.
• **Price**
According to McDonald and Sharp (2000) price can be used for brand choice in two ways: either by going for the lowest price to escape financial risk or by going for the highest price to achieve product quality.

• **Influence by others**
The advices of other people have a strong affect on consumers buying behaviour. However, the degree of such affect depends on the situation or individual. Later adapters tend to be more influenced than early adapters. Marketers cannot sharpen the influence by othersFor example, a consumer wants to buy MacLean, while in the shop he or she comes in contact with a friend who says Colgate makes my teeth brighter and whiter. The consumer can be forced to buy Colgate.

• **Advertising**
The aim of advertisement is to create awareness. Advertisement is a conspicuous form of communication. According to Aaker (2000), to make a brand strong we need to have advertising, promotion and packaging to embrace regular positioning strategy over a period of time. Some ways of reaching and communicating with the consumers is with the help of advertising through television, cinema, radio, bill board etc.

• **Packaging**
The process of designing the cover of a brand/product is called packaging. According to Kotler et al (2000), packaging is a type of advertisement that sales duties such as attracting consumers, describing and selling the product.

• **Convenience**
According to Lin and Chang (2003) on consumer and easy access to brand/product in store when buying low involvement product convenience of a brand has a significant effect.

### 3.3 Conceptual Domain of Consumers –Based Brand Equity

- **Brand awareness**
The degree of consumers’ familiarity with a brand is referred as Brand awareness. Aaker (2000) and Keller (2002) said that a vital element of brand equity is brand awareness. According to Rossiter and Percy (2000), to distinguish a brand amongst other brand is the ability of consumers. Keller (2002) said that brand awareness comprises of brand recall and brand
recognition. He also said that when the product class is made known brand recall is the ability of consumers to remember a brand from their mind. Keller (2002) said that “brand recognition may be more important to the extent that product decisions are made in the store”. According to Rossiter et al (2000) brand attitude and intention to purchase a product can only be developed through brand awareness. Aaker (2000) said that there are three levels of brand awareness:

- **Brand recognition** which is the ability of consumers to identify a certain brand amongst others i.e. “aided recall”. Aided recall is a situation whereby a person is asked from a list of brands from the same product class to identify a recognized brand name.

- **Brand recall** is a situation wherein in a product class a consumer is expected to name a brand. As they are not given any clue from the product class it is also referred to as “unaided recall”.

- **Top of mind** is amongst a given class of product the first brand that a consumer can recall. Brand awareness in consumer’s choice of brand plays a vital role as an element. Lin and Chang (2003) say that the result of their study established that on consumers purchase decision the most powerful influence is brand awareness. Hoye and brown as cited by Lin and Chang (2003) their study examined the importance of brand awareness in consumers decision making process and they found out that brand awareness was a primary factor. Also Jiang (2004) found out in his study that consumer’s choice is influenced by brand recognition. Brand awareness is conceptualized as consisting of brand recognition and top of mind.

### Achieving brand awareness

Aaker (2000) said that there are some factors that will help in achieving brand awareness. The company should involve a slogan or jingle which is a visible feature of a brand. The slogan and jingle are powerful and can be a great change for a brand and they can be a strong link between a slogan and a brand. The product should be different and memorable because product differentiation is important as a result of the similarity between product and their means of communication. The company should have symbol exposure as a known symbol will make it easier to recall and memorize a visible illustration of the brand. A logo which is connected to an
existing brand or a developed brand will play a vital role in developing and keeping brand awareness.

Publicity is one of the important ways to create awareness and it is done through advertisement. Event sponsorship can also help to create and maintain awareness. By considering brand extension one can increase the brand recall as it shows the logo or name on the product and makes the name popular. Using cue in terms of packaging which is one of the most significant cues to a brand due to the fact that it is what the purchaser sees while he is purchasing a product. The only means of contact to the brand or product is the package if the product or brand is not known.

- **Brand image**

Engel Blackwell and Miniard (2002) referred to brand image as the combined effect of brand association or consumers perception of the “brands tangible and intangible association”. Keller (2002) see brand images a perception or association consumers form as a result of their memory concerning a product. According to Low and Lamb (2000), brand image is emotional perception or reason that consumers place to a particular brand. Therefore, brand image is sometimes brought out by advertisement, promotion or users, it does not exist in the features, technology or the actual product itself. Brand image enables a consumer to recognize a product, lower his purchase related risks, evaluate its quality and derive certain experience and satisfaction from product differentiation. Krishnan says that brands with high brand equity are prone to more positive brand associations as compared to those with low brand equity. Researchers have proposed that brand equity is to an extent driven by the brand association composition of the image. According to Keller (2002), favorable, unique and strong associations are assumed to provide a positive brand image which will create a bias in the mind of consumers which in turn will increase the brand equity.

- **Perceived quality**

Low and Lamb Jr (2000) said that perceived quality is the perception of the superiority of a brand when compared to alternative brand. Zeithamal (2003) defined perceived quality to be consumer’s judgment about the whole product superiority or excellence. Like brand association, perceived quality provide consumers with value and give them reason to differentiate a brand
from another. Justified by Researchers such as Carman, Parasuraman et al (2003), perceived quality is said to have a positive effect on customers purchase intention. In Cronin and Taylor (2003) as cited by Juan Carlos et al (2001) direct effect was not significant whereas there was an indirect effect which rose from satisfaction. Taylor and Baker (2004) speculated that perceived quality liked with satisfaction has an effect on consumers purchase intention. Therefore, perceived quality can be said to be consumer’s perception of the superiority of a brand which enables them to differentiate a brand from another.

**Brand loyalty**

Odin et al (2001) stated that brand loyalty can either be behavioral or attitudinal. Behavioral loyalty comprises of repeated purchases of the brand. According to Dekimpe et al, one advantage of this is that it measures observable behaviours rather than self reported deposition or intention. It is easier and cheaper to measure. According to Chaudhuri and Holbrooks (2001), attitudinal loyalty can be referred to as the extent of dispositional promises with respect to some particular advantages connected with the brand while behavioral loyalty has to do with the intention to repeat a purchase.

As shown in purchase choice the definition of behavioral brand loyalty deals with consumer’s sincere loyalty to a brand whereas the definition based on attitudinal perspective stresses on consumers intention to be loyal to the brand.

It is assumed that consumer understanding of quality is associated with their brand loyalty. The more loyal a consumer to a brand, the more he/she is presumed to see the brand as a superior quality. The more favorable association’s consumers have towards a brand, the more their loyalty. Aaker (2000 2002) classified loyalty as follows:

- Non-customer: buy the brands of competitors.
- Price switcher: sensitive to price.
- Passive loyal: as a result of habit.
- Fence sitters: indifferent between several brands.
- Committed: honestly loyal.

Consumers base brand equity has influence on consumer perception of brand and favorable perceptions of quality are presumed to be developed by consumers. When they have strong association and perceived quality of the brand and vice versa, consumers brand awareness is
presumed to be high. Also when they have strong association with the brand and vice versa, consumer’s perceptions about the quality of a brand are presumed to be high.

3.4 HOW BRAND AWARENESS AFFECTS PERCEPTION

The degree to which consumers in the marketplace are familiar with particular brands is brand awareness. Compared with larger competitors’ alternatives, which can be backed by millions of dollars in advertising, small businesses can find their products at a disadvantage. Working to build brand awareness is crucial for small business success and brand awareness has a number of distinct effects on consumers’ perception of different brands.

Perception of Quality
Consumers have a tendency to expect higher quality products than generic products or brands they have not seen before by highly advertised brands. In grocery stores, for example, consumers are often presented with a mix of options for individual products, ranging from highly advertised and recognizable brands to generic products. Even if both brands contain the same ingredients or are manufactured in the same factory grocery store shoppers are likely to view the higher-priced "name brands" as superior to store brands.

Presumption of Availability
Creating a psychological association between well-known brands and easy availability, highly advertised brands are most often widely distributed as well. Brand awareness can cause consumers to assume they can find a well-known brand in a variety of outlets. Consider the Budweiser brand and the Baltika brand of alcoholic beverages, for example. Consumers in the U.S. can safely assume that the highly advertised, highly recognized Budweiser brand can be bought at virtually any fueling station, liquor store or grocery outlet. Baltika, on the other hand, can only be found in a select few specialty liquor stores in the United States.

Brand Name Recall
Brand awareness is an end goal, but it can also serve as a catalyst for further demand growth. A consumer can immediately recall several brands, remember several more with a bit of assistance and fail to recognize many that they have likely seen before, for each product category. The
ultimate goal of brand marketing is to earn a top recall spot in consumers' minds. On social media and in a range of settings that serve to spread word-of-mouth advertising, a high level of brand awareness can keep your brands coming up in consumers' conversations.

**Niche Identification**
With specific consumer groups in such a way that certain brands are seen as marks of pride and association in specific groups niche brands with a high level of brand awareness can build a sense of identity. The Nike brand, for example, dominated the basketball shoe product category with its Air Jordans for more than 20 years. It would be extremely rare to find a non-player wearing a pair, virtually every serious basketball player felt that he had to have a pair of Air Jordans in the product's heyday to reflect his passion for the sport.

**3.5 THE STAGES OF PERCEPTION IN MARKETING**
When a consumer makes initial contact perception establishes the meaning about a product or brand and it is described as consumer information processing. In receiving brand marketing communicate messages at this stage all of the senses are engaged. Four distinct stages of perception occur during consumer information processing: sensation, attention, interpretation and retention.

**Sensation**
Sensation describes what happens when a person's senses are initially exposed to the external stimulus of a product. Through sight, sound, smell, taste and texture the sensory receptors of a consumer are engaged by product or brand cues. For example, Starbucks engages all the senses in its sensory brand marketing. A customer who enters a Starbucks coffee shop may hear the sounds and smell the aroma of the grinding of fresh coffee in the store with background music and a unique store design round out the experience of the taste of hot or cold coffee and food products that can be enjoyed in-store at quaint cafe tables.

**Attention**
To the external stimulus from a product or brand in consumer information processing, attention occurs when a person lingers and gives mental processing capacity. Selective perception is when
a consumer pays attention to messages that are consistent with her attitudes, beliefs and needs. The consumer will withdraw attention when a product is inconsistent with these factors.

**Interpretation**
From a product or brand marketing interpretation occurs when a person assigns a meaning to the sensory stimulus. Comprehension is aided by expectations and familiarity. To retrieve previous experiences with the brand or a similar brand a consumer scans his memory. Stage when product packaging design contains logos, colors and other elements that are similar to national brands that consumers are generally more familiar with store-brand marketing frequently capitalizes on the interpretation.

**Retention**
The conclusion of the consumer perception process is the retention stage and it marked by the storage of product or brand information in short-term and long-term memory. The information about the product or brand into long-term memory is the marketer's goal to provide positive stimuli in the proceeding stages that translate into consumers storing.

### 3.6 PERCEPTION METHODS IN MARKETING
Marketing will earn sales, that builds consumers’ trust. To build a brand image that consumers will perceive as trustworthy, valuable and suited to their own needs and self-images perception methods are used in advertisements and promotional tools. As a marketer, the more effective your methods will be, the more you understand how your prospective customers think.

**Connecting and Comparing**
Knowledge of your target consumers can reveal the desires, interests and priorities and designing advertising that speaks to those needs and resonates emotionally will get consumers’ attention. Consumers have to know how it compares to competitors and what you’re offering. Tying the emotional benefits of your offer to a price your consumers can afford feeds a perception that you understand consumers better than competitors do.

**Demonstrating**
By demonstrating solutions marketers get into consumers’ heads. In different settings and under various circumstances to solve problems and meet needs, creates a perception of excitement and trust around your product or service, creating traditional or online advertising that shows people how to use what you offer. For example, beginning in the 1950s Ron Popeil was a pioneer of this marketing method as he built an empire on kitchen inventions. Through live events, TV commercials and paid infomercials, primarily by showing people how to use, clean and store his innovative counter-top appliances Popeil marketed his brand into a trusted household name.

**Listening and Relating**
Marketers get into consumers’ hearts by listening and getting to personally know your prospective and current customers generates the perception in their minds that your brand cares about them and wants to help, primarily by showing people how to use, clean and store his innovative counter-top appliances every time you or your employees respond to a question or comment from a customer at the counter or a visitor to your brand’s social media pages, x. Additionally, asking your customers about their experiences with your brand can show you the perception they have despite your marketing efforts.

**Aligning and Symbolizing**
From influences such as culture, family, peers, economic status, education and aspirations everyone has a self-image woven together. Presenting a company’s product or service to reflect an image shared by the prospective customers builds in them the perception that the brand validates and respects who they are. As a perceived symbol of their own identities and self-expression people praise your brand to their friends and colleagues. Online surveys can determine the likelihood that customers will refer your product or service to a friend, and those who are most likely should have an option to immediately post their recommendations on social media sites.

**3.7 CONSUMER PERCEPTION THEORY**
By determining what drives their customers’ purchase decisions merchants aim to increase their sales. Consumer perception explains consumer behavior by analyzing motivations for buying -- or not buying -- particular items. Three areas of consumer perception theory relate to consumer
perception theory: self perception, price perception and perception of a benefit to quality of life. To marketing and advertising consumer perception applies the concept of sensory perception. Just as sensory perception relates to how humans perceive and process sensory stimuli through their five senses, consumer perception pertains to how individuals form opinions about companies and the merchandise they offer through the purchases they make.

To determine how their customers perceive them merchants apply consumer perception theory. They also use consumer perception theory to develop marketing and advertising strategies intended to retain current customers -- and attract new ones.

**Self Perception**

To explain how individuals develop an understanding of the motivations behind their own behavior self perception theory is made. Self perception by customers relates to values and motivations that drive buying behavior. How self perception shaped consumers' buying behavior is addressed by a study done by researchers at the University of Massachusetts at Amherst. The study considered the question on issues such as environmental impact of whether consumers believed their buying decisions had a real effect. The researchers concluded that in whether or not they placed a priority on socially conscious purchase and consumption practices consumers' self perception was a driving factor. When making buying decisions than consumers who did not hold similar views of themselves consumers who viewed themselves as socially conscious tended to place more weight on issues such as environmental impact.

**Price Perception**

Upscale merchants attempt to emphasize quality and value for money to appeal to potential customers while mass merchandisers such as Wal-Mart emphasize low prices as an inherent virtue. Researchers considered several factors, in determining whether online shoppers would make repeat purchases through the same website including price perception -- whether consumers believed they were being charged fair prices. The researchers concluded that price perception strongly influenced whether the customers were satisfied with their purchases and whether they would make future purchases. The perceived quality of the merchandise and price
comparisons with merchants offering similar merchandise, are the two factors that shaped price perception.

**Benefit Perception**

Many consumers are familiar with the phrase "It's good, and it's good for you" which is frequently associated with food advertising. To determine how nutrition claims associated with food affected their perception of that food's nutritional value researchers from Marquette University, Louisiana State University and the University of Arkansas surveyed customers. The researchers found that especially concerning high nutritional value for foods that are traditionally viewed as unhealthy consumers tend to reject general, unsupported claims of enhanced nutrition. About the foods they purchase the researchers also theorized that consumers would demonstrate a trend toward applying more scrutiny to nutrition claims and would demand more specific information.
3.8 HOW DO YOU CHANGE A NEGATIVE CUSTOMER PERCEPTION OF YOUR BRAND?

Perception is everything. It’s very difficult to change if customers have a poor or negative feeling about your brand, without a real focus. Your brand and how you respond to your customers’ issues has become increasingly important to manage and defend in the hyper sensitive world of social media. Negative perceptions in most cases exist because you have not lived up to your customers’ expectations – the service was poor, the food was bad, the quality is not that good. In some instances, issues arise when brands with a particular image try to do different things and appeal to different audiences. The perceptions can often challenge the original brand itself.

We can see how you can undermine you brand and very quickly turn your customers against you, if we take a look at recent events from the banks. The Co-operative Bank and RBS demonstrate how quickly perceptions can change for the worse and change very quickly. On the high street we are currently seeing how brands like Mothercare are struggling as many people feel the brand is old and tired and not relevant to the internet age of Mamas and Papas.

One example of turnaround has been of Skoda, that 15 years ago it had a very negative brand perception and people believed the car was poorly made and had quality issues. It almost became the joke of the car market. But today, following its acquisition by the Volkswagen Group in 2000, is a great example of high quality, low prices and well engineered cars.

Another interesting example is SAGA who have traditionally provided services for the older customer, but who have for over 10 years been struggling with how to make their brand relevant and appealing to the younger 50-something. When you have just turned 50 the last thing you want to do is be seen as old.

Here are five rules for brand perception, change and management

- Defend your brand and manage its reputation, especially in the face of negative feedback on service and quality, challenge negative perceptions as soon as they arise. If you are in service business you should focus all of your efforts towards customer feedback which should be actively sought through questionnaires, feedback forms, mystery shopping and via your social media channels. If you embrace negative feedback and encourage comments then you can do something about them and don’t bury your head in the sand and expect them to go away. Take a look at Trip Advisor and look at what people are
saying about hotels and you will see how important it is to be living and breathing your customers’ experiences. Retailers should also take note that if people are not in your store then they may be in your competitors’ for good reason.

- To demonstrate your true brand value, focus on your brand values and positioning. Skoda is focusing on communicating the brand values and telling us through advertising what a great product it is producing. This was based on extensive research and listening to its customers but fundamentally what it did was to position the brand around a clear set of values and a strong promise linked to the Volkswagen Group reputation.

- Research and customer feedback are key so focus on the customer and listen to their issues. You need to make sure you have a very proactive approach embedded in sound market research. It should be spoken by your customers. Focus on what they say and you will not go far wrong.

- Never get complacent because one mistake can end it all so don’t expect things to stay the same. Look at Apple now. Post the late, great Steve Jobs the world has been waiting to see if the company can continue to innovate without him.

- Lying in the wings are Samsung and Google ready to take the coveted mantel. If you fail to live up to your brand promise every day, even with the loyalty of Apple customers, then people vote with their feet and their pockets.

- Communicate your message and own your brand perception. You must communicate or lose your identity. Mothercare, and to some extent SAGA, fall into this category. I can’t remember the last Mothercare advert or message I have seen. There is not an excuse to simply ignore your customer base and expect them to remember you because you have been around for a long time. For SAGA it’s a different communications issue with two directions. This is what M&S has done to get to the younger market with its Per Una range/brand. Alternatively you have to fundamentally readdress the whole brand. What does it stand for and what do customers think of it? This is the Skoda experience. Here you should challenge the misconceptions head on. Don’t run away from them, turn them into positives. It’s difficult but there are plenty of creative ways you can do it.

It’s always about the brand? So perception is everything and it’s up to you to ensure that you are in control of yours. If you need to challenge and move into new markets fundamentally review
your brand perceptions and own them and focus on your customers and their comments, communicate at all times, research proactively.

3.9 IMAGE LIES IN THE HANDS OF THE CONSUMER

As a marketer, you have complete control over creating brand awareness since brand perceptions are driven by the things your customers are saying about their experience with your organization. However, they are looking for someone other than your brand to weigh in, that whole part of the funnel in which your customers are actually contemplating and researching a purchase decisions. I’ve been hearing a lot of marketing worry about this.

A brand doesn’t get to shape an image directly for themselves anymore and a consumer’s brand perception is now the brand’s reality. Brands often feel like they have to throw perceptions and image to the wind and hope that they aren’t picked up by a tornado of unhappy consumers and destroyed thus image lies in the hands of the consumer. It’s my opinion that we aren’t as powerless in shaping brand perception as we sometimes feel.

A negative tweet can be seen by thousands and brands are getting talked about more than ever across all social platforms, but a rave tweet can also be seen by thousands. To talk about a brand experience it’s all about having the right “middle men”. Ambassadors or influencers or advocates or happy consumers have the power to make or break a brand now more than ever and marketers have an advantage if they really grasp this fact. To change and modernize perceptions of your brand how you can find the right people to work with. A good formula consists of understanding and preparing for the time commitment to this strategy, setting up communication with current brand, finding new influencers who fall in to your brand’s niche, and equipping everyone with a brand experience that encourages conversation.

Setting Expectations

At the beginning it’s a time consuming process and the cycle can be a little long but, no one has ever said it wasn’t worth the time. The cycle tightens up and doesn’t become such a long process for future initiatives once a network is created and fostered and on the way to talk about you in the world.

Building the Right Network of Brand Ambassadors
Make sure you build a network that is the most crucial step in molding brand perceptions, whether you’re communicating with current brand fans or people that you’re trying to build in to a champion of your brand. They will help to discover the identity of your brand and what your target audience wants to see and also they will help you by talking about your brand with juicy word of mouth mentions.

**Communicate With Your Network (They Hold Secrets)**
You can find out everything you need to know about your current brand’s perception and how to change the areas that aren’t as positive as you’d like by having a pulse on all of your consumers and people who live in your social network. Sending out surveys and emails not only make your network feel like part of your brand but also gives them a chance to have a voice. You can use this to make changes to combat negative perceptions and this voice will tell you exactly how they feel. This strategy is a modernization of the concept of a “focus group.”

**Foster WOMM from Current Brand Fans**
You can locate all of the people who already like your brand and have talked about you through social listening and a detailed examination of your current network. Now, you need to stay on their brains, you need to keep in touch. By setting up a monthly newsletter or communication process you are sharing new information, awesome products and resources. It will also keep you on their minds and give them information on your brand to share with their own networks. Another way to foster conversations about your brand is to have a list of people that you send free stuff to.

**Locate New Fans**
You can never have too many fans so part of your outreach marketing strategy to improve and/or change brand perception is making sure you’re always on the lookout for new influencers to introduce your brand to. These influencers need to be people who will love your brand. They are a super snug contextual fit with your brand and the process of building up these relationships is different and longer than the process of fostering word of mouth recommendations from your current network. You first have to introduce your brand to new people and get them interested then you have to make sure an authentic like (or love) for your brand occurs. After a little bit of
nurturing then these influencers can be added to your network of brand fans and communicated with regularly as I outlined in that part of the plan above.
Give Them Something to Talk About

- A positive experience with your brand is going to be talked about obviously but did you know you can do better than that?
- To produce content in the forms of videos and infographics which don’t talk about your brand but they address a pain point your consumers experience is something worth talking about.
- Give exclusive access to your brand fans when you release a new product or information. They will be sure to share in the best possible way.
- Have events just for your fans. A client or network appreciation event not only gives them photo opps to share and blog posts to write about you but it also increases their positive perception of your brand.
- With your consumers and influencers share your brand’s human element. A human side of a brand is a great element to any story, from a cool story to how your brand came to be or unique values that your company holds to interesting things that happen in your office.

Authentic Brand Experience

You’re marketing an experience - one of the most important things while creating a positive image to make sure you are not marketing your brand. Think about this: a fashion brand sends a blogger a dress and the blogger takes pictures of herself in the dress and writes a post centered on the quality of the dress, why it’s comfortable and that she’s excited to wear it to a cocktail party. It’s not a bad earned mention by any means, but, do you think this blogger’s audience is sharing this post a lot and really engaging with it? Probably not…

Now: a fashion brand sends a blogger a dress to wear to her birthday dinner out with the family and the blogger takes pictures of herself wearing her dress in a real scenario and an experience of a nice dinner in a nice dress is captured. A bigger picture takes shape and a whole experience with the dress has happened. A strategy that focuses on earning brand experience posts and mentions instead of item centric mentions will be so much more successful. Wendy’s did a great job of this with their launch of Frosty’s in a cone. They sent high profile bloggers to try the Frosty and take pictures of themselves consuming it while doing something that was nostalgic to
them. So much cooler than asking the blogger to show up at Wendy’s and snap a photo in the fast food joint right?

**Tips to Start Right Now**

- Get a pulse on current network of brand fans
- Reach out to them to find out how they view your brand and ask them what they love and hate.
- Create a plan to consistently communicate with your brand’s fans.
- Make sure to reward word of mouth brand mentions with presents from your brand.
- Create a plan to reach out to new influencers to mold into brand advocates.
- Give your network information to talk about with their own network.
- Remember to always market a brand experience.

**3.10 OBJECTIVES OF THE STUDY**

- To understand the reason of buying branded products.
- To identify the need for new products and match the same with customer requirement.
- To check the awareness level of consumers regarding branded products.
- To study the perception of consumer about the branded products.
- To know the place from where customer purchase branded items.
- To know about the factor affecting a customer’s choice of branded/unbranded products.
- To know whether is there is impact of income level on the sale of branded unbranded products.

**3.11 HYPOTHESIS OF THE STUDY**
The research is based on the following hypothesis:

H<sub>01</sub>: Consumers prefer purchasing branded products.

H<sub>01</sub>: Consumers do not prefer purchasing branded products.

H<sub>02</sub>: Customer Perception for branded products remains positive and they do not mind switching from one branded product to another.

H<sub>02</sub>: Customer Perception for branded products can get negative and they do not always switch from one branded product to another.

H<sub>03</sub>: Advertising plays an important role in changing Consumer Perception.

H<sub>03</sub>: Advertising has no role to play in changing Consumer Perception.

### 3.12 RESEARCH METHODOLOGY

#### Sources of Data

The entire study would be based on

(a) Primary data and
(b) Secondary data.

The Primary data will be collected by a questionnaire which would be circulated amongst customers in Mumbai. The questionnaire would be tested through Pilot Testing and subsequently circulated amongst customers. The Secondary data, on the other hand, will be collected through information available in various books, journals, previous research, website etc. The analysis will be done by using mathematical and statistical tools to arrive at conclusions.
Research Design

Descriptive Quantitative Research

The Research involves understanding of various concepts of Brands and labels in the organized Apparel Retailing, measuring who drives retail sales, what is the impact of Private label and National Brand on consumers buying behaviour and how Private labels affect National Brands. Since insight on brands and labels and who, what, how are being addressed in this research, the Research Design to be used would be Descriptive Research. The primary data collected from consumers, Private label and National Brand would be quantified. Hence it would be Descriptive quantitative Research.

Sample Type

The sampling type for the consumer survey would be Stratified Random Sampling method. The Retailer and the National Brand survey would be conducted using Judgemental sampling method.

Sample Size

Since the total population (N) that is the number of customers using branded goods in FMCG sector in Maharashtra was not known the following formula was used to calculate the sample size.

Assuming the percentage of customers using branded goods in FMCG sector prevails to be 40% (based on the estimates by Industry Sources) the sample size n required to estimate this percentage is

\[ n = \frac{Z^2 \cdot PQ}{d^2} \] assuming \( N = \infty \)

Where \( Z = 1.96 \) for 95% confidence

\( P = \% \) of customers using branded goods in FMCG sector

\( Q = (100-p), \ d = 10\% \ of \ P=4.0, \ (10\% \ error) \)

\[ n = 576 \]
To ensure balanced representativeness of the consumers, the random sampling was used. The target population tapped was the employees, professionals and business class males and females in Mumbai. The sample size calculation showed a sample of 576 based on which a sample of 581 was chosen which included 256 males and 325 females.
3.13 SCOPE OF THE STUDY

• The study aims at ascertaining customer perception on branded goods segment. The study is restricted to the information regarding the customer’s likes and dislikes, personal decisions and family decisions and loyalty of the customers. The study has been restricted to branded products in FMCG segment. The customer perception shall be done with the help of primary data (questionnaire) and secondary data (research articles, books, journals, etc.).

3.14 LIMITATIONS OF THE STUDY

➢ The study will be confined to FMCG segment.

➢ The study will be restricted to the city of Mumbai.

➢ The response from the customer may be biased.

➢ The sample size shall be 581 customers.