1.1 Preamble

Modern times reflect key changes in the marketing strategies employed by companies seeking to sustain competitive advantage. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Marketing, by facilitating exchange of products in order to satisfy needs and wants of the people has assumed an increasingly important role in our economy.

Today the job of marketing becomes very challenging due to the interaction of various factors. Organisations are fighting with changing consumer behaviour, economic stagnations, environmental decline, high pace of technological advancement, political instability, effect of fluctuating economy and other social problems. Competitors have become more aggressive than ever before. They are equipped with a lot of marketing techniques. Each of them gets interested in developing a winning formula which could win the confidence of customers. The financial health of these companies is now dependent on the amount of information that is collected with regard to consumer purchasing habits. These companies have resorted to the adoption of behavioural and sociological studies in order to collect this pertinent data and further the corporate understanding of consumer purchasing patterns.

Companies are shifting their focus from a product driven marketing to consumer driven marketing activities. As a direct consequence of this shift,
companies are now attributing much more importance to the customer’s reactions on the 4Ps (product, price, promotion and place) and have further implemented three additional Ps, physical layout, process and people (Kotler, 1999).

Current market trends show that the homogeneity of product has increased meaning that few functional differences between key competitors currently exist in most highly competitive markets. This decrease in product differentiation is considered to be the direct result of the high levels of competition that exist within today’s markets, as well as the technological advances of production and distribution methods, because these advances have diminished the ability of technological innovations to offer sustainable competitive advantage and have made product differentiation extremely difficult (Kotler, 2000).

As a direct consequence, branding has emerged as a significant feature of contemporary marketing strategies and is now considered a key organisational asset (Kotler, 2000). The symbolic values associated with brand names have become the basis for product differentiation. Branding is one of the popular tools employed for successful marketing of products and services. Branding as a concept has been here for many years. Brand helps to identify and differentiate the goods and services of one organisation to another. From the customer’s point of view, brands simplify shopping, aid in the processing of information about products and make them feel confident of their purchase decision.

Brands are viewed as the hearts of consumer business (Kapferer, 1992). A significant, communicative and educative role is playing by brands among customers. Brand is considered as a symbol of quality and it facilitates them to make their decisions in purchases. In the present globalised market, brands are the key drivers of economic and market value of a business. Brands are turning
out to be the most valuable assets in the modern business scenario due to its tangible and intangible nature. It creates the basis for customer relationship. Hence it connects the corporate with customers and generates wealth also. A brand can tie a customer to the firm or product by rational and emotional hooks by generating loyalty.

In tangible terms brand is a name, term, symbol or design or combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. It is typically a system of fundamental visual, verbal and written characteristics; however, the true essence of a brand may also be defined by the sum of its interactions with people. The most powerful brands maintain interactions that repeatedly result in high-value experiences. Such brands allow organisations to capitalise on the strong long term customer relationship that results from these experiences. The process of assigning and establishing brand is termed as branding and the positioning of brand in the minds of customers can be referred to as brand equity building and brand equity represents the value and strength of customer relationship. Brands are highly regarded as the important sources of capital for business. The term has different meaning attached to it; a brand can be defined as a name, logo, symbol and identity or a trademark. Prasad and Dev (2000) also state that a brand can be seen to include all tangible and intangible attributes that a business stands for.

As a result of the rapid changes in the global market and the increased competition experienced between firms, “Brand Management” has become more important. Good brand management brings about clear differentiation between products, ensures consumer loyalty and preferences and may lead to a greater market share. Aaker (1991) is of the view that establishing and managing brand should not be taken to be the core operating target for most industries, but should also be seen as a source of competitiveness. In other
words value is added to a brand when the brand is able to compete successfully with other brands.

Many researchers have been interested in the concept and measurement of brand equity because of the necessity in today’s marketplace to develop, maintain and to acquire a certain level of competitive advantage. According to Ailawadi et al. (2003) this has led to various points of view on brand equity dimensions, the factors that affect them and the perspective from which they should be studied as well as assessed. The origin of the word ‘equity’ is from the financial world. It means investment or property. Several researchers have studied brand equity from the financial viewpoint. Financial valuation of the brands focuses it as long term assets and serves an important purpose in marketing. Several ambiguous expectations have been created by extending the financial paradigm to the marketing context. To maintain equivalence with the financial notion, equity is defined as the worth of the brand or the 'added value' endowed by the brand name to the product (Farquhar 1989). In order to show the brand value in balance sheet and other financial statements, the financial approach of measuring brand equity will be helpful for the marketers. It is essential to create a value for brand among the customers who are the ultimate users of the brand. In a very highly competitive market of consumer goods, brand knowledge of the customer is imperative for this purpose. Hence it is indispensable to establish brand knowledge of a product among them in a recognised branding framework.

A comprehensive framework by Keller (1993) outlined the sources of brand equity by way of identifying what is in the consumer’s mind by evaluating his brand knowledge. Brand knowledge is an influencing factor that creates identity to a brand among the customers. Here the information given by Keller regarding brand knowledge involves brand awareness and brand image. Brand awareness is a composite of brand recognition and brand recall
performance. Brand image is the sum total of knowledge, symbolic and experimental benefits and brand attitudes. All those things are essential aspects for creating brand knowledge but the question is how far these elements are helpful in developing brand equity and what are the parameters to measure the customer-based brand equity through brand knowledge.

*Aaker (1996)* presented a more extended framework in his exposition on strong brands. He includes brand awareness, brand loyalty, perceived quality and distinctive brand associations as the important dimensions of strong brand. The information provided by Aaker can possibly give further knowledge about customers' willingness to pay for different brands and a better understanding of the competitive situations. How these different brand equity dimensions are related, how important they are and what is its degree of impact seems to be quite indistinct questions as judged by previous researchers. The lack of distinction is presumably due to the fact that different researchers have studied brand equity on different levels and focused on numerous product groups. Hence it is important to find out answers for the questions mentioned above to make the concept clear.

Most of the current brand equity measurement approaches are subject to some kind of limitations such as providing measures of segment level or unavailability of sub components or based on past consumption or not based on individual components or unrealistic product profile. Hence developing further insights into the measurement of customer-based brand equity is important in the face of the prominence of branding, because branding is a powerful means of differentiation. Differentiation is one of the key competitive positioning strategies. A brand is said to be strong only in the case of customers’ stay with the brand despite competitive inducement and other pressures. A customer will be loyal to a brand when attaining complete satisfaction in the entire product. Such customer loyalty is actually at the core
of most of the strong brands and can be considered to be the most important assets of such brands. But the thing is how loyalty factors are identified and what are the elements involved in building brand loyalty. Hence the researcher uses a method that comprises both Aaker and Kellers’ well known brand equity models. The present study considers brand trust and brand loyalty as the unique components of brand equity controlling the effects of other common sub components such as brand purchase behaviour, brand association, brand satisfaction and brand attachment (post purchase behaviour).

A strong brand allows customers to have a better perception of the product and services. Also they lessen customer’s perceived monetary safety and social risk in purchasing products and services which are hard to ascertain before purchase. Strong brands offer a lot of advantages such as reduced competition, larger brand loyalty and increased response to price adjustment by customers, larger profit and brand extensions than brands that are not strong. Conclusively, the best way to build brand value and stop product and service commoditisation is through continuous attempt to build brand equity. Strong brands are established by creating an emotional attachment with customers, seeking differentiation in communication and performing the service. Branding makes a clear reason for existence and inspires its employees to get used to the brand thereby building it for customers.

Popular brands are commonly used across households around the world in a variety of product categories, especially those brands that belong to the category of consumer products. This comprises consumer durable and non durable products that cater to the needs of the members in the households. According to the Confederation of Indian Industries report, the consumer products sector is the fourth largest sector in the Indian economy with a total market size that exceeds Rs. 60,000 crores. Kerala, ranked as one of the top 10 states with the largest market size in India, has always been viewed as a
consumer state, according to the 58th round NSSO survey. The 2005 Economic Review by the Kerala State Planning Board states that in the case of average payments made by the households for the consumption of goods and services, Kerala is above the other states with Rs.1267 in the urban and Rs. 881 in the rural sector.

The consumer products industry consists of durable and non-durable products. Durable products comprise FMCG and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Instruments such as mobile phones and kitchen appliances like microwave ovens are also included in this category. The sector has been witnessing significant growth in recent years, helped by several drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an overall increase in the level of affluence of a significant section of the population. The industry is represented by major international and local players such as Sony, Videocon, Voltas, Blue Star, Samsung, Titan and Whirlpool. Consumer products can be broadly classified into three broad categories: Convenience Goods, Shopping Goods and Speciality Goods. Convenience goods include FMCG and other goods which satisfy the everyday needs of the households. Brands of soaps & detergents, personal care products, food & beverages and other essentials have been selected under this category for the study. Shopping goods have consumer electronics and consumer appliances. Brands from home appliances, personal service products come under the category of shopping goods and the brands selected under the speciality goods are from passenger cars and motor cycles.

The brand equity of a particular product would be an outcome derived from the customer's response that enables a product to live long in the midst of hectic competition. There are many studies related to brand equity but there is a lack of research works on customer-based brand equity of the entire
consumer products which are used by all groups of people. As a result of
globalisation and liberalisation, multinational companies are paying more
attention to market their commodities in the developing countries like India.
There is a stiff competition ahead for the local manufacturers to satisfy the
needs of consumer goods customers. Hence in this study, the researcher
considers consumer products of different categories.

1.2 Statement of the Problem

The consumer product industry is a fast growing industry in the world
and India is not an exception. India competes with well developed countries in
terms of the number of products marketed. At the same time, the companies
attract the prospective brand conscious customers by claiming quality and
image and try to satisfy these customers by adopting various strategies in the
market. Earlier studies reveal that managers cannot recognise the levels of
consumer awareness, their brand association and degree of customer loyalty.

In the present scenario, establishing brand equity by the establishment of
strong brand is becoming more and more challenging. Amplified pressures to
compete on price, product introductions and bigger competition through store
brands and the disintegration of advertising and market segments are a few
samples of the pressure faced by consumer goods companies in the present
marketing environment. Basically, brand equity emerges from the greater
enthusiasm that consumers place in a brand than they do in competitors. This
confidence of brand association gets translated into consumers’ brand
satisfaction, attachment, trust, loyalty brand equity and their willingness to
accept the brand extension. But how the various brand marketing practices will
affect the purchasing behaviour of these brand conscious customers and they
react and respond towards these practices of branding is normally unknown.
Similarly, the perception and response of the customers of consumer product
industries towards branding, the degree of satisfaction over these branding
practices, how far the branding will affect their trust and loyalty and finally,
how far their trust and loyalty will affect customers’ brand equity is normally not predictable.

The issue of brand equity has emerged as one of the most critical areas for marketing management. Despite having interest in the subject, however, to date, little research has been conducted in order to distinguish brand equity from a customer perspective and to investigate which dimensions of brand equity have the strongest effects on consumer behaviour. Since the source of brand equity is customer perception (Keller, 1993), it is important for managers to measure and track it at the customer level.

In this study, the researcher tries to analyse the various aspects of branding and examines them by predicting the factors affecting the Brand Purchasing Behaviour of the customers of the consumer product industry and how their Brand Attachment, Brand Satisfaction, Brand Trust and Brand Loyalty will affect their Brand Equity and also how the Customer-based Brand Equity facilitates Brand Extension under the title “BRANDING IN MODERN MARKETING - A STUDY OF ITS IMPACT ON MARKETING OF CONSUMER PRODUCTS”.

1.3 Significance of the Study

The management of brand has attained more importance due to the change in the global market and increasing competition. Building of strong brand equity is of the topmost priority of many consumer product brands, but attaining this objective is not always an easy task due to the fact that the products and services of many consumer products are similar and their means of distributions are alike. Price in the form of discount and brand equity is the only possible means by which customers can differentiate one brand from the other. Indeed, price promotion has been one of the most important marketing strategies relied upon by most of the firms and this has led to constant price war that has reduced revenue and weakened customers’ loyalty. When reading
through relevant literature, it can be found only limited researches regarding customer-based brand equity in consumer goods industry and most of them focused on the relationship between brand equity and firm performance using brand awareness and image as moderating effect. Also it is noticed that most researchers like Keller (1993) Yoo and Donthun (2001) Lin and Chang (2003) have surveyed four dimensions of customer-based brand equity (brand awareness, perceived quality, brand loyalty and brand image) and have suggested that they all have their impact on the consumer.

Therefore, it has been planned to carry out a research to indicate the influence of branding of consumer products on consumers’ willingness to accept brand extension by understanding the effect of brand advertisement, brand sales promotion, brand knowledge, brand awareness, brand pricing, perceived quality and brand image on the purchase behaviour of different categories of customers in the purchase of branded consumer products by analysing the influence of various dimensions of brand equity (brand association, brand satisfaction, brand attachment, brand trust and brand loyalty) on the consumer perceptions on a brand.

1.4 Scope of the Study

Brand equity can be studied from several perspectives. The mostly accepted methods for studying brand equity are financial approach, brand extension approach and customer-based approach. Each perspective could suggest different parameters and methods to evaluate brand equity. The concept of customer-based brand equity has been applied in several product categories in previous researches and produced various kinds of output, but there are very few research works in the area of consumer products. The consumer products market is always highly competitive due to the availability of a number of alternatives and substitutes. In a highly populated country like India there is a potential market for the consumer goods. Hence, the researcher
has chosen consumer products of three categories for the present research. The commodities chosen for the research are convenience goods, shopping goods, and speciality goods. The brands selected for the research are from the products available for soaps & detergents, personal care products, food & beverages, other essentials, home appliances, personal service products, passenger cars and motor cycles. The emergence of profound empirical relationship for building customer-based brand equity in the restricted domains of the above mentioned factors focuses on the research orientation towards a particular point of research. This may open fascinating vistas for new analytical and innovative research in the area of customer-based brand equity. Hence this study provides a background from where the attitudes, responses and perceptions of the customers of the consumer products towards branding are identified and measured under the title “BRANDING IN MODERN MARKETING - A STUDY OF ITS IMPACT ON MARKETING OF CONSUMER PRODUCTS”. This research thesis has utilised selected brands of consumer durable products in Kerala under three categories - convenience goods, shopping goods, and speciality goods. The thesis has to deal with the importance of customer-based brand equity to consumers’ perceptions of brands. The sample population of this study consists of males and females of 15-60 age groups, all of whom are residents of Kerala. The study is based on the assumption that all the dimensions of customer-based brand equity will have influence on consumers’ perceptions of brands. The result of this study could serve as a decision making tool to help managers of consumer durable products to maximise the value of their brands in modern marketing.

1.5 Research Gap

From the review of available literature, it can be seen that brand marketing of different categories of consumer products form a new area of study and that the brand purchasing behaviour of customers of different
categories of branded goods in this industry has not yet been considered anywhere in the earlier studies. The earlier studies indicate either the buying behaviour of FMCG brands or the customer-based brand equity of FMCG in a detailed manner. But the impact of branding and brand promotional activities on customer behaviour of different categories of consumer goods at one time is totally uncovered and untapped by the researchers especially in an industry where a large number of brand conscious customers prevail. Therefore, the present study is a new area of brand marketing, concentrating on the customer behaviour of different consumer products due to the various brand marketing practices followed by the manufacturers. Here the factors affecting the brand purchasing behaviour of the customers and the degree to which their brand association, brand satisfaction, brand attachment, brand trust, and brand loyalty affect the customer-based brand equity of the customers of different categories of consumer products have been examined by applying the appropriate statistical models.

1.6 Objectives of the Study

As the researcher has established, the importance of understanding branding and its impact on modern day markets are vital to the health and growth of most industries. The aim of this thesis is to put into perspective the functional values of branding as well as assess its role in the consumer purchase decision making and the customer-based brand equity. In order to further understand consumer behaviour with regard to branding, this research work aims at an in-depth understanding of the processes and attributes that lead to the customers’ evaluation of brands and the key drivers of building brand loyalty. This will be brought into focus by a critical evaluation of how the customers of consumer products behave in Kerala. In order to meet these outcomes, the following objectives have been set:
1. To identify the favourite brands of different categories of consumer products
2. To analyse the factors motivating the customers to choose branded consumer products
3. To examine the factors affecting the purchase behaviour of the customers of branded consumer products
4. To evaluate the effect of brand satisfaction, brand attachment, brand trust and brand loyalty on the customer-based brand equity
5. To analyse the impact of customer-based brand equity on brand extension of consumer products.

1.7 Hypotheses of the Study
1. There is no difference between observed distribution and binomial distribution of consumer opinion about the brand consciousness with parameter.
2. There is no association between the selection of the purchase outlets by customers and their area of residence.
3. There is no association between the reasons for customers’ brand switching and their area of residence.
4. There is no difference across the preferences of the customers of different categories of products associated with the factors that motivate them to purchase consumer goods.
5. The brand purchase behaviour of the customers of all the categories of products is not affected by the brand image.
6. The change in the brand satisfaction, brand attachment, brand trust, and brand loyalty does not make any change in the customer-based brand equity.
7. The customers’ willingness to accept brand extension is not affected by the customer-based brand equity.
1.8 Data Base and Methodology

The present study is descriptive and analytical in nature. The study attempts to describe the branding of consumer products, to analyse the impact of these practices on the brand purchasing behaviour of the customers and also to examine how their brand association, brand satisfaction, brand attachment, brand trust and brand loyalty affect the customer-based brand equity. In pursuance of the objectives and hypothesis mentioned above, the following methodology was adopted for conducting the study.

1.8.1 In the first phase, familiarization with branding principles and theories and search for available literature was made through interviews with various marketing personnel, advertising agents and household customers, visit to various consumer goods shops and malls to meet the customers as well as the shopkeepers, attending workshops and seminars on marketing and branding, using literature from thesis, journals, magazines, books and websites and visiting various libraries across the nation.

1.8.2 In the second phase, identification of the product categories was made on the basis of the literature survey, discussion with the marketing personnel, experts and various households and observation in the market. The researcher identified that the common consumer goods brands in Kerala fall into three broad categories: convenience goods which include frequently purchased goods: FMCG; shopping goods such as electronic and other household appliances having a lesser purchase frequency; speciality goods which embrace much costly and rarely purchased goods such as vehicles.

1.9 The Population

Customers of consumer goods industry include customers who purchase different categories of branded consumer goods for consumption. Therefore, ‘population’ of the customers of consumer goods industry mean the total customers of all these goods in the State of Kerala.
1.10 Pilot Study

After the validation study and the discussion with a panel of marketing experts, a pilot study was conducted based on well defined questionnaire. The main aim of the pilot study was to check the feasibility and reliability of the questionnaire which was used as a main tool for collecting the data from primary source.

The questionnaire was circulated among 60 sample customers of consumer goods in different places of Kerala. The responses obtained were systematically analysed in SPSS. Necessary modifications were incorporated after the pilot study as suggested by the sample respondents.

**Table 1.1 Cronbach Alpha for the Variables Selected for the Study**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variable</th>
<th>No. of statements</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Brand Advertisement</td>
<td>16</td>
<td>0.898</td>
</tr>
<tr>
<td>2</td>
<td>Brand Sales promotion</td>
<td>22</td>
<td>0.853</td>
</tr>
<tr>
<td>3</td>
<td>Brand Awareness</td>
<td>13</td>
<td>0.852</td>
</tr>
<tr>
<td>4</td>
<td>Brand Knowledge</td>
<td>6</td>
<td>0.777</td>
</tr>
<tr>
<td>5</td>
<td>Brand Price</td>
<td>3</td>
<td>0.743</td>
</tr>
<tr>
<td>6</td>
<td>Perceived Quality</td>
<td>9</td>
<td>0.879</td>
</tr>
<tr>
<td>7</td>
<td>Brand Image</td>
<td>13</td>
<td>0.892</td>
</tr>
<tr>
<td>8</td>
<td>Brand Purchase behavior</td>
<td>8</td>
<td>0.859</td>
</tr>
<tr>
<td>9</td>
<td>Brand Association</td>
<td>7</td>
<td>0.750</td>
</tr>
<tr>
<td>10</td>
<td>Brand Satisfaction</td>
<td>3</td>
<td>0.871</td>
</tr>
<tr>
<td>11</td>
<td>Brand Attachment</td>
<td>19</td>
<td>0.897</td>
</tr>
<tr>
<td>12</td>
<td>Brand Trust</td>
<td>7</td>
<td>0.787</td>
</tr>
<tr>
<td>13</td>
<td>Brand Loyalty</td>
<td>7</td>
<td>0.837</td>
</tr>
<tr>
<td>14</td>
<td>Brand Equity</td>
<td>7</td>
<td>0.817</td>
</tr>
<tr>
<td>15</td>
<td>Brand Extension</td>
<td>4</td>
<td>0.763</td>
</tr>
</tbody>
</table>
The Chronbatch’s Alpha method was applied to primary responses with a seven point scale to identify correlation within the groups and between the groups. On the whole, the statements regarding brand advertisement, brand sales promotion, brand awareness, brand knowledge, brand pricing, perceived quality, brand image, brand purchasing behaviour, brand association, brand satisfaction, brand attachment, brand trust, brand loyalty, brand equity and brand extension showed that customers of consumer goods were well acquainted with these factors at a high Chronbatch’s Alpha level as given in Table 1.1.

This shows the high validity and reliability of the questionnaire circulated among the customers of consumer goods. Besides the statements in Likert’s 7-point scale, the optional questions were also tested. It was concluded that the questionnaire was suitable in eliciting responses from the customers of consumer goods in Kerala.

1.11 Questionnaire Design

This research entirely depends on both primary and secondary data. As established in the pilot study, the primary data is collected through a well framed questionnaire comprising optional type and Likert’s 7-point scale type questions. The questionnaire is divided into 3 major subdivisions, normally demographic details, product details and elements of purchase behaviour and brand equity. The first part consists of optional type questions to ascertain the details of the demographic backgrounds of customers of consumer goods in Kerala. This section is useful in ascertaining place, gender, age, education, occupation, income, number of family members etc. The second part gives complete details about various consumer products, their brand names, purchase outlets and various reasons of brand switching. This section ascertains the frequency of brands used by the customers and contains certain ranking questions to identify the reasons for selecting purchase outlets and brand
switching. The third part of the questionnaire deals with the various factors of purchase behaviour and dimensions of brand equity. Likert’s seven-point scale had a range from ‘strongly agree’ to ‘strongly disagree’.

1.12 Sample Size

The modified data after reliability analysis, collected from the 60 respondents were studied in detail to identify the extent of variations in the responses. It may be stated that the sample size was proportional to the level of variation and the assumed level of error of the estimate of the population parameter of the study variable. As many as 144 statements relating to the variables affecting the brand purchasing behaviour of customers and the brand association, brand satisfaction, brand attachment, brand trust and brand loyalty which affects the customer-based brand equity and the brand extension were used for determining the sample size. For an assumed level of 5 per cent error in the estimates of the means of these 144 responses, using the information on variances from the pilot study, the sample size was obtained based on each response. The formula used is \( n \geq (1.96 \frac{s}{d})^2 \). When ‘n’ is the sample size, ‘s’ is the estimate of standard deviation, ‘d’ is the standard error of the estimate of the population parameter, and the value 1.96 is the critical value from normal test at 5 per cent level of significance. The calculated sample size of 660 was the maximum obtained from responses to all the statements. Hence the sample size was fixed finally at 675 for customers of branded consumer products.

1.13 Method of Sampling

A multi-stage stratified random sampling technique was applied for the selection of the sample customers from the large number of different types of customers of this industry who purchase and use their consumer products categorized as convenience goods, shopping goods, and speciality goods in Kerala. The population for the customers of consumer products in Kerala is very large and totally heterogeneous. Since the population is
heterogeneous, the sample respondents were chosen at random from each strata in four stages.

In the first stage, Kerala was divided into three regions- South, Central and North. Then one District was selected at random from each region and thus Thiruvananthapuram (TVM), Ernakulam (EKM) and Kozhikode (CLT) were selected. The total sample size of 675 was allocated to each district equally, i.e., 225 each.

In the second stage, consumer goods were classified as convenience, shopping and speciality goods. In the third stage, one ward was selected from each Panchayat under each Taluk in each district for sample selection of convenience goods. Similarly, one Multi Branded Shopping Mall was selected from each district and the number of customers who visited each mall per month was observed for shopping goods. Then one RTO office, each was selected from the three districts under study and the total number of vehicles registered with the RTO offices in a month was also identified for the speciality goods under study.

Finally, the allotted samples for the three districts (225) were reallocated based on the proportion of each category of customers. Therefore the final sample for convenience goods was 33, 32 and 35 from the selected wards of TVM, EKM and CLT. Similarly, the sample size of 225 for the customers of shopping goods was also allocated to the three districts uniformly, i.e., 86. But in the case of speciality goods, the sample size of 225 allocated for each district was based on the number of vehicles registered in a month in each RTO office and consequently the sample was fixed as 106, 107 and 104 in each district.
Fig. 1.1 Selection of Sample

Table 1.2 Allocation of Sample size of Customers to the Selected Districts

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Districts</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Thiruvananthapuram</td>
<td>225</td>
</tr>
<tr>
<td>2.</td>
<td>Ernakulam</td>
<td>225</td>
</tr>
<tr>
<td>3.</td>
<td>Kozhikode</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>675</td>
</tr>
</tbody>
</table>
### Table 1.3 Re-allocation of Sample Size to the Selected Category of Consumer Goods

<table>
<thead>
<tr>
<th>Districts Selected</th>
<th>Category of Goods</th>
<th>Number of Customers Observed</th>
<th>Total no. of Customers Observed</th>
<th>Samples</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVM</td>
<td>Convenience</td>
<td>1241</td>
<td>8356</td>
<td>33</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td>Shopping</td>
<td>3190</td>
<td></td>
<td>86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Speciality</td>
<td>3925</td>
<td></td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>EKM</td>
<td>Convenience</td>
<td>1159</td>
<td>8574</td>
<td>32</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td>Shopping</td>
<td>3310</td>
<td></td>
<td>86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Speciality</td>
<td>4105</td>
<td></td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>CLT</td>
<td>Convenience</td>
<td>1350</td>
<td>8570</td>
<td>35</td>
<td>225</td>
</tr>
<tr>
<td></td>
<td>Shopping</td>
<td>3250</td>
<td></td>
<td>86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Speciality</td>
<td>3970</td>
<td></td>
<td>104</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>25500</td>
<td>25500</td>
<td>675</td>
<td>675</td>
</tr>
</tbody>
</table>

Source: Electoral Roll, Transport Commissionerate, Government of Kerala and customer data base of shopping malls

### Table 1.4 Sample Size Determined for the Category of Consumer Goods in the Selected Districts

<table>
<thead>
<tr>
<th>Category</th>
<th>TVM</th>
<th>EKM</th>
<th>CLT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience</td>
<td>33</td>
<td>32</td>
<td>35</td>
<td>100</td>
</tr>
<tr>
<td>Shopping</td>
<td>86</td>
<td>86</td>
<td>86</td>
<td>258</td>
</tr>
<tr>
<td>Speciality</td>
<td>106</td>
<td>107</td>
<td>104</td>
<td>317</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>225</td>
<td>225</td>
<td>675</td>
</tr>
</tbody>
</table>

Source: Electoral Roll, Transport Commissionerate, Government of Kerala and customer data base of shopping malls

### 1.14 Type of Analysis

Bi-variate analysis and multivariate analysis were done for establishing the relationship among the variables under study. Moreover, different statistical modellings were applied for proving the multivariate relationship among the relevant variables under study.
1.15 Statistical Tools Applied for the Study

Primary data collected from the respondents were computerized and programmed to get logically consistent inferences. The data were tabulated keeping in view the objectives of the study. The computerised data were analysed with the help of Statistical Package for Social Sciences (SPSS). Statistical tools such as Chi-square test, Binomial Test, Friedman Test, Multidimensional Scaling (ALSCAL) Model, Multidimensional (PREFSCAL) Scaling Model, One-way ANOVA, Two-way ANOVA, Two-way ANOVA Interaction Model, Pearson Correlation, Dummy Variable Regression Models and logistic regression models were applied with SPSS software.

1. **Chi-square Test**

The Chi-square test is applied to test whether there is a significant association between two categorical variables, with classical test for independence. Here, the Chi-square test is used to test the association between the purpose of the brands purchased and the type of consumer goods.

2. **Friedman Test**

Friedman test is a non-parametric test that compares two or more variables. This test first ranks the values in each, from low to high. The average of the ranks assigned by the respondents to the variables is taken and tested to find out whether the mean rank is significant or not. In this study, this non-parametric test is applied for testing the variation of the rank preferences of the customers towards the factors motivating them to purchase a category of consumer goods.

3. **Binomial Test**

In statistics, the binomial test is an exact test of the statistical significance of deviations from a theoretically expected distribution of observations into two categories. The most common use of this test is in the case where the null
hypothesis is that two categories are equally likely to occur. Binomial test is used to calculate the probability of outcomes in experiments that consist of events with discrete outcomes. It is a non parametric test to compare the observed distribution to the expected distribution when there are only two categories and is useful for determining if the proportion of people in one of the two categories is different from a specified amount. In this study, this test is applied for testing the variation between the observed and binomial distribution of brand conscious customers.

4. **Multidimensional Scaling Alscal Model**

MDS is a technique used to determine a dimensional space and corresponding coordinates for a set of objects, strictly using matrices of pairwise dissimilarities between these objects. When using only one matrix of similarities, it is akin to Eigenvector or Singular value decomposition in linear algebra, and there is an exact solution space. When several matrices are used, there is no unique solution, and the complexity of the model commands an algorithm based on numerical analysis. This algorithm finds a set of orthogonal vector dimensions in an iterative fashion, slowly transforming the space to reduce the discrepancies between the inter-object distances in the proposed space, and the corresponding scaled original pair-wise dissimilarities between these objects. In this study, the MDS Alscal model is applied to identify the most influential or significant element that gives the Brand mystique among customers of different categories of consumer goods.

5. **Multidimensional Scaling Prefscal Model**

Multidimensional scaling (MDS) is a set of data analysis techniques used to explore the structure of (dis) similarity data. MDS represents a set of objects as points in a multidimensional space, in such a way that the points corresponding to similar objects are located close together, while those corresponding to dissimilar objects are located far apart. The investigator then
attempts to make sense of the derived object configuration by identifying meaningful regions and/or directions in the space. Here, this MDS Prefsca model is applied for identifying the most powerful factors that motivate the customers to buy a category of consumer goods.

6. **Two-way ANOVA**

In statistics, the Two-way Analysis of Variance (Two-way ANOVA) test is an extension of the one-way ANOVA test that examines the influence of different categorical independent variables on one dependent variable. While the one-way ANOVA measures the significant effect of one independent variable (IV), the two-way ANOVA is used when there are more than one IV and multiple observations for each IV. The two-way ANOVA can not only determine the main effect of contributions of each IV but also identify if there is a significant interaction effect between the IVs. In this study, this ANOVA model is applied to test the area-wise and consumer goods category-wise mean variation of the factors affecting the brand purchasing behaviour and dimensions of customer-based brand equity.

7. **Two-way ANOVA Interaction Model**

There is an interaction between two factors if the effect of one factor depends on the levels of the second factor. When the two factors are identified as A and B, the interaction is identified as the A × B interaction. Here, this interaction model is applied to test the variation of observed mean scores of the responses of the customers about the factors affecting their brand buying behaviour and brand equity according to the combined effect of two objects, ie, area-wise and consumer goods category-wise.

8. **Pearson Correlation**

Correlation is a technique for investigating the relationship between two quantitative, continuous variables. Pearson's Correlation Coefficient (r) is a
measure of the strength of the association between two variables. In this study, the interconnection as well as the interrelation among the factors affecting the Brand purchasing behaviour and Brand equity is measured by applying Pearson Correlation Co-efficient.

9. Dummy Variable Regression Models

In statistics and econometrics, particularly in regression analysis, a dummy variable (also known as an indicator variable) is one that takes the value 0 or 1 to indicate the absence or presence of some categorical effect that may be expected to shift the outcome. Dummy variables are "proxy" variables or numeric stand-ins for qualitative facts in a Regression model. In Regression analysis, the dependent variables are influenced not only by quantitative variables (income, output, prices, etc.), but also by qualitative variables (gender, religion, geographic region, etc.) Dummy independent variables take the value of 0 or 1. Hence, they are also called binary variables. A dummy explanatory variable with a value of 0 will cause that variable's coefficient to disappear and a dummy with a value of 1 will cause the coefficient to act as a supplemental intercept in a Regression Model. The validity of the Dummy Variable Regression Model shows the factors affecting the brand purchase behaviour such as BA, BSP, BWARE, BK, BP, PQ, BI and also identifies the impact of BASSN, BS, BATTACH, BT, and BL on the CBE of the customers of different categories.

10. Logistic Regression Model

In statistics, Logistic Regression is a type of Regression analysis used for predicting the outcome of a categorical dependent variable (a variable that can take on a limited number of categories) based on one or more predictor variables. The probabilities describing the possible outcome of a single trial are modelled, as a function of explanatory variables, using a logistic function. Logistic regression measures the relationship between a categorical dependent variable and usually a continuous independent variable (or several), by
converting the dependent variable to probability scores. In this study, the probability of the change in BE is affected by the probability of the change in BS, BATTACH, BT, and BL, is measured by applying the Logistic Regression Model.

1.16 Important Terms and Concepts

1. **Brand**

   In tangible terms brand is a name, term, symbol or design or combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. A brand can be defined as a name, logo, symbol and identity or a trademark. It is typically a system of fundamental visual, verbal and written characteristics; however, the true essence of a brand may also be defined by the sum of its interactions with people. The most powerful brands maintain interactions that repeatedly result in high value experiences. Such brands allow organisations to capitalise on the strong long term customer relationship that result from these experiences.

2. **Branding**

   Branding is conceptualised as the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products. It is also the process of assigning and establishing brand.

3. **Branded Consumer Products**

   Branded consumer products are those products having trademark, trade name, service mark or other identifying symbol or names owned by such manufacturer or seller. These are the products sold by a manufacturer or seller with the understanding that the purchaser has the right to resell, consume or use the product under a trademark, trade name, service mark or other identifying symbol or names owned by such manufacturer or seller.
4. **Brand Advertisement**

Brand advertisement is the featuring of a particular brand in media vehicles in order to build strong, long term consumer attitudes towards it. Brand advertising is the promotion of products and services offered by a specific brand. It is advertising with a strong emphasis on the company brand (logo and/or company name). Advertisement helps in creating awareness and image by depicting the characteristics of the brand and how it is different from the competitor.

5. **Brand Sales Promotion**

Brand sales promotion is one of the marketing techniques to attract consumers to purchase more or try a branded product or service. It adds value to a branded product in order to achieve specific marketing goals such as increased sales, increased quantity of stock used and attracting new customers. The primary purpose of sales promotion is to induce the customers to make a quick buying decision in order to create increased sales. Sales promotion does not always bring positive impact to business, sometime this type of promotion cause negative brand impact to customers’ mind in the long term. Therefore a promotional campaign needs to be designed taking into account the consequences of losing brand value.

6. **Brand Awareness**

Brand awareness is the customers’ ability to recognise or recall a brand attached to certain product category. Brand awareness measures the accessibility of the brand in memory. Brand awareness can be measured through brand recall or brand recognition. Brand recall reflects the ability of customers to retrieve the brand from memory when given the product category.
7. **Brand Knowledge**

Brand knowledge is a function of awareness which relates to customers’ ability to recognise or recall the brand on the basis of their perceptions and of associations on a branded product. Brand knowledge is an important concept to identify the characteristic features of any product. This comes into the mind of customers through their wide accessibility and awareness on the utility of the product. This concept is considered as one of the fundamental building blocks for the emergence of customers’ brand purchase behaviour.

8. **Perceived Quality**

Perceived quality can be defined as the insight of the customers on the overall worth of a product with respect to its anticipated purpose, relative to alternatives. Perceived quality is an intangible, overall feeling about a brand. It will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. Perceived quality is first a perception by customers.

9. **Brand Pricing**

Brand pricing is the process of applying prices to purchase and sale of brands. A customer always examine price information whether the price is in parity with the capacity to buy the product, perceived performance, and value for money, when they are making judgments on the dimensions of quality, ease of use, usefulness, performance, durability, and status. The needs of the consumer can be converted into demand if the consumer has the willingness and capacity to buy the product. Thus pricing is very important in brand marketing.

10. **Brand Image**

Brand image is defined by a specific set of brand attributes and benefits related to the egotic impact of the brand and its perception as being qualitatively sound. Brand image is the positive feeling that customers have
about the reactions of others (i.e., when customers feel other look favourably on their appearance or behaviour) to the brand. The image of the products and companies due to the recognition of their name as the perfect one for making them more qualitative and use them with pride and status. Brand image is the outcome of favourability, strength, uniqueness and types of brand associations held by a consumer. Brand image is the current view of the customers about a brand. It is a set of beliefs held about a specific brand.

11. Brand Purchase Behaviour

Brand purchase behaviour or brand-conscious buying behaviour is the decision processes and acts of people involved in buying and using brands. It refers to the buying behaviour of the ultimate consumer. So the brand purchasing behaviour is operationally defined as the behaviour of ultimate customers involved in the buying, consumption or use of products that are benevolent or beneficial to the marketing of brands, sensitive or responsive to branding process. A company needs to analyse brand purchase behaviour to know the buyers’ reactions on its brand marketing strategy, in order to create marketing mix that gives utility to customers. It has a great impact on the success of a firm’s marketing.

12. Brand Association

Brand association is any linkage to the brand due to the purchase or possession of a product. Brand associations may include product attributes, customer benefits, uses, lifestyle, product classes, competitors and countries of origins. The associations that a well established brand name provides can influence attachment and then affect user satisfaction.

13. Brand Satisfaction

Brand satisfaction is defined as the satisfaction as the result of consumer subjective evaluation that they satisfy with the brands they selected or those
brands exceed their expectation. Brand satisfaction means the satisfaction of the customers of branded products which reduce the tensions so that their health and the comfort will not be badly affected. Brand satisfaction is a customer sensed consumption/use which fulfils some need, goal, desire about comfort, utility, legal, guarantee concerns and this fulfilment is pleasurable. It was the outcome of consumption that the performance met or exceeded the needs of customers, the requirements of regulations and the expectation of society. If a customer is not satisfied with the brand, then it is difficult to keep customer loyalty and will cause the loss of customers.

14. Brand Attachment

Brand attachment or post purchase behaviour is defined as the strength of the bond connecting the brand with the self. It is a post purchase activity which is given identification as to whether the customers are going to again patronise a firm in future and also whether they will be in a mood to recommend a product brand to potential customers. It is depending upon the extent of customers set of experience stored in memory. If the satisfaction of the product is up to the level expected, definitely that brand will achieve positive brand attachment from the customers. It denotes that attachment will be possible only by satisfied usage experience.

15. Brand Trust

The trust of the customers towards a brand due to its features suitable to the customer need and expectation gives satisfaction to the customers while these products are in use. Brand trust is treated as reliability and safety of the branded product by which consumers may be persuaded from their own experience to consume branded products. Brand trust is the readiness of a customer to rely on the potential of the brand to perform its stated function. It may also be evaluated as a consistency and credibility. Brand trust is related to brand satisfaction, brand attachment and brand loyalty and it is the sum of the value
that a strong brand provides for customers. Brand trust can be considered as a separate dimension in measuring brand equity particularly for consumer products.

16. **Brand Loyalty**

Brand loyalty is the urge of the customer to maintain a relation with a brand. The customer is then committed to re-buy or re-patronise a preferred brand consistently in the future. The loyalty of the customers due to their satisfaction, attachment and trust over the features of the branded product forces them to purchase the same brand when they decide to change their model.

17. **Customer-based Brand Equity**

Customer-based brand equity is defined from the perspective of the customer and occurs when the customer is familiar with the brand and holds some favourable, strong and unique feel in the memory is based on their knowledge, association, satisfaction, attachment, trust and loyalty with respect to the features of a brand. The real value of a brand lies on the value set by the customer. A thorough understanding of brand equity from the customers’ point of view is essential for successful brand management and marketing of the consumer products.

18. **Brand Extension**

Brand extension refers to the strategy in which manufacturer’s uses widely known and accepted brand to introduce a new product line into the market. Brand extension cuts down production costs and reduces risks in new product lines by using brand equity. Hence brand extension is the value associated with the consumers to increase the elasticity of brand and to increase the value for the consumer product brand.
19. **Convenience Goods**

Convenience goods are those the customer usually purchases frequently, immediately and with a minimum of effort. In this study soaps and detergents, personal care products, food and beverages and other essential FMCG are taken as convenience goods.

20. **Shopping Goods**

Shopping goods are goods that the customer in the process of selection and purchase characteristically compares on such bases as suitability, quality, price and style. Home appliances and personal service products are considered as shopping goods in this study.

21. **Specialty Goods**

Specialty goods have unique characteristics or brand identification for which a sufficient number of buyers are willing to make a special purchasing effort. In the study passenger cars and motor cycles (two wheelers) are categorized as speciality goods.

1.17 **Period of Study**

A preliminary opinion survey for a period of 6 months (June to November 2009) was conducted among the customers and production and marketing managers of selected well reputed consumer goods companies to identify the key variables relating to brand, production and marketing practices followed by these companies and the factors affecting the brand purchasing behaviour and brand equity of the customers. A pilot study was conducted among 60 customers of different categories of consumer goods with a preliminary interview schedule for a period of four months from March to June 2010. After testing the reliability and fixing the sample size, the final interview schedule was administered to 675 selected customers of different categories of
Introduction

consumer goods from, November 2010 to October 2011. The literature for the topic was gathered up to the year 2013.

1.18 Limitations of the Study

1. The customer study was based on the views of a sample of 675 customer respondents in three districts of Kerala. Age, income and location were only taken as the criteria for selecting the families. Other criteria such as motivation, culture and religion were not taken into account due to time and cost consideration.

2. The respondents were asked to give their opinions and ranks and also to select the brands on the basis of their perception and experience. As perception on the brand change with the time and the opinion and views on brands vary with increased knowledge of the respondents, the awareness level on the variables and the brands at the time of the study cannot be considered as absolute and final at all times.

3. The influence of children and other intimate people on the shopping behaviour of the respondents was not considered as it is a vast topic which requires a separate indepth study.

4. The survey among customers was done with 675 respondents and the results were based on the views of these individual respondents. The views and opinions of various companies in the industry dealing with the production and sale of branded consumer goods were not considered in this study. As company views can vary, these cannot be treated as absolute and final.

5. Though every effort was made to ensure openness and trust in the discussions and interviews with the customers, bias on the part of respondents may have influenced the results of the study.
6. The study is based on fifteen variables selected after background research. Brand equity is an elaborate ongoing discipline involving the complex combination of several intrinsic and external variables mainly the financial variables. Such other factors influencing the brand equity and brand extension have not been considered.

7. The concepts used for the study, although relevant to any company or product were primarily based on the ideas on branding and brand management that was developed in the United States and Europe. Although necessary cross checks with experts in Kerala and the literature on the similar topics published in Kerala were made to discard irrelevant variables, the difference in lifestyles and value systems of consumers in Kerala compared to the western countries might have influenced the overall results.

8. The study covers only some selected items of consumer goods. The results obtained from the study may or may not be applicable for other types of commodities.

9. The information provided by the respondents is purely based on their memory only. The quality and reliability of the data collected depending upon the memory recall of the respondents.

1.19 **Organisation of the Thesis**

The thesis is divided into five chapters.

**Chapter 1 - Introduction**

This chapter provides the introduction to the research, statement of the problem, significance of the study, scope of the study, objectives, hypotheses, variables studied, methodology, period of study, limitations and the chapter division.
Chapter 2 - Review of Literature

This chapter outlines in brief the previous studies on the topic. The topics covered are: consumer product, customer behaviour, brand, branding, brand advertisement, brand sales promotion, brand awareness, brand knowledge, brand pricing, perceived quality, brand image, brand purchasing behaviour, brand association, brand satisfaction, brand attachment, brand trust, brand loyalty, customer-based brand equity and brand extension. It also thoroughly analyses results of various studies relevant to the present study. This chapter identifies the research gaps and their consolidation for the present research work.

Chapter 3 - Theoretical Framework

Theoretical framework of various fundamental building blocks of brand purchase behaviour, brand equity as well as brand extension is presented in the chapter.

Chapter 4 - Analysis of Data

The data collected through the customer survey are analysed and presented in the chapter titled as “Impact of Branding - Brand Purchase Behaviour and Brand Equity”. Statistical tools such as Chi-square test, Binomial Test, Friedman Test, Multidimensional Scaling (PREFSCAL) Model, Multidimensional Scaling (ALSCAL) Model, One-way ANOVA, Two-way ANOVA, Two-way ANOVA Interaction Model, Pearson Correlation, Dummy Variable Regression Models and logistic regression models were applied with SPSS software.

Chapter 5 - Summary of Findings, Conclusions and Recommendations

The concluding chapter details the major findings of the study and includes suggestions, as well as conclusions derived from the study, and outlines the scope for further research work.
References


World Bank CII IECED Survey, Confederation of Indian Industries 2005