THEORETICAL FRAMEWORK OF BRAND PREFERENCE
AND CONSUMER BEHAVIOUR

3.1 INTRODUCTION

For every purchase there is a cyclical process. A customer gets an idea about buying a product actually buys it after relevant considerations and uses of it. And based on the experience derived out of the consumption process he begins the cycle again. The marketer must understand the process since knowledge of the process will enable him to plan his marketing effort. In this chapter the researcher made an attempt to study the theoretical concept of Brand, Brand name, Brand Preference, Consumer Preference, Consumer Buying Behavior and the Process of Buying Decision.

3.2 CONSUMER GOODS

Consumer goods are goods that are bought from retail stores for personal, family, or household use. They are grouped into three subcategories on the basis of consumer buying habits: convenience goods, shopping goods, and specialty goods.

Consumer goods can also be differentiated on the basis of durability. Durable goods are products that have a long life, such as furniture and garden tools. Nondurable goods are those that are quickly used up, or worn out, or that become outdated, such as food, school supplies, and disposable cameras.
3.2.1 **Convenience Goods:** Convenience goods are items that buyers want to buy with the least amount of effort, that is, as conveniently as possible. Most are nondurable goods of low value that are frequently purchased in small quantities. These goods can be further divided into two subcategories: staple and impulse items.

3.2.2 **Staple Convenience Goods:** Staple convenience goods are basic items that buyers plan to buy before they enter a store, and include milk, bread, and toilet paper. Impulse items are other convenience goods that are purchased without prior planning, such as candy bars, soft drinks, and tabloid newspapers.

Since convenience goods are not actually sought out by consumers, producers attempt to get as wide a distribution as possible through wholesalers. To extend the distribution, these items are also frequently made available through vending machines in offices, factories, schools, and other settings. Within stores, they are placed at checkout stands and other high-traffic areas.

3.2.3 **Shopping Goods:** Shopping goods are purchased only after the buyer compares the products of more than one store or looks at more than one assortment of goods before making a deliberate buying decision. These goods are usually of higher value than convenience goods, bought infrequently, and are durable. Price, quality, style, and color are typically factors in the buying decision. Televisions, computers, lawnmowers, bedding, and camping equipment are all examples of shopping goods.
While customers are going to shop for these goods, a fundamental strategy in establishing stores that specialize in them is to locate stores in active shopping areas. Ongoing strategies for marketing shopping goods include the heavy use of advertising in local media, including newspapers, radio, and television. Advertising for shopping goods is often done cooperatively with the manufacturers of the goods.

3.2.4 Specialty Goods: Specialty goods are items that are unique or unusual—at least in the mind of the buyer. Buyers know exactly what they want and are willing to exert considerable effort to obtain it. These goods are usually, but not necessarily, of high value, and they may or may not be durable goods. They differ from shopping goods primarily because price is not the chief consideration. Often the attributes that make them unique are brand preference (e.g., a certain make of automobile) or personal preference (e.g., a food dish prepared in a specific way). Other items that fall into this category are wedding dresses, antiques, fine jewelry, and golf clubs.

Producers and distributors of specialty goods prefer to place their goods only in selected retail outlets. These outlets are chosen on the basis of their willingness and ability to provide a high level of advertising and personal selling for the product. Consistency of image between the product and the store is also a factor in selecting outlets.

The distinction among convenience, shopping, and specialty goods is not always clear. As noted earlier, these classifications are based on consumers' buying habits.
Consequently, a given item may be a convenience good for one person, a shopping good for another and a specialty good for a third. For example, for a person who does not want to spend time on shopping, buying a pair of shoes might be a convenience purchase. In contrast, another person might buy shoes only after considerable thought and comparison: in this instance, the shoes are a shopping good. Still another individual who perhaps prefers a certain brand or has an unusual size will buy individual shoes only from a specific retail location; for this buyer, the shoes are a specialty good.

3.3 BRAND

A Brand is a name, term, symbol or design or a combination of them, which is intended to identify the goods and services of a seller or a group of sellers and to differentiate them from those of competitors.

Hence brand is,

- an instrument for sales promotion on the market, where stiff competition exists,
- facilitates easy advertisements and publicity,
- creates special consumer preference over the product,
- Sales can be increased through brands,
- arrest the immediate attention of buyers,
- differentiates the goods of the producer from the goods of competitors,
- ensures standard quality and satisfaction to buyer,
3.3.1 Features of a good brand

- Brand should suggest something about the product – purpose, quality, benefit, use, action etc.
- It should be simple, short and easy to pronounce and remember.
- It should be easy to advertise and identify.
- It should be of a permanent nature.
- It should be clear and attractive.
- It should be capable of being registered and protected legally.
- It should be distinctive.
- It should have a pleasing sound to the ear, when pronounced.
- It should be economical.
- It should be original.
- It should not be pronounced in several ways.
- It should not be offensive.
- It should create a good image.
- It should not be outdated.

3.3.2 Why branding individual products is required?

Branding individual products is made because,

- Memory recall is facilitated. This could lead to more rapid initial buying action or greater frequency of buying and hence deeper loyalty.
• Advertising can be directed more effectively and linked with other communication programmes.

• Branding leads to a more ready acceptance of a product by wholesalers and retailers.

• Self selection is facilitated very important consideration is self-service stores. Display space is more easily obtained and special promotions are more practicable.

• The importance of price differentials may be diminished.

• Brand loyalty may give a manufacturer greater control over marketing strategy and channels of distribution.

• Other products may be introduced more readily. (the failure of a brand may, of course, lead to undue resistance to other products)

• The amount of personal persuasive selling effort may be reduced.

• Branding makes market segmentation easier. Different brands of similar products may be developed may be developed to meet specific categories of users.

• The demand for the general products 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 marketing.

• The brand must be economies of large scale production, whenever additional production is undertaken as a result of expanding sales volume.
• The brand must carry through to the ultimate consumer.
• The quality of the product should be best and it should be easily maintained.
• There must be consistent and widespread supply of the product.
• The ideal brand is the one which becomes universally well known but at the same time retains a clear and independent identity.
• The brand, once established, can command a premium price owing to the valuable psychological intangibles associated with its name.

3.3.3 Classification of Brands

3.3.3.1 Family Brand

A single brand name for all the products of a company and which are being similar in quality.

3.3.3.2 Individual Brand

Brand name is given for each variety of products and each product of same producer will carry its own brand used for dissimilarity.

3.3.3.3 National Brand

The same brand used on the national level manufacturers brands are commonly termed as national level.
3.3.3.4 Private Brand

Large wholesalers and retailers operation over regional or national market and placing their own brand on the products that they market. These brands offered by wholesaler and retailer are usually called private Brand.

3.3.3.5 Umbrella Brand

All products having the name of the company or manufacturer is called the umbrella brand.

3.4 BENEFITS OF BRANDING

3.4.1 Producers Benefit

- Brand enables a firm to build reputation.
- It is a device by which a good image and goodwill are established.
- It facilitates introduction of new products, in a simplified process.
- It distinguishes products from rival firms and thus ensures constant returns.
- It is essential for sales promotion and building a demand.
- It widens the market, through demand creation.
- It helps in reducing advertising cost.
- It brings repeated sales.
- It reduces the need for price comparison.
- Individuality of a product is established.
3.4.2 Wholesaler/ Retailers Benefit

- They require less time to get sold.
- Branded products pose less risk.
- There is an established demand.
- Branding aids in advertising and display programmes.
- Branding assists in increasing control over the market.
- Branding reduces the price comparisons and helps to stabilize price.

3.4.3 Consumers Benefit

- There must be widespread supply of the products.
- The quality and standard of the products must be maintained regularly.
- Enforcement of product identification and differentiation by brands must be strictly adhered too.
- Brand must carry through product to the ultimate consumer, to be more effective.
- Product must have distinctive and special approach. Brand distinguishes and differentiates the products of different producers.
- Identification is possible through brands; consumers are at ease while shopping.

3.5 Brand Name

“A brand name consists of words, letters and / or numbers which may be vocalized and refers to products”.

3.6 Brand Mark

“A brand mark is that part of brand which appears in the form of a symbol or design or distinctive coloring or lettering. It is recognized by sight but is not expressed when a person pronounces the brand name.

3.7 Brand Preference

Based on the previous experience with the product consumer will choose it rather than competitors of its availability. Companies with products at the brand preference stage are in favourable position in competition their industry since the brand preference results in brand loyalty companies more market share.

3.8 Types of Preferences

The target audience might like the product but not prefer it to others. In this case, the communicator must try to build customer preference by promoting quality, value, performance and other features. The communicator can check the campaign’s success by measuring audience preference after the campaign. The following are the types of preference.

- Homogeneous Preferences
- Diffused Preferences
- Clustered Preferences
- Heterogeneous Preferences
3.8.1(a) Homogeneous Preferences

A market where the entire customer have roughly the same preference. The market shows no natural segments. We would predict that existing brands would be similar and cluster around the middle of the scale in both sweetness and creaminess.

3.8.1(b) Diffused Preferences

At the other extreme, customer preferences may be scattered throughout the space, indicating that customer vary greatly in their preferences. The first brand to enter the market is likely to position in the center to appeal to the most people. A brand in the center minimizes the sum of total customer dissatisfaction. A second competitor could locate next to the first brand and fight for market share or it could locate in a corner to attract a customer group that was not satisfied with the center brand. If several brands are in the market, they are likely to position throughout the space and show real difference to match customer preference differences.

3.8.1(c) Clustered Preferences

The market might reveal distinct preference clusters called natural Market Segments. The first firm in this market has three options. It might position in the center hoping to appeal to all groups. It might position in the largest market segment. It might develop several brands, each positioned in a different segment if the first firm developed only one brand and competitors would enter and introduce brands in the other segments.
3.8.1(d) Heterogeneous Preferences

Customer preference heterogeneity perhaps the most important reason for segmenting in customer preference. Taste and preferences differ among people. Some people are highly concerned about the appearance of a product, whereas others are more concerned about functionality. As preference heterogeneity increase the case for segmentation increases in strength moreover; the greater the variability the large the number of profitable segments present in a market.

3.9 FACTORS INFLUENCING CONSUMER PREFERENCE

A consumer’s buying preference is influenced by cultural, social, personal and psychological factors.

**Figure 3.1**

**Classified Factors Influencing Consumer Preference**

<table>
<thead>
<tr>
<th>Cultural</th>
<th>Social</th>
<th>Personal</th>
<th>Psychological</th>
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<tbody>
<tr>
<td>Culture</td>
<td>Reference groups</td>
<td>Age, life cycle &amp; Stage</td>
<td>Motivation</td>
</tr>
<tr>
<td>Sub culture</td>
<td>Family</td>
<td>Occupation</td>
<td>Perception</td>
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<tr>
<td>Social Class</td>
<td>Roles and Statues</td>
<td>Economic</td>
<td>Learning</td>
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<td>Circumstance</td>
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<td>Self conception</td>
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Source: secondary data -
3.9.1 Cultural Factors

Culture represents an overall social heritage, a distinctive form of environmental adaptation by a whole society of people. It includes a set of learned beliefs, values, attitudes, morals, customs, habits and forms of preference that are shared by a society and transmitted from generation to generation within that society. Please note that culture is alive, moving and ever-changing. It reacts to internal and external pressure causing intercultural conflicts.

Cultural influence is a force sapping both patterns of consumption and patterns of decision-making from infancy. Much of our behaviour is determined by culture. Our cultural institutions (family, schools, temple, language, customs, tradition, etc.) provide guidelines to marketers. Technological advances may influence cultural changes. Education and travel can have considerable influence on culture.

Marketing strategies can be developed for each culture separately. Market segmentation can be based on culture as one determinant. Subcultures exist with the dominant culture with its own set values, beliefs, attitude, habits and preference patterns. In Indian culture we have some important bases of subculture such as caste, region, and religion. Thus, the patterns of preference would vary between north and south India, Brahmins and Vaishyas, Muslims and Jains.

Culture, Sub – Culture and Social Class are particularly important in buying behaviour.
3.9.1(a) Culture

Culture is the distinctive way of life of people and it is the most fundamental determinant of a person’s wants and behaviour.

3.9.1(b) Sub – Culture

Each culture consists of smaller sub – cultures that provide more specific identification and socialization for their members. Sub – Cultures include nationalities, religious, racial groups and geographic regimes.

3.9.1(c) Social Class

Sociology points out the relationship between social class and consumption patterns. As a predictor of consumption patterns, marketing management is familiar with social classes. Consumers’ buying preference is determined by the social class to which they belong or to which they aspire, rather than by their income alone, Broadly speaking, we have three distinct social classes: upper, middle and lower classes. Consumers belonging to middle classes usually stress rationality, exhibit greater sense of choice-making, whereas consumers of lower classes have essentially non-rational purchases and show limited sense of choice-making. The three social classes will have differences in the stores they patronize, the magazines they read and clothing and furniture they select. Social classes may act as one criterion for market segmentation.

Psychographic or life style analysis combines behavioral reasons-both-person-centered and situation centered – for purchasing and consuming goods. The idea of
social class is now elaborated further into a new concept called psychographics which can indicate better evaluation of consumer preference.

Social Classes are relatively homogeneous and enduring divisions in a society which are hierarchically ordered and whose members share similar values, interests and behaviour.

Social Class is not determined by a single factor such as income but is measured as a combination of occupation, income, education, wealth and other variables.

3.9.2 Social Factors

A consumer’s Preference is also influenced by social factors such as the consumer’s reference groups, family, and social roles and statues. Because these social factors can strongly affect consumer responses.

3.9.2(a) Reference Groups

The concept of reference group is borrowed from sociology and psychology. Buyer preference is influenced by the small groups to which the buyer belongs. Reference groups are the social, economic, or professional groups and a buyer uses to evaluate his or her opinions and beliefs. Buyer can get advice or guidance in his or her own thoughts and actions from such small groups. Reference group is useful for self-evaluation and attitude formation.
A human being is considered as a social animal, spending much of his or her life in group situations. Consumers accept information provided by their peer groups on the quality of a product, on its performance, style, etc., which is hard to evaluate objectively. Group norms or standards direct attention of its members to a new style or a product. They provide a frame of reference which is the first stage in the consumer decision-making process. Group influence is seen in brand preferences and brand choices. A family, a circle of friends, a local club, an athletic team, and college living groups are examples of small reference groups in which members have face-to-face interactions. Word-of-mouth communication is the process by which messages are passed within a group from member to member. It is often a critical factor in determining who buys what product and brand. Group members provide relevant and additional information which cannot be provided by mass-media.

A satisfied customer becomes the salesman of the product. Oral advertisement by satisfied customers can influence the prospective buyers in the buying process. The group leader acts also as an opinion leader regarding certain products. A person may have several reference groups for various subjects. He may prefer a particular brand because his reference group prefers that particular brand of the product. Opinion leaders can act as effective agencies of communication on behalf of marketing management. Marketing effort may be directed to provide such opinion leaders.
Reference Groups are classified into two groups.

**Primary Groups:** Such as family, friends, neighbors, and co-worker’s with whom the person interacts fairly continuously and informally.

**Secondary Groups:** Such as religious, professional and trade union groups which tend to be more formal and require less continuous interaction.

3.9.2(b) Family

Most consumers belong to a family group. The family can exert considerable influence in shaping the pattern of consumption and indicating the decision-making roles. Personal values, attitudes and buying habits have been shaped by family influences. The members of the family play different roles such as influencer, decider, purchaser and user in the buying process. The housewife may act as a mediator (gatekeeper) of products that satisfy wants and desires of the children. Marketer is interested in four questions relating to family purchases:

1. Who influences ‘buying’?

2. Who in the family does ‘buying’?

3. Who takes the ‘buying’ decision?

4. Who uses the product?

There may be four different people or only one member of the family doing all four activities. For most products, the housewife (in all cities) is the main buying agent
for provisions and grocery articles. Marketing policies regarding product, promotion and channels of distribution are influenced by the family members making actual purchases. If teenagers and children are decision-makers, marketing programmes will provide special attraction like premium with the products. Advertising appeal will be determined by men, women or children acting as the real decision-makers in family purchases. Family life cycle also influences consumer expenditure patterns.

Family members constitute the most influential primary reference group. Marketers are interested in the roles and relative influence of the husband, wife, and children in the purchase of a large variety of products and services. These roles vary widely in different countries and social classes.

3.9.2(c) Roles and Status

A person participates in many groups’ like family, clubs, and organizations. The person’s position in each group can be defined in terms of role and status. A role consists of the activities that a person is expected to perform. Each role carries a status.

3.9.3 Personal Factors

A consumer’s buying Preference is also influenced by personal characteristics. These include the buyer’s age and stage in the life cycle, occupation, economic circumstances, life style, and personality and self-concept.
3.9.3(a) Age and Stage in the Life cycle

Consumption is shaped by the family life cycle. Marketers often choose life – cycle groups as their target market.

3.9.3(b) Economic Circumstances

Product choice is greatly affected by economic circumstances, like income, savings and assets, debts borrowing power, and attitude toward spending and saving.

3.9.3(c) Occupation

A person’s consumption pattern is also influenced by his or her occupation. A blue – collar worker will buy work clothes, work shoes, lunch boxes, and bowling recreation. A company president will buy expensive suits, air travel, country club membership and a large sailboat. Marketers try to identify the occupational groups that have above average interest in their products and services. A company can even specialize its products for certain occupational groups. Computer software companies design different products for brand managers, engineers, lawyers, and physicians.

3.9.3(d) Life Style

Life style is the person’s pattern of living in the world expressed in activities, interests, and opinions. Life style captures something more than the person’s social class or personality. The technique of measuring life styles is known as psychographics. It involves measuring the major dimensions. The life – style concept when used carefully,
can help the marketer gain an understanding of changing consumer value and how they affect buying behaviour.

3.9.3(e) Personality and Self – concept:

“Personality we mean distinguishing psychological characteristics that lead to relatively consistent and enduring responses to environment.

Personality can be useful in analyzing consumer behaviour for some product or brand choices. Some marketers think that buyer’s choices will result more from their actual self-concept and less from the ideal self-concept. This self – concept theory has met with mixed success in predicting consumer responses to brand images.

3.9.4 Psychological Factors:

A person’s buying choices are also influenced by four major psychological factors – motivation, Perception, learning and beliefs and attitudes.

3.9.4(a) Motivation

“A motive is a need that is sufficient pressing to direct the person to seek satisfy the needs”.

3.9.4(b) Perception

A motivated person is ready to act. How the person acts is influenced by his or her perception of the situation. Two people with the same motivation and in the same situation may act quite differently because they perceive the situation differently.
Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world. People can form different perceptions of the same stimulus because of three perceptual processes - selective exposure, selective distortion, and selective retention.

Selective exposure means that marketers must work especially hard to attract the consumers to attend him.

Selective distortion: describes the tendency of people to adopt information to personal meanings.

Selective retention: People will also forget much that they learn. They tend to retain information that supports their attitudes and beliefs because of selective retention.

3.9.4(c) Learning

Learning describes changes in an individual’s behaviour arising from experience. Learning theorists say that most human behaviour is learned. Learning occurs through the interplay of drives, stimuli, cues, responses and reinforcement. “Changes are an individual behaviour arising from experience”.

3.9.4(d) Beliefs and Attitudes

A belief is a descriptive thought that a person has about something. Marketers are interested in the beliefs that people formulate about specific products and services. These beliefs embrace products and brand images, and people do tend to act on their beliefs. If
some of the beliefs are coring and inhibit purchase, the manufacturer will want to launch a campaign to correct them.

People have attitudes regarding religion, politics, clothes, music, food and almost everything else.

An attitude describes a person’s relatively consistent evaluations, feelings, and tendencies toward an object or idea. Attitudes put people into a frame of mind of liking or disliking thing, moving toward or difficult to change.

3.10 CONSUMERS BUYING DECISION PROCESS

The Consumers buying decision process passes through five stages such as problem recognition, information search, evaluation of alternative, purchase decision and post purchase behaviour.

3.10.1 Problem Recognition

The buying process starts when the buyer recognizes a problem or need. The need can be triggered by internal or external stimuli.

Marketers need to identify the circumstances that trigger a particular need. By gathering information from a number of consumers marketers can identify the most frequent stimuli that spark an interest in a product brand. They can then develop marketing strategies that trigger consumer interest.
3.10.2 Information Search

At this level a person simply becomes more receptive to information about a product. At the next level, the person may enter active information search Consumer information sources fall into four stages namely personal source, commercial source, public source and experimental source.

3.10.3 Personal Source: family, Friends, neighbours, acquaintances.

3.10.4 Commercial Source: Advertising, sales persons, dealers, packaging, displays.

3.10.5 Public Source: Mass media, Consumer – rating organizations.

3.10.6 Experiential Source: On handling, examining and using the product. These information sources vary with product category and the buyer’s characteristics. Through gathering information, a consumer learns about competing products and their features. As far as the consumer’s information source is concerned the markets should identify them and evaluate their relative importance. Consumer’s should be asked how they first heard about the brand, what information came in later and the relative importance came in different information source. The answers will help the company to prepare effective communication for the target market.

3.10.7 Evaluation of Alternative

How does the consumer process competitive brand information and make a final value judgment? It turns out that there is no simple and single evaluation process used by
all consumers or even by one consumer in all buying situations. There are several
decision evaluation processes. Most current models of the consumer evaluation process
are cognitively acquainted that is they see the consumer as forming product judgments
largely on a conscious and rational basis.

The consumer is likely to develop a set of brand belief about where each brand on
each attribute. The brand belief makes up brand image. The consumer brand belief will
vary with his or her experience and the effect of selective perception, selective distortion
and selective retention. The consumer arrives at attitude (judgment preferences) towards
the brand alternative through evaluation process. Consumer has been found to adopt
different evaluation procedures to make a choice of multi attribute objects.

3.10.8 Purchase Decision

In the devaluation stage the consumer forms preferences among the brands in the
choice set. The consumer may also form a purchase intention to buy the most preferred
brand. However, two factors can intervene between the purchase intention and the
purchase decision.

As far as the first factor is concerned the extent to which another person’s attitude
reduces one’s preferred alternative depends upon two things, the intensity of the other
person’s negative attitude towards the consumer preferred alternative and the consumer’s
motivation to comply with the other person’s wishes.
The more intense and the close the more other person is to the consumer, the more the consumer will adjust his or her purchase intention. The converse is also true. A buyer’s preference for a brand will increase if someone he or she likes favors the same brands.

Purchase intention is also influenced by anticipated situational factors. The consumer forms a purchase intention on the basis, of such factors as expected family income, expected price and expected product benefits. When the consumer is about to act unanticipated factors may creep in to change the purchaser’s intention.

3.10.9 Post Purchase Behaviour

After purchase of the product the consumer will experience some level of satisfaction or dissatisfaction. The consumer will also engage in post purchase actions. The marketer’s job does not end when the product is bought but continues in to the post purchase period.

The classification of goods—physical products—is essential to business because it provides a basis for determining the strategies needed to move them through the marketing system. The two main forms of classifications are consumer goods and industrial goods.