Chapter I

Introduction and Design of the Study
CHAPTER – 1

INTRODUCTION AND DESIGN OF THE STUDY

Many firms adopt the vigorous means to maintain the existence in the market, as there are many substitutes in the market, in the modern business world. The literal meaning of business is “Being Busy” but actually it is and economic activity. It is mainly about cleaning with goods and services. Producers use the factors of production to manufacture and produce goods of all kinds required by consumers. Some of them are working on a small scale, somehow making both ends meet. Some others are functioning on a large scale providing livelihood to thousands. Profit motive is the major factors of the business. Infact, business activity will flourish and its object will be realized only, when it is able to serve community to its satisfaction.

To day, it every one eats biscuits in daily life, Britannia and Parle rigid insistence on international standards of quality and hygiene and its, passion for innovation and sensitivity to the customers changing tastes and habits.

“New Corporate Identify” - Eat Healthy Think Better” launched.
The consumer has his own choice depending upon the various factors that has affected the selection of a particular brand. Hence, the study is made on the brand Loyalty of the Britannia and Parle.

There are a number of brands available in the market. One has to decide which brand to choose. There are many factors which determine the brand to be used namely quality of the products, price, advertisement, packing and free gifts offer of the product.

The main purpose of the study is to measure the brand loyalty of the sample respondents to the Britannia and Parle brand biscuits and know the main factors that influence their brand loyalty.

**CONSUMER BEHAVIOUR**

The study of any subject is made easier by examining it in an organized fashion. Therefore, we should determine the general classes of variables influencing consumers behaviour understand the nature of these variables, and hear how to make inferences based on this knowledge.

A knowledge of consumer behaviour would render immense help for planning and implementing marketing strategies. A modern marketer first tries to understand the consumers and their response, and then he studies the
basic characteristic of their behaviour. It can be said that the consumer is the pivot, around which the whole marketing system revolves. The selection on choice of products or services by consumers greatly determine the fate of the producers. The marketer must know the consumer more and more in order to manufacture the products which give them satisfaction in the way consumers need.

The marketer is always interest to know how consumer respond to various marketing stimuli, such as product price, place and promotion and other stimuli, i.e. buyer environment such as economic, technical, political and cultural. The factors that influence the consumer behaviour are internal and external, internals and need, motives, perception and attitude. External factors are family, social, groups, culture, business etc.

"The whole behaviour of a person while making purchase may be termed as consumer behaviour".

"Consumer behaviour may be defined as that behaviour exhibited by people in planning, purchasing and using economic goods and services".

According to Webster "Buying behaviour is all psychological, social and physical behaviour of potential consumer as they become aware of valuate, purchase, consumer and tell other people about products and services".
ECONOMIC FACTORS AFFECT THE BUYER'S BEHAVIOUR

➢ Disposable Personal Income

The economists made attempts to establish a relationship between income and expenditure. Disposable personal income represents potential purchasing power that a buyer has. The change in income has a direct relation on buying habits. Personal consumption spending tends both to rise and fall at a slower rate than what disposable personal income does.

➢ Size of Family Income

The size of family and the size of family income affect the spending and saving patterns. Generally large families spend more and small families spend less, in comparison.

➢ Income Expectation

The expected income to receive in future has a direct relation with the buying behaviour. The expectation of higher or low income has a direct effect on spending plans.
➢ Propensity to Consume and to Save

This goes to the habit of spending or saving wish to disposable income of buyers, if the buyers give importance to present needs, then they dispose their income. And buyers spend less it they give importance to the future needs.

➢ Liquidity of Fund

The present buying plans are influenced greatly by liquidity of assets i.e. cash and assets readily convertible into cash, for example, an advertisement featuring a move star to influence consumers positively toward a brand may actually be perceived negatively by some consumers.

➢ Consumer Credit

Facility of consumer credit system, line purchase, installment purchase etc. Play an important role in purchasing decision. A buyer can command more purchasing power, “Buy now and pay later” plays its role effectively in the rapid growth of markets for car, scooter, radio, fridge, furniture, television and the like.

CUSTOMER

Today’s companies are facing their toughest competition ever. The companies can outdo their competition if they can move from a product and sales philosophy to a marketing philosophy. In this chapter, we deal in
detail how companies can go about winning customers and out performing competitors. The answer lies in doing a better job of meeting and satisfying customer needs. Only customer–centered companies are adopt at building customers, not just building product. They are skilled in market engineering, not just product engineering.

**CUSTOMER SATISFACTION**

Customer satisfaction with a purchase depends on the products performance relatives to a buyer expectation. A customer might experience various degrees of satisfaction. If the products performance falls short of expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied of delighted.

Expectations are based on the customer past buying experiences, the opinion of friends and associates, and marketer and competitor information and promises. Marketers must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy but fail to attract enough buyers.

**BRAND AND BRANDING**

“A brand is a name, term, symbol of design or a combination of them which is intended to identify the goods of services of one seller of group of sellers and to differentiate them from those of the competitors”.
A brand identifies the product for a buyer and gives seller a chance to earn goodwill and repeated patronage, its use goes back to the middle age for promoting sales. It is said that Egyptians were some of other identification to market their pottery. The continued use of brand to the present times in business has been largely due to

i. Growth in competition.

ii. Growth in national and local advertising

iii. Growth of packing and

iv. The development of consumer brand consciousness.

Branding is the management process by which product is branded. It is a general term covering various activities, such as giving a brand name to a product, designing a brand mark and establishing and popularising it.

**IMPORTANCE OF BRANDING**

Branding is an essential part of marketing sub-function of selling. Manufactured goods are standardized in the process at production. Thus shays are of uniform quality, size, etc. and don’t require grading. But every manufacturer or seller feels the need of identifying his goods with some definite symbol, mark or slogan, so that his good catch the attention of the customers. Also a manufacturer or a seller wants to establish certain
definite image in the mind of the public about the quality, durability, shape, fashion and colour of his product. He does this by using a brand or trademark to stabilize his product.

**ESSENTIALS FOR A GOOD BRAND NAME**

- The demand for the product class should be large and strong enough to support a profitable marketing plan, involving additional promotion cost.

- The product should be easily identifiable by a brand and lend itself easily to conspicuous marking.

- The brand must carry through to the ultimate customer.

- There must be economics of large sale production whenever additional production is undertaken as a result of expanding sales volume.

- The quality of the product should be the best and it should be easily maintained.

- There must be a consistent and widespread supply of the products.

Almost impossible to change his preference even if cheaper and alternative products are available in the market.
TYPES OF BRAND

(i) Individual Brand

A firm may decide upon a policy of adopting distinctive brands for each of its products.

(ii) Family Brand Name

The strategy of family brand name works when its name brings positive associating in the mind of the customer. To the customer, it represents quality, reliability and assurance of meeting specific standards. Family name is limited to one line of products. The term family brand refers to one brand name. Which a firm adopts for a variety of its products. For instance, Johnson and Johnson, Godrej, etc.,

(iii) Independent Brand Name

The strategy of an independent brand name is therefore advisable. This can also help to penetrate different market segment which may buy the firm’s product for different reasons. This strategy can also ensure that the firm doesn’t lose its original position. For example, it Hindustan Lever would have introduced different detergent powders. Under the name of surf for different market segments, and differentiated them only on the basis of price.
(iv) **Company brand**

We may have for all products the name of the company or the producer. When a firm manufactures many products, this type of brand is used, for instance Tata’s textiles, engineering goods, chemicals etc.,

(v) **Combination Device**

Products have individual names and company brands to indicate the firm producing them. For instance, Tata’s Jai.

(vi) **Private or Middlemen’s Brand**

Such brands are owned and controlled by middlemen rather than manufacturers. Manufacturer introduces his products under a distributor’s brand name.

A strong brand is a powerful motivation for people to work for it. The owner firm is able to attract the best talent in the market. It is able to get the best of the distribution channel and maximum exposure at the retail outlets. Since it is always a fast moving brand, retailers and wholesaler’s interest are protected as they are able to maximize their profits and enjoy a high return on investment.
BRAND LOYALTY

"A major goal of marketers interested in how consumers learn is to encourage brand loyalty. Brand loyal customers provide the basis of a stable and growing market share and can be a major intangible asset reflected in the purchase price of a company. A study of consumer purchase habits reveals that brands with higher market share have proportionately larger group of loyal buyers".

Brand loyalty must be measured by attitudes towards that brand, rather than purchase consistency.

Branding has become a management techniques as it involves consideration of alternatives and choosing the best alternative. When consumers repeat purchase of the same brand, it is called brand loyalty.

While brand loyalty is the ultimate goal of the markets, loyalty patterns may be shifting of a number of product categories. Though the consumers like the positioning of the brand, this may eventually result in divided loyalty. The greater proliferation of the brands in a category, the greater the tendency on the part of the consumer to try our few brands. Timely reliance's, adding new items in the product line etc., enhances the involvement levels of the existing consumer base.

An individual with a specific drive (need) is constantly on the lookout for a form in the external marketing world, which would satisfy him. When
the finds an appropriate we responds by buying product. A consumer who has a need for quick & tasty lunch may prefer a brand of fast food. When he finds the food to be satisfying on a number of counts (taste, convenience, proximity to the retailing point, etc.,) he starts repeatedly buying that specific brand. Whenever the need for a fast food is over a period of time, his response to the head results in brand loyalty.

It should be noted that brand loyalty is a concept, which would be very effective in consumables than durable because of the repeated buying future associated with them.

**ACHIVING BRAND LOYALTY**

![Diagram of brand loyalty process]

1. **Target Segment** (Forth Band)
2. **Identification of needs**
3. **Choosing appropriates**
4. **Product promise and delivery of benefit** (fantasy-based appeals for hedonistic products)
5. **Product promise and delivery of benefit** (fantasy-based appeals for hedonistic products)
6. **Brand loyalty**

The chart clearly depicts how the brand loyalty of a product could be achieved.
BRAND LOYALTY'S INFLUENCE ON CONSUMER BEHAVIOUR

In today's highly competitive environments, improving consumer's loyalty to brands permits marketers to maintain a comfortable and lasting position in the marketplace.

The new millennium is not just a new beginning; it is a continuation of trends in human behaviour that have been following cyclical patterns throughout our country's history. Just because we have entered a new era does not mean we have to start from scratch when it comes to interpreting why certain consumers are loyal to certain brand, and what type of factors influence these allegiances.

Brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, of level of quality at the right price. Consumer behaviour is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in future.

The image surrounding a company's brand is the principal source of its competitive advantage and is therefore a valuable strategic asset.
Unfortunately, many companies are not adopt at disseminating a strong, clear message that not only distinguishes their brand from the competitors, but distinguishes it in a memorable and positive manner. The challenge for all brands is to avoid the pitfalls of portraying a muddled or negative image, and instead, create a broad brand vision or identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed. In fact, a company should view its brand to be not just a product or service, but as an overall brand image that defines companies philosophies. A brand needs more than identity; it needs a personality. Just like a person without attention – grabbing characteristics, a brand with no personality can easily be passed right over. A strong symbol or company logo can also help to generate brand loyalty by making it quickly identifiable.

**OBJECTIVES OF THE STUDY**

1. To analyse the brand loyalty of consumers towards Britannia and Parle biscuits at Erode District.

2. To study the customers opinion and their level of satisfaction towards biscuits.

3. To find out the factors responsible for brand loyalty of consumers.

4. To identify the various factors influencing the purchase of Britannia and Parle biscuits in the study area.

5. To offer suggestion for the betterment of the product based on the major findings.
SCOPE OF THE STUDY

A substantial proportion of all marketing research involves the direct study of people. The kinds of people studied are extremely varied including such individuals as housewife, children, and executive of large corporations and managers of small business. Consumer attitudes and preference form one of the foundation stones for research.

Attitudes are among the most complex least understood, but most used social, psychological concepts in marketing. The researcher has made an attempt to study the consumer, loyalty to the brand and how far the consumers are loyal to old brand.

Business consists in dealing of goods and services. While producers are interested in heavy process and huge profit every producer is also a consumer.

PERIOD OF THE STUDY

The study confined to the period of 6 months, since December 2004.

METHODOLOGY

In order of analyse the satisfaction of customers preference of the company, market share of the company, certain tools are used to obtain the various objectives of the study.
SAMPLING TECHNIQUES

The methodology adopted for collecting data, selection of sample, analysis of data and interpretation of data is presented below.

(i) Techniques of data Collection

For the purpose of collecting primary data from customers relating to the selected areas, questionnaire have been designed and supplied to the respondents. To have a clear first hand information about the opinion on the service rendered, the researcher has made a number of visits to the selected areas.

Table No. 1

DISTRIBUTION OF SAMPLE RESPONDENTS ACCORDING TO TALUKS

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Taluks</th>
<th>No. of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Erode</td>
<td>125</td>
</tr>
<tr>
<td>2</td>
<td>Perundurai</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Gobichettipalayam</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Sathyamangalam</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>Bhavani</td>
<td>25</td>
</tr>
<tr>
<td>6</td>
<td>Kangayam</td>
<td>50</td>
</tr>
<tr>
<td>7</td>
<td>Dharapuram</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>
Sample size

The researcher has interviewed 300 consumers for data collection. Out of 150 respondents belongs to Britannia and remaining 150 belongs to Parle brand biscuits.

(iii) Data Analysis and Method of Presentation

In the analysis the data are classified under various heads are supplemented with necessary tables and diagrams.

(iv) Sources of Data

The study is based on both primary and secondary data. The primary data was collected from the respondents using the biscuits in Erode District. It is mainly related to the opinion of the respondents in respects of satisfaction.

Secondary data were collected for the study from Magazines, Newspaper and Websites.

(v) Tools of Analysis

The collected data were classified into suitable tabular forms for analysis and interpretation. Statistical tools like, percentage analysis, chi-square tests and correlation were used for the analysis of data.
Chi-square ($X^2$) Test

$$X^2 = \sum \frac{(O-E)^2}{E}$$

Where as

- $O$ - Observed Frequencies
- $E$ - Expected Frequencies

**CORRELATION**

$$R = \frac{\sum XY}{\sqrt{\sum X^2 \sum Y^2}}$$

**LIMITATIONS OF THE STUDY**

1. Sample size has been restricted to 300 sample due to time constraints and to provide an in depth analysis.

2. As this study is confined to the respondents at Erode District, alone, this finding and suggestion are applicable only to Erode District.

3. At the time of completing the questionnaire, the research has faced some problem like unwillingness of the respondents and inability of the respondents in filling the questionnaire.

4. The details furnished by the respondents are considered as true and the study results are based on this assumption.
CHAPTER SCHEME

The study has been presented in five chapters.

The **introduction chapter** gives complete introduction part of the study. Objectives of the study, scope of the study, methodology, limitations of the study and chapterization.

The **second chapter** deals with (a) review a literature.

The **third chapter** deals about the profile of the organization

The **Fourth chapter** gives the analysis of interpretation of data, which have been collected from sample respondents.

The **fifth chapter** deals with summary of findings and suggestions to boost the demand of the product in the market.