1. INTRODUCTION

Consumers brand preferences represent a fundamental step to the marketers to understand the consumer choices. Based on this, the company can design the better marketing program and build a long term relationship with potential consumers. There has been a long standing interest from marketers to understand how buyers form their preferences toward a particular brand. Brand preference is closely related to brand choice which can assist consumer decision making and activate the brand purchase actions. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. There are many factors influencing the consumers to buy a particular product. Especially consumers’ preferences are affected by various factors which were endorsed by existing studies. Consumer purchasing choices lead to efficient market segmentation strategies in the company also. However the forecasting of consumer’s preferences is not an easy task, it may be predicted by the companies for their survival in the present competitive scenario.

The use of cosmetic products is not a new trend; it has its roots deep in the annals of history. Though regular and formal use of cosmetics has gained momentum now, it has been used in some form or other for a long time. The cosmetics found its origin in China in 4th century BC. (Annu Malik, 2009) India too has not remained far behind in the development and frequent usage of cosmetics. Household utilities like haldi, chandan, basan have been there for years.

They have been used for centuries to preserve the natural beauty of skin. The main reason for their usage was the adequate availability of pure material, apt knowledge of natural formulation and virtually no side effects. The cosmetics industry, which started glowing in the early 1990s, is expanding exponentially. With more women and men becoming conscious of their physical appearance and willing to spend time and money on
their grooming, this industry has been growing at the rate of 20 to 25 percent in the last few years. (Plummer J.T, 2000).

Bart et al., in their work refer that consumers appear to have high willingness to pay for particular brands of FMCG, even when the alternatives are objectively similar. The majority of consumers typically buy a single brand of beer, cola, or margarine (Dekimpe et al., 1997), even though relative prices vary significantly over time, and consumers often cannot distinguish their preferred brand in blind “taste tests” (Thumin, 1962; Allison and Uhl, 1964). Consumers pay large premium to buy homogeneous goods like books and CDs from branded online retailers, even when they are using a “shopbot” that eliminates search costs (Smith and Brynjolfsson, 2001).

So this study has taken to understand the consumers’ brand preference with reference to bath soaps and also aims to build a holistic model with appropriate theoretical framework of brand preferences from a new perspective.

1.1. Research Gap

The literature review suggested that not much emphasis has been given on exhaustively identifying the factors which are influencing brand preferences of bath soaps. The consumer faces difficulty in choosing bath soap from umpteen numbers of brands in the market. Different dimensions and features of bath soaps and preference pattern of the consumers were not studied. Literature review also endorsed the lack of a unique model for brand preferences. Another gap identified was the absence of such a study in FMCG sector particularly in southern region of India. The study has explored and established drivers for brand preference and play an instrumental role in shaping consumers’ attitudes and behavior in choosing a brand. These research gaps have been identified and addressed through this study.
1.2. Statement of the Problem

Consumer choices and decision making process is a complex phenomenon in nature. Making a decision to buy a product or service involves many course of action. There are lots of factors influencing the consumer preferences to select a particular product. The literature on brand preference studies reveals that for the selection of non-durable products, especially bath soaps, the consumer has been unable to spend time to evaluate and choose the desired one based on their need. The marketing strategies followed by the manufacturer and marketer as well as pre-conceived idea of the buyer also plays a vital role in selection of a particular brand and consumer satisfaction. Only a limited number of attempts have been made to study the factors influencing brand preference especially among brands in bath soaps. Based on these basic questions, the researcher has developed an interest to study the factors contributing to brand preference of bath soap brands of HUL (Hindustan Unilever Limited) and its effects on the level of consumer self confidence, propensity to provide market information, brand awareness, brand image and brand loyalty.

1.3. Objectives of the Study

1. To identify the impact of demographic variables on Hindustan Unilever Ltd. (HUL) bath soaps’ brand preference;

2. To examine the variables (consideration set formation, personal outcomes decision making and social outcomes decision making) affecting HUL consumers’ self confidence;

3. To ascertain the propensity of the respondents to provide market information;

4. To measure the brand awareness towards HUL bath soap brands;

5. To assess the brand image among the bath soap brands of HUL;
6. To measure the influencing factors toward perceived quality of HUL bath soap brands and

7. To understand the level of brand loyalty among consumers of HUL bath soaps.

1.4. Scope of the study

Bath soap is an important day to day basic requirement of any consumer. It is considered as cleansing and beautifying products which is usually used for cleansing one's body. The bath soaps market is dominated by several, leading national and global brands and a large number of small brands. The existence of different brands has put the consumers in a difficult situation in differentiating each brand from the other. This has made the researcher to take up this study so as to find out the various factors influencing the preference of bath soaps by the consumers. The factors namely Consumer Self Confidence, Propensity to provide Market Information, Brand Awareness, Brand Loyalty, Brand Image and Perceived Quality were taken to understand its influence on the preference of bath soaps. In order to carry out the study, consumers using bath soaps of HUL Company were chosen. The researcher identified the respondents in the Nagapattinam district of Tamil Nadu. A well constructed questionnaire was distributed to 500 consumers as respondents to elucidate the responses. The data were collected during the period from July 2013 to December 2013. This study might help the companies to understand the factors influencing the preference of brands by consumers and hence focus their attention on those factors and thereby increase the profitability of the company and the customer satisfaction.

1.5. Limitations of the study

1) The study cannot be generalized to other places because the research findings were based on the responses given by consumers living in Nagapattinam district.
2) The study covers only those consumers who were using bath soaps of HUL, the other bath soaps were not studied by the researcher.

3) The opinion of consumers may change according to the situation and change of times. Hence, the responses reflect their contemporary views on the prevailing conditions.

1.6. Concepts, Theories and Overview of Industry

The concepts used in the study, important theories and overview of the Industry are as follows:

1.6.1. Overview of Marketing

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association)

Marketing is the process of communicating the value of a product or service to customers. Marketing may sometimes be interpreted as the art of selling products, but sales is only one part of marketing. As the term "Marketing" may replace "Advertising", it is the overall strategy and function of promoting a product or service to the customer.

Marketing is the link between a society’s material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships by the process of communicating the value of a product or service through positioning to customers. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that benefit the organization and its shareholders. Marketing is the
science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behaviour and providing superior customer value.

There are five competing concepts under which organizations can choose to operate their business; the production concept, the product concept, the selling concept, the marketing concept, and the holistic marketing concept. The four components of holistic marketing are relationship marketing, internal marketing, integrated marketing and socially responsive marketing. The set of engagements necessary for successful marketing management includes, capturing marketing insights, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, creating long-term growth, and developing marketing strategies and plans.

1.6.2. Concept of brand

Brand is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." Initially, Branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp, and was subsequently used in business, marketing and advertising. A modern example of a brand is Coca Cola which belongs to the Coca-Cola Company. A brand is the most valuable fixed asset of a corporation.

A concept brand is a brand that is associated with an abstract concept, like breast cancer awareness or environmentalism, rather than a specific product, service, or business. A commodity brand is a brand associated with a commodity.

In India, deodorants have become a lifestyle product in urban homes from the 1960s. Despite steady growth, the market penetration of deodorants is abysmally low. Factors such as misconceptions among India’s that deodorant soaps have strong
chemicals which damage the skin in the long run, and high excise duty in the earlier years, contributed to low market penetration. Aggressive marketing and decrease in excise duty (from 120 percent in 1993 to 16 percent in 2002) contributed to the rapid growth of the market. Between 1994 and 1998, the deodorant soaps market expanded more than two fold. As of January 2001, the deodorant soaps market in India was worth Rs 85 million according to ORG MARG, market penetration in urban and rural areas was just 36 percent and 12 percent respectively. HLL with value share of 68 percent dominated the market. It was followed by P&G and Cavin Care Ltd. (Dhanalakshmi S, Ganesan M, 2013)

1.6.3. History of brand

The word "brand" is derived from “brandr” meaning "to burn." It refers to the practice of producers burning their mark (or brand) onto their products.

The oldest generic brand, which is in continuously used in India since the Vedic period (ca. 1100 B.C.E to 500 B.C.E), is 'Chyawanprash', a herbal paste consumed for its purported health benefits and attributed to a revered Rishi (seer) named Chyawan. This brand was developed at Dhosi Hill in North India, on an extinct volcanic hill.

The Italians were among the first to use brands, in the form of watermarks on paper in the 1200s. Blind Stamps, hallmarks and silver maker's marks are all types of brand. Although connected with the history of trademarks and including earlier examples which could be deemed "proto brands" (such as the marketing puns of the "Vesuvius" wine jars found at Pompeii), brands in the field of mass-marketing originated in the 19th century with the advent of packaged goods. Industrialization moved the production of many household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would literally brand their logo or insignia on the barrels used, extending the meaning of "brand" to that of trademark.
Bass & Company, the British brewery, claims their red triangle brand was the world's first trademark. Lyle’s Golden Syrup makes a similar claim, having been named as Britain's oldest brand, with its green and gold packaging having remained almost unchanged since 1885. Another example comes from Antic the Furnace Giorgio in Italy, whose bricks are stamped or carved with the same proto-logo since 1731, as found in Saint Peter's Basilica in Vatican City.

Cattle were branded long before this. The term "maverick," originally meaning an unbranded calf, comes from Texas rancher Samuel Augustus Maverick whose neglected cattle often got loose and was rounded up by his neighbours. The word spread among cowboys and came to be applied to unbranded calves found wandering alone. Even the signatures on paintings of famous artists like Leonardo da Vinci can be viewed as an early branding tool.

Factories established during the Industrial Revolution introduced mass-produced goods and needed to sell their products to a wider market, to customers previously familiar only with locally-produced goods. It quickly became apparent that a generic package of soap had difficulty in competing with familiar, local products. The packaged goods manufacturers needed to convince the market that the public could place just as much trust in the non-local product. Pears Soap, Campbell soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats were among the first products to be 'branded', in an effort to increase the consumer's familiarity with their products. Many brands of that era, such as Uncle Ben's rice and Kellogg's breakfast cereal furnish illustrations of branding.

Around 1900, James Walter Thompson published a house advertisement, explaining trademark advertising. This was an early commercial explanation of what the researcher now knows as branding. Companies soon adopted slogans, mascots, and jingles that began to appear on radio and early television. By the 1940s, manufacturers
began to recognize the way in which consumers were developing relationships with their brands in a social/psychological/anthropological sense.

From there, manufacturers quickly learned to build their brand's identity and personality such as youthfulness, fun or luxury. This began the practice where the consumers buy "the brand" instead of the product. This trend continued to the 1980s, and is now quantified in concepts such as brand value and brand equity. Naomi Klein has described this development as "brand equity mania". In 1988, for example, Philip Morris purchased Kraft for six times what the company was worth on paper; it was felt that what they really purchased was its brand name.

Marlboro Friday: April 2, 1993 - marked by some as the death of the brand- the day Philip Morris declared that they were cutting the price of Marlboro cigarettes by 20% in order to compete with bargain cigarettes. Marlboro cigarettes were noted at the time for their heavy advertising campaigns and well-nuanced brand image. In response to the announcement Wall Street stocks nose-dived for a large number of branded companies: Heinz, Coca Cola, Quaker Oats, PepsiCo, Tide, Lysol. Many thought the event signalled the beginning of a trend towards "brand blindness" (Klein 13), questioning the power of "brand value."

1.6.4. Brand – Operational Definitions with elements

Brands typically are made up of various elements, such as:

**Name:** The word or words used to identify a company, product, service, or concept.

**Logo:** The visual trademark that identifies the brand.

Tagline or Catchphrase: "The Quicker Picker Upper" is associated with Bounty Paper towels. "Can you hear me now" is an important part of the Verizon brand.

**Graphics:** The dynamic ribbon is a trademarked part of Coca-Cola's brand.
Shapes: The distinctive shapes of the Coca-Cola bottle and of the Volkswagen Beetle are trademarked elements of those brands.

Colours: Owens-Corning is the only brand of fiber glass insulation that can be pink.

Sounds: A unique tune or set of notes can denote a brand. NBC's chimes are a famous example.

Scents: The rose-jasmine-musk scent of Channel No. 5 is trademarked.

Tastes: Kentucky Fried Chicken has trademarked its special recipe of eleven herbs and spices for fried chicken.

Movements: Lamborghini has trademarked the upward motion of its car doors.

1.6.5. Types of brand names

Brand names come in many styles. A few include:

Initialism: A name made of initials such as UPS or IBM

Descriptive: Names that describe a product benefit or function, such as Whole Foods or Airbus

Alliteration and rhyme: Names that are fun to stay and stick in the mind, such as Reese's Pieces or Dunkin' Donuts

Evocative: Names that evoke a relevant vivid image, such as Amazon or Crest

Neologisms: Completely made-up words, such as Wii or Kodak

Foreign word: Adoption of a word from another language, such as Volvo or Samsung

Founders' names: Using the names of real people, (especially a founder's name), such as Hewlett-Packard, Dell or Disney

Geography: Many brands are named for regions and landmarks, such as Cisco and Fuji Film

Personification: Many brands take their names from myths, such as Nike; or from the minds of ad execs, such as Betty Crocker
1.6.6. Economic Definition of Brand Preference

Some customers are fanatical about a certain brand and will not switch over or even consider another substitute. That being said, brand loyalty is sometimes very sensitive to price fluctuations. In the soft drink industry, many consumers will switch back and forth between Pepsi and Coke, depending on which is on sale. These consumers might prefer one product to the other, but are not absolutely loyal or brand insistent.

A lot of brands of cosmetics products are available in the market. But the consumers prefer a particular brand. In the modern business world, due to the development of science and technology, many new brands have been introduced in the market every year.

Brand Preference represents which brands are preferred under assumptions of equality in price and availability. Measures of brand preference attempt to quantify the impact of marketing activities in the minds of customers and potential customers. Higher brand preference usually indicates more revenues (sales) and profit, also making it an indicator of company financial performance.

Researchers have studied the long-run evolution of brand preferences, using new data on consumers' life histories and purchases of consumer packaged goods. Variation in where consumers have lived in the past allows one to isolate the causal effect of past experiences on current purchases, holding constant contemporaneous supply-side factors such as availability, prices, and advertising. Heterogeneity in brand preferences explains 40 percent of geographic variation in market shares. These preferences develop endogenously as a function of consumers' life histories and are highly persistent once formed, with experiences of 50 years in the past still exerting a significant effect on current consumption. Brand preferences create large entry barriers and durable advantages for incumbent firms, and can explain persistence of early-mover advantage.
over long periods. Variation across product categories shows that the persistence of brand preferences is related in an intuitive way to both advertising levels and the social visibility of consumption.

Consumers appear to have high willingness to pay for particular brands, even when the alternatives are objectively similar. The majority of consumers typically buy a single brand of beer, cola, or margarine (Dekimpe et al., 1997), even though relative prices vary significantly over time, and consumers often cannot distinguish their preferred brand in blind “taste tests” (Thumin, 1962; Allison and Uhl, 1964). Consumers pay large premium to buy homogeneous goods like books and CDs from branded online retailers, even when they are using a “shopbot” that eliminates search costs (Smith and Brynjolfsson, 2001). A large fraction of consumers buy branded medications, even though chemically equivalent generic substitutes are available at the same stores for much lower prices (Ling et al., 2002).

Theorists have long speculated that willingness to pay for brands today could depend on consumers’ experiences in the past. Willingness to pay could be a function of past consumption, which could enter expected utility directly (Becker and Murphy, 1988), through switching costs (Klemperer, 1987) or through beliefs about quality (Schmalensee, 1982). It could depend on past exposure to advertising (Schmalensee, 1983; Doraszelski and Markovich, 2007), or on past observations of the behaviour of others, as in (Ellison and Fudenberg, 1995). At the extreme, brand preferences could be entirely determined by experiences in childhood (Berkman et al., 1997). Under these assumptions, consumers’ accumulated stock of “preference capital” could be a valuable asset for incumbent firms and a source of long-term economic rents. “The advantage to established sellers accruing from buyer preferences for their products as opposed to potential entrant
products is on an average larger and more frequent in occurrence at large values than any other barrier to entry” Bain (1956).

Existing empirical evidence provides little support for the view that past experiences has a long-lasting throughout. The researcher intends this term to encompass channels such as learning that do not work through the utility function per se impact on brand preferences. Large literatures have measured the effects of advertising, but these studies often find no effects (e.g., Lodish et al., 1995), and the effects they do measure are estimated to dissipate over a horizon ranging from a few weeks to at most five or six months (Assmus, Farley, and Lehmann, 1984; Bagwell, 2007). Empirical studies of habit formation and consumer switching costs have been limited to estimating short-run effects using panel data spanning no more than 1 or 2 years (Erdem, 1996; Keane, 1997, Dube, Hitsch and Rossi, 2010). (Bart J. Bronnenberg, et al., 2012)

Building on Bronnenberg, Dhar, and Dube’s (2007) found that market shares of these goods vary significantly across regions of the US, their researcher asks how consumers’ current purchases depend on both where they live at present, and where they lived in the past. This approach allows one to hold constant contemporaneous supply-side factors such as quality, availability, and advertising, and to isolate the causal effect of past experience on current purchases.

1.6.7. Consumer Preferences

Understanding how consumer preference and choice evolve over time through consumer learning is the key to the strategic management of customers and products. In fact, the modelling of brand choice dynamics has been a focus of marketing researchers for more than a decade. A significant literature documents a variety of approaches to modelling the evolution dynamics that influence consumer choice processes. This previous research, however, suffers for the scarcity of marketing datasets that have
sufficient longitudinal depth to fully showcase the internal dynamics underlying the preference formation and informed decision-making of consumers – i.e., the latency of the process. One approach to capturing the latent structure of these dynamics that has shown promise is state space modelling.

The evolution of consumer brand preference has also been observed among other specialized industries – notably, in the sales of baby diapers. Heilman et al., (2000) found that when consumers are new to a market – in this case, first time parents – they tend to choose leading national brands (top dogs) due to their lack of category experience. As parents gain experience over time and become familiar with the category, they typically switch to cheaper, private (generic) label products (underdogs). In rock climbing and other sports, however, customers switch up to more complicated and advanced products over time, while for diapers, customers switch down to cheaper brands over time.

Globalization is an inevitable phenomenon that is leading the entire world towards becoming one market, a global village. Not only has the process of globalization aided immensely in the exchange of goods and services, information and knowledge through the reductions in international barriers, but it has also led the world into becoming a real single universal community comprising of people from different cultures, thus resulting in the shrinkage of the world. With the world becoming a single market, globalization has had a major contribution in enabling the organizations worldwide to step out of the restricted domestic markets and to set up their operations across the globe with confidence. This has largely led to a decline in the importance in national borders and a greater emphasis on what the consumers actually demand; be the consumers located in the very country in which the organization exists or an entirely different part of the world. Moreover, with the rapid increase in global competition, companies that strictly adhere to and cater to the needs of the local markets are finding themselves at a disadvantage and
gradually loosing the competitive advantage that they so much strived to achieve. However, for some products and services "the tastes and preferences of consumers in different nations are beginning to converge on some global norm" (Holt, 2004); (Zeenat Ismail, Sarah Masood, Zainab Mehmood Tawab, 2012). From a consumer perspective, however, reactions to the prevalence of global brands seem to vary among the different customers. On the one hand, consumers seem to value and admire global brands and regard such brands as a status symbol. On the other hand, global brands are often criticized for threatening the local differences and imposing the western cultures on our society, leading to a loss of cultural identity.

Brand loyalty is a consumer’s conscious or unconscious decision that is expressed through the intention or behaviour to repurchase a particular brand continually. Brand preference has been proclaimed to be the ultimate goal of marketing. In marketing, brand preference and awareness consists of a consumer’s commitment to repurchase the brand through repeated buying of a product or a service or other positive behaviours such as word of mouth. This indicates that the repurchase decision very much depends on trust and quality performance of the product or service.

Bloemer and Kasper (1995) stated that brand preference having six necessary conditions which are: 1) the biased (i.e., non random); 2) behavioural response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a function of psychological processes. Amine (1998) in her study distinguishes two main approaches of the loyalty: the behavioural approach, one who can repeat purchasing of a brand over time and the attitudinal perspective that consistent buying of a brand is a necessary. Lau et al., (2006) in his article analyzed that there were seven factors that influenced consumers’ brand preference and satisfaction towards certain footwear brands.
The factors were: brand name, product quality, price, style, store environment, promotion and service quality. Cadogan and Foster (2000) noted that consumers may prefer to trust famous brand names. These prestigious brand names and their images attract consumers to purchase the brand and repeat purchasing behaviour and reduce price related switching behaviours. According to Kohli and Thakur (1997), brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process. The development of a brand name is an essential part of the process since the name is the basis of a brand’s image. According to Frings (2005), the components of product quality of fashion merchandise include size measurement, cutting or fitting, material, color, function and the performance of the merchandise. Fitting is a crucial aspect in garment selection because some fitted garments such as swimsuits and aerobic wear can ideally enhance the consumers’ general appearance. Material is important in product quality because it affects the hand feel, texture and other performance aspects of the product. According to Duff M (2000), price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favoured brand, so, their purchase intention is not easily affected by price. In addition, customers have a strong belief in the price and value of their favourite brands so much so that they would compare and evaluate prices with alternative brands.

According to Abraham and Littrell (1995), a composite list of apparel attributes has been generated and one of the conceptual categories is style. Consumers’ judgment depends on the consumers’ level of fashion consciousness, so judgment will be conditioned by their opinion of what is currently fashionable. Brands that supply stylish footwear attract loyal consumers who are fashion conscious. According to Sproles and Kendall (1986), fashion consciousness is generally defined as an awareness of new styles,
changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy.

Managers in many technology product-markets are faced with a variety of challenges. One challenge is to monitor changes in consumer’s brand preferences over time. In practice, intrinsic brand preferences can be inferred from tangible performance measures such as sales after accounting for the effects of other factors that may have influenced these measures (Kamakura and Russell, 1993).

Given the rapid introduction and withdrawal of models in these markets, one need to, while measuring the dynamics in brand preferences, find out the effect of the changing portfolio of models on a brand’s performance. For example, the introduction of the Mavica line of digital cameras by Sony helped it obtain market leadership and the effect of such changes in product line need to be accounted for. Besides monitoring these preference changes, managers are also interested in understanding the drivers of preferences over time. For example, extent research (Jedidi, Mela, and Gupta, 1999) recognizes the importance of advertising in influencing brand preferences. Hence, managers may be interested in understanding the role of advertising in driving the dynamics of brand preferences.

**1.6.8. Consumer Behaviour**

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It
also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalisation, customisation and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

The study of consumers helps firms and organizations improve their marketing strategies by understanding the issues such as:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behaviour of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.
One "official" definition of consumer behaviour is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society." Although it is not necessary to memorize this definition, it brings up some useful points:

- Behaviour occurs either for the individual, or in the context of a group (e.g., friends influence what kinds of clothes a person wears) or an organization (people on the job make decisions as to which products the firm should use).

- Consumer behaviour involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how the researcher can encourage increased consumption. Since many environmental problems result from product disposal (e.g., motor oil being sent into sewage systems to save the recycling fee, or garbage piling up at landfills) this is also an area of interest.

- Consumer behaviour involves services and ideas as well as tangible products.

- The impact of consumer behaviour on society is also of relevance. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for the national health and economy.

Bronnenberg, et al.,(2007) empirically found that there is a significant difference between the buying behaviour of urban and rural consumers with regard to their preference for technology, style, brand image, price and after-sales service. Hansa Research (2006) explored that the preferences in rural India are shifting from loose to packaged products. Rural India is now buying specialised, branded utensil cleaners, and moving away from the typical ash/soil usage in the past. The penetration of branded
items has also increased significantly for the products like toothpaste, detergent cakes, hair oils etc.

1.6.9. Information search by the consumers

Once the consumer has recognised a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search. Sources of information include personal sources and experience, and commercial and public sources. The relevant internal psychological process associated with information search is perception, which can be defined as "the process by which an individual receives, selects, organises, and interprets information to create a meaningful picture of the world". Consumers' tendency to search for information on goods and services makes it possible for researchers to forecast the purchasing plans of consumers using brief descriptions of the products of interest.

1.6.10. Product Evaluation by Consumers

At this time the consumer compares the brands and products that are in their evoked set. The evoked set refers to the number of alternatives that are considered by consumers during the problem-solving process. Sometimes also known as consideration, this set tends to be small compared to the total number of options available. How can the marketing organisation increase the likelihood that their brand is part of the consumer's evoked set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organisation needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision. It also needs to check other brands of the customer’s consideration set to prepare the right plan for its own brand.
1.6.11. Consumer Purchase decision

Once the products and its alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organisation must facilitate the consumers to act on their purchase intention. The organisation can use a variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organisation can influence the purchase decisions much more easily.

There are 5 stages of a consumer buying process they are: The problem recognition stage, meaning the identification of something a consumer needs. The search for information, which means you search your knowledge bases or external knowledge sources for information on the product. The possibility of alternative options, meaning whether there is another better or cheaper product available.

Consumer behaviour is influenced by internal conditions such as demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs, and feelings. Psychological factors include an individual’s motivation, perception, attitude and belief, while personal factors include income level, personality, age, occupation and lifestyle.

Congruence between personality and the way a persuasive message is framed (i.e., aligning the message framing with the recipient’s personality profile) may play an important role in ensuring the success of that message. In a recent experiment, five advertisements (each designed to target one of the five major trait domains of human personality) were constructed for a single product. The results demonstrated that
advertisements were evaluated more positively the more they covered with participants’ dispositional motives. Tailoring persuasive messages to the personality traits of the targeted audience can be an effective way of enhancing the messages’ impact. Behaviour can also be affected by external influences, such as culture, sub-culture, locality, royalty, ethnicity, family, social class, past experience reference groups, lifestyle, and market mix factors.

1.7. Theoretical concepts for measuring brand preference of bath soaps

Consumer self-confidence is defined as the extent to which an individual feels capable and assured with respect to his or her marketplace decisions and behaviours. As such, consumer self-confidence reflects subjective evaluations of one's ability to generate positive experiences as a consumer in the marketplace (Adelman 1987); (Daniel et al., 2008).

Propensity to Provide Market Information- Market Maven (Linda L. Price, et. al., 1987) despite much research, helping behaviour is not well-understood (Krebs and Miller1985; Smithson et al., 1983). One of the most important limitations of prior research on helping is its focus on experimentally induced distress. In these studies, helping behaviour has been measured as an outcome of the situation in which persons find themselves (Amato, 1990). For example, while driving, a person sees someone's car broke down. In this research tradition, the researchers experimentally create the situation and then measure the extent and type of helping behaviour. Because of the prior research focus on experimentally induced distress, Researcher are only beginning to learn about non distress helping (Schoenrade et al., 1986) and helping behaviour in everyday life (Amato, 1985 & 1990).Only a few studies have examined the range of helping behaviours in which persons engage as part of their daily lives(Amato 1985, 1990). These studies have suggested that everyday helping behaviours include both spontaneous and planned
helping of family, friends, acquaintances, and strangers (Amato 1985, 1990). In contrast to the experimental tradition that emphasizes situational determinants of helping, studies of everyday helping suggest that certain persons are more prone to empathic concern for others. Such persons engage in a higher frequency of helping across types of behaviours (Amato, 1985).

Brand awareness is typically discussed in terms of “aided” and “unaided” awareness. Aided awareness refers to a consumer’s familiarity with a brand when it is shown or read from a list. Unaided awareness connotes a stronger relationship with the brand as it is defined by a consumer’s ability to name the brand when asked about a product category. Whether aided or unaided, awareness is essential to the situation. Moreover there are at least three viewpoints to observe brand equity.

Brand Awareness is the extent to which a brand is recognized by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of target market, brand awareness is the primary goal of advertising in the early months or years of a product's introduction.

Brand awareness is the extent to which the consumer associates the brand with the product he desires to buy. It is the brand recall and the brand recognition of the company to the consumers. Brand recall is the ability of the consumer to recollect the brand with reference to the product whereas brand recognition is the potential of the consumer to retrieve the past knowledge of the brand when enquired about the brand or shown an image of the brand logo. Brand awareness is an essential part of brand development which helps the brand to stand out from others in this monopolistically competitive market.

The eventual goal of most businesses is to make profits and increase sales. Businesses intend to increase their consumer pool and encourage repeat purchases.
Apple is a brilliant example of how there is a very high recognition of the brand logo and high anticipation of a new product being released by the company. An iPod is the first thing that pops into our minds when one thinks of purchasing an mp3 player. I-Pod is used as a replaceable noun to describe an mp3 player. Finally, high brand awareness about a product suggests that the brand is easily recognizable and accepted by the market in a way that the brand is differentiated from similar products and other competitors. Brand building also helps in improving brand loyalty.

Awareness is generated in a consumer. When asked about a product category, if the consumer is aided with a list of company names and he recognizes the company from the given set it is categorized as aided awareness. When the name of the company is automatically recollected because the consumer very promptly associates the brand with the product category, it is called a top of the mind awareness of the product.

Brand image is simply the way consumers view a brand—the perceptions a brand creates in the mind of the consumer (Aaker 1996, Aaker and Joachimsthaler, 2000). Everything related to the brand helps form the identity people associate with the brand. Positive brand associations are developed if the product which the brand depicts is durable, marketable and desirable. The customers must be persuaded that the brand possesses the features and attributes satisfying their needs. This will lead to customers having a positive impression about the product. Positive brand association helps an organization to gain goodwill, and obstructs the competitor’s entry into the market.

Anything that connects consumer to the brand is ‘Brand Association’ which can be developed with elements such as imagery (attitudes, beliefs, and perception), product attributes, brand personality, symbols, colour, use situations etc. Brand associations reinforce attributes of the brand in consumers’ mind, when the brand is talked about.
It can be implicit or explicit. In a word, brand association unveils the ‘feeling’ or ‘perception’ people possess of the brand. That is the degree to which a particular brand is associated with the general product category in the mind of the consumer.

Brand associations are definitely not the reason to buy, but bear the differentiations that are unique and immune to replacement. Such perceived qualities of a brand actually develop brand’s entity, and over the time cultivates brand positioning. For example ‘Nike’ reminds of sports, ‘BMW’ talks of sophistication and superior engineering; ‘Tide’ is synonymous to whiteness. That’s the power of brand association.

Marketer should never underestimate the prowess of brand association. It goes much beyond of what it seems like. Marketer should associate his brand with a positive imagery. Brand association should be strong and explicit so that whenever people come across imagery associated with the brand, they immediately think of it and the brand remains on top of the mind. Association should never be negative and out of the marketer’s control. Marketer cannot always fully exercise his control on brand association, but can surely influence it. Marketer should always strive to make an association stronger, so that the brand receives share of voice in the market. Such positive situation helps brand incur a good positioning in the mind of the audience. So, while choosing the brand name marketer should carefully craft a name which reinforces an important attribute or benefit associated with brand.

Perceived quality is the customer’s judgment about a product’s overall excellence or superiority that is different from objective quality (Zeithaml, 1988). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls. High objective quality does not necessarily contribute to brand equity (Anselmsson et al., 2007).
The term "Perceived Quality" refers to the quality that customers acknowledge via the look, the touch, and the feel of a car. For example, in a showroom, the customer would first take a glance around the car, then open the door, sit on the seat, and check the quality of the details. Researchers are systematically working on techniques to enhance both the quality feel and the craftsmanship perceivable through the five senses. Quality enhancement program clearly illustrates the quality enhancement target and techniques to be employed in achieving them. The aim of this program is to gain a thorough customer understanding for Nissan to become capable of providing customers with products possessing unparalleled attractiveness.

1. Understand customer sensitivity via meticulous researches of what people find to be attractive to deliver competitive products to customers.

2. Deliver high quality automobiles by paying close attention to the details and to their treatments.

3. Incorporate attractive Perceived Quality items ahead of competitors based on forecast of future technological and market trends.

4. Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. Perceived quality is, first, a perception by customers. It thus differs from several related concepts, such as:

5. a) Actual or objective quality: the extent to which the product or service delivers superior service

   b) Product-based quality: the nature and quantity of ingredients, features, or services included

   c) Manufacturing quality: conformance to specification, the "zero defect" goal
6. Perceived quality cannot necessarily be objectively determined, in part because it is a perception and also because judgments about what is important to customers are involved. An evaluation of washing machines by a Consumer Report expert may be competent and unbiased, but it must make judgments about the relative importance of features, cleaning action, types of clothes to be washed, and so on that may not match those of all customers. After all, customers differ sharply in their personalities, needs, and preferences.

7. Perceived quality is an intangible, overall feeling about a brand. However, it usually will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. To understand perceived quality, the identification and measurement of the underlying dimensions will be useful, but the perceived quality itself is a summary, global construct.

8. Dimensions of perceived quality:
   
   a.) Performance: How well does a washing machine clean clothes?
   
   b.) Features: Does toothpaste have a convenient dispenser?
   
   c.) Conformance with specifications: What is the incidence of defects?
   
   d.) Reliability: Will the lawn mower work properly each time it is used?
   
   e.) Durability: How long will the lawn mower last?
   
   f.) Serviceability: Is the service system efficient, competent, and convenient?
   
   g.) Fit and finish: Does the product look and feel like a quality product?

Aaker (1996) identified that price premium as the basic indicator of loyalty. Price premium is defined as the amount a customer will pay for the brand in comparison with another brand offering similar benefits and it may be high or low and positive or negative depending on the two brands involved in the comparison. Brand loyalty is where
a person buys products from the same manufacturer repeatedly rather than from other suppliers. In a survey of nearly 200 senior marketing managers, 69 percent responded that they found the "loyalty" metric very useful. Brand loyalty is directly related to brand price. Chaudhuri & Holbrook (2001)

Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the fold of the firm. Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service, or other positive behaviours such as word of mouth advocacy.

It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' perceived value, brand trust, customers' satisfaction, repeat purchase behaviour, and commitment are found to be the key influencing factors of brand loyalty. Commitment and repeated purchase behaviour are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust. Loyalty, as defined by Oliver (1997), is "a deeply held commitment to rebut or repatronize a preferred product/service consistently in the future, theory causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior"
1.8. FMCG Industry overview

Fast Moving Consumer Goods (FMCG) are all consumable items (other than groceries/pulses) that one needs to buy at regular intervals. These are items are used daily, and so have a quick rate of consumption, and high return. FMCG can broadly be categorized into three segments household items, personal care products and food and beverages.

Household items such as soaps, detergents, household accessories, Personal care items viz., shampoos, toothpaste, shaving products, and finally Food and Beverages such as snacks, processed foods, tea, coffee, edible oils, and soft drinks can be listed under this segment. Global leaders in the FMCG segment are Nestlé, ITC, Hindustan Unilever Limited, Reckitt Benckiser, Procter & Gamble, Coca-Cola, Carlsberg, Kleenex, General Mills, Pepsi and Gillette.

The burgeoning urban middle class Indian population, as well as the rural people, present a huge potential for this sector. The FMCG sector in India is at present, the fourth largest sector with a total market size in excess of USD 13 billion as of 2012.

This sector is expected to grow upto USD 33 billion industry by 2015 and to a whooping USD 100 billion by the year 2025. The fast moving consumer goods (FMCG) segment is the fourth largest sector in the Indian economy. The market size of FMCG in India is estimated to grow from US$ 30 billion in 2011 to US$ 74 billion in 2018. Food products are the leading segment, accounting for 43 per cent of the overall market. Personal care (22 %) and fabric care (12 %) come next in terms of market share.

This sector is characterized by strong MNC presence and a well established distribution network. The easy availability of raw materials as well as cheap labour makes India an ideal destination for this sector. There is also a keen competition between the organised and unorganised segments and the fight to keep operational costs low. Growing
awareness, easier access, and changing lifestyles have been the key growth drivers for the sector.

1.8.1. Factors influencing FMCG Sector

a) Increasing rate of urbanization, expected to see major growth in the coming years.

b) Rise in disposable income, resulting in premium brands having faster growth and deeper penetration.

c) Innovative and stronger channels of distribution to the rural segment, leading to deeper penetration into this segment.

d) Increase in rural non-agricultural income and benefits from government welfare programmes.

e) Investment in stock markets of FMCG companies, which are expected to grow constantly.

The money available to spend on FMCG (Fast Moving Consumer Goods) products by urban India is Rs. 49,500 crores as against Rs. 63,500 crores in rural India. The purchasing power in rural India is steadily on the rise and it has resulted in the growth of the rural market. The market has been growing at 3-4% per annum adding more than one million new consumers every year and now accounts for close to 50% of volume consumption of FMCG. The growth rates of lot of FMCG are higher in rural markets than urban markets. (Amitkumar & Amitkumar, 2014)

Matrade Chennai (2005) studied a lot of aspects related to consumer behaviour in India and found that Indian consumers are deeply concerned with the traditions, values and they consider their family advice in the purchase decisions. About rural Indian consumer the study revealed that rural consumers in India are changing rapidly related to education and, awareness of the products. Now they are connected with the whole world through internet. Rural consumers in India are now richer and they contribute handsomely
in the total purchase. (John Mano Raj and Selvaraj, 2007) explored the social changes and the growth of Indian rural markets with reference to FMCG products. The research concluded that FMCG companies would have to really gain inroads into the rural markets in order to achieve double-digit growth target in future. The winner would be the one with the required resources like time and money and also with the much needed innovative ideas to tap the rural markets. Gopalkrishnan (2006) discussed that rural marketing in India has still a long way to go, rural marketers have to understand the fact that rural marketing in India has a tremendous potential. Rural marketers should understand this fact and try to tap the huge untapped potential in our country.

1.8.2. Challenges of FMCG sector

a) Increasing rate of inflation, which is likely to lead to higher cost of raw materials.

b) The standardization of packaging norms that is likely to be implemented by the government is expected to increase the cost of beverages, cereals, edible oil, detergent, flour, salt, aerated drinks and mineral water.

c) Steadily rising fuel costs, leading to increased distribution costs.

d) The present slowdown in the economy may lower demand of FMCG products, particularly in the premium sector, leading to reduced volumes.

e) The declining value of rupee against other currencies may reduce margins of many companies, as Marico, Godrej Consumer Products, Colgate, Dabur, etc, that import raw materials.
The Fast Moving Consumer Goods (FMCG) sector is very important for Indian economy. This sector touches every aspect of human life. The FMCG companies are now utilising this opportunity. The income of the rural consumers is increasing and their lifestyles are changing. There is almost equal distribution of middle-income households in the rural and urban areas. Thus the rural marketing has been growing steadily over the years and is now bigger than the urban market for FMCGs. Rural India has become a target for marketers because of the huge potential it offers for all kinds of products and services. Statistics show that there is a huge income-shift taking place in rural India, and the aspiring middle class, with increasing purchasing power, is the focus of all marketing initiatives by corporate. The rural Indian population is large and its growth rate is also high. Over 70% of India’s one billion plus population lives in and around 627,000 villages in rural areas. This really becomes the first motivational factor for the FMCG companies to tap the rural markets.

While the rural market provides tremendous opportunities to the marketers, it is not easy for any company to enter this market and walk away with a sizeable share of the market. In reality, the rural market suffers from a variety of problems including that of distribution and marketing communication. Companies have been trying to tackle these issues in a number of innovative ways. Be it the "e-choupal" initiative of ITC or "Project Shakti" launched by HLL, the aim is to come closer to the rural consumer. To capture the alluring rural market, companies need to formulate strategies, which can deal with issues pertaining to consumer psychographics and appropriate marketing mix. With the increase in the rural literacy levels and the exposure to media, people in rural areas are also becoming conscious about their buying decisions like their urban counterparts. This makes it even more challenging for the companies to understand the buying behaviour, the consuming pattern, the need and wants of the rural consumer. The marketer has to
understand that there is no shortcut to grab a share of the rural market place. He has to formulate different strategies for different market segments, as there is very little commonality between each of these segments.

1.9. Hindustan Unilever Limited (HUL)

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India and touches the lives of two out of three Indians. HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others.

With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond’s, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall’s and Pureit. The Company has over 16,000 employees and has an annual turnover of INR 27408 crores (financial year 2013 - 2014). HUL is a subsidiary of Unilever, one of the world’s leading suppliers of fast moving consumer goods with strong local roots in more than 100 countries across the globe with annual sales of €49.8 billion in 2013. Unilever has 67.25% shareholding in HUL. (Introduction to HUL, Retrieved from http://www.hul.co.in/aboutus/introductiontohul/ 2014).

According to the study conducted by AC Nielsen, 62 of the top 100 brands are owned by MNCs, and the balance by Indian companies. Fifteen companies own these 62 brands, and 27 of these are owned by Hindustan Uni Lever.
Hindustan Uni Lever (HUL) is the largest fast moving consumer goods (FMCG) company, a leader in home & personal care products and foods & beverages. HUL's brands are spread across 20 distinct consumer categories, touching lives of every 2 out of 3 Indian.

It has employee strength over 15000 & 1200 managers. It has created widespread network through its 2000 suppliers & associates. There 75 manufacturing locations in India itself. It caters its wide range of products to 6.3million outlets. It has market capitalization of 11.5billion.

1.9.1. Brands of HUL

Home & personal care:- Under this it has brands that caters to every income segment of population. In this segment it has brands like Lakme, Axe, Pepsodent, Surf Excel, Wheel, Lux, Dove, Fair & Lovely & many more.

Foods & Beverages:-Under this segment it has brand like Kissan, Knorr Soups, Annapurna, Kwality Walls, Brooke Bond & Lipton. It has also launch water purifier with the name Pureit. The FMCG market is set to treble from $11.6 billion in 2003 to $33.4 billion in 2015. Penetration level as well as per capita consumption in most product categories like jams, toothpaste, skin care, hair wash, etc in India is low indicating the untapped market potential. Companies present in FMCG segment like HUL, Dabur, ITC, Godrej & many more have potential to acquire market share.

1.10. Chapter Scheme

The chapter scheme of the research thesis is as follows:

- The first chapter deals about the introduction, research problem, scope of the study, objectives, limitations of the study and concepts, theories and overview of Industry.
• The second chapter deals about the literature review with respect to the research variables.

• The third chapter depicts the methodology of the study.

• The fourth chapter deals with the demographic profile of the respondents, data analysis, results and discussion.

• The last chapter summarizes the findings, suggestions, conclusion and directions for future research.

This chapter presented introduction of the study, research gap, statement of the problem, objectives of the study, scope and limitations of the study, concepts and theories, overview of the FMCG Industry and chapter scheme of the study. The following chapter deals with the review of literature related to study.