CHAPTER II

REVIEW OF LITERATURE

Marketing of non-durable goods or Fast Moving Consumer Goods (FMCG) is a subject that has not received the attention it deserves. While there are several good books and articles on the subject that largely concentrates either on the marketing of industrial goods or on the marketing of durable goods likes T.V., Car and Scooter etc.

In India, specific studies on brand choice for consumable non-durable goods have received little attention from researchers. So, while reviewing the literature, interest is entirely focused on studies conducted in India and abroad dealing not only with product under study and/or other consumer non-durables, but to generate some understanding of analogous nature.

It was essential to present a review of literature in order to formulate the research problem succinctly and to highlight the importance of undertaking this study. Conceptual framework and some empirical studies on the topic have a direct or indirect bearing on the present study.

In this chapter, research work done in the past regarding awareness, purchasing behaviour, brand preference for FMCG products, factors influencing brand preferences and alternative purchase plans have been reviewed and presented under the following sub-headings:

2.1 Awareness among consumers about branded products
2.2 Purchasing behaviour of consumers
2.3 Brand preference for FMCG products
2.4 Factors influencing brand preferences for FMCG products
2.5 Alternative purchase plans
2.1 AWARENESS AMONG CONSUMERS ABOUT BRANDED PRODUCTS

Srivastava and Kumar (2013) analysed that FMCG sector is a vital contributor to India’s Gross Domestic Product. It has been contributing to the demand of lower and middle-income groups in India. Over 73% of FMCG products are sold to middle class households in which over 52% is in rural India. Rural marketing has become the hottest marketing arena for most of the FMCG companies. The rural India market is huge and the opportunities are unlimited. After saturation and cutthroat competition in urban areas, now many FMCG companies are moving towards the rural market and are making new strategies for targeting the rural consumer. The Indian FMCG companies are now busy in formulating new competitive strategies for this untapped potential market. Therefore, a comparative study is made on growth, opportunity, and challenges of FMCG companies in rural market. One of the most attractive reasons for companies to tap rural consumers is that an individual’s income is rising in rural areas and purchasing power of lower and middle income groups is also rising and they are eager to spend money to improve their lifestyle. This research paper provides detailed analysis about the contribution of FMCG industry in growth of Indian rural market and aims to discuss about customer attitude towards better purchasing decision for FMCG products in rural market with growing awareness and brand consciousness among people across various socio-economic classes in rural market.

Nandagopal and Chinnaiyan (2003) studied that the level of awareness among rural consumers about the brands of soft drinks was high, which was indicated by the purchase of soft drinks by "Brand Name". The major source of brand awareness was word of mouth followed by advertisements, family members, relatives and friends.

Yee and Young (2001) aimed to create awareness of high fat content of pies, and thus studied consumer and producer awareness about nutrition labeling on packaging. For this, seven leading pie brands were analyzed for fat content and were arranged from 7.10 to 19.20 percent fat. Potato topped and cottage pies had the lowest fat content (7.10 -9.20% fat). Most pies did not have nutritional labeling on packaging. Over half of the consumers (52.00%) who responded to the survey (42.00% response rate) were aware of the campaign.
The study was successful at raising consumer awareness about the high fat content of pies and influencing the food environment with a greater availability of lower fat pies. It is possible to produce acceptable lower fat pies; food companies should be encouraged to make small changes to the fat content of food products like pies. Potato topped pies are lower in fat and are widely available. Regular pie eaters could be encouraged to select these as a lower fat option.

Beverland (2001) studied the level of brand awareness within the New Zealand market for ZESPRI kiwi fruit; the effectiveness of their branding strategy was studied. The implications of the findings for agribusiness in general using the data collected from surveys of kiwi fruit consumers (n=106) outside three major super market chains in Auckland, New Zealand suggested that the level of brand awareness for ZESPRI is low among consumers. It is indicated that brand awareness could be increased through a relationship-making programme involving targeted marketing campaigns and strong supply chain management.

Brown et al. (2000) reported that the need for effective nutritional education for young consumers has become increasingly apparent. Given their general food habits, their behaviour (particularly during adolescence) was analyzed. The interaction between young consumers' food preferences and their nutritional awareness behaviour within three environments (home, school and social interaction) appears to be somewhat overshadowed by young consumers while developing an independence trait, particularly, during the adolescent years. The authors suggested that food preferences are often for a 'fast food' type and consequently the food habits of many young consumers may fuel the consumption of poorly nutritionally balanced meals. While young consumers were aware of healthy eating, but their food preference behaviour did not always appear to reflect such knowledge, particularly within the school and social environments.

2.2 PURCHASING BEHAVIOUR OF CONSUMERS

Aggarwal (2014) suggested that Consumer behaviour research is the scientific study of the processes consumers use to select, secure, use and dispose of products and services that satisfy their needs. Firms can satisfy those needs only to the extent they understand their customers. The main objective of this paper is to study the demographic differences in
consumers’ buying behaviour of persons living in Madhya Pradesh and when they buy FMCG products. To attain this objective a survey was developed and administered across some part of Madhya Pradesh. The findings confirm the factors influencing consumer buying behaviour for tooth paste brands available in the market.

Sulekha and Kiran (2013) concluded that in India more than 72% population lives in villages and FMCG companies are famous for selling their products to the middleclass households; it implies that rural India is a profitable and potential market for FMCG producers. Rural consumers’ incomes are rising and now they are more willing to buy products which improve their lifestyle. Producers of FMCG have to craft unique marketing strategies exclusively for rural consumers. In this process they need to understand the rural consumer buying behaviour which may differ geographically. The present study focuses on understanding the rural consumer buying behaviour for FMCG in Haryana. The study emphasizes on the factors which influence the purchasing pattern of rural consumers. The study was conducted in four districts of Haryana namely Panipat, Jind, Kuruksetra and Gurgaon.

Yuvarani (2013) analysed that liberalization of the Indian economy had far reaching consequences, which led to the free entry of global brands in Indian markets. Earlier companies focused their marketing efforts towards the urban markets targeting the educated consumer. However with the saturation of markets in the urban sector, many companies focused their attention towards the fast growing rural sector. Since the buying behaviour of rural consumers has become the hot topic for discussion because rural India, in recent days, is enthusiastically consuming everything from shampoo to motor cycles and this “rural predilection” is being considered as one of the significant topics for market analysis. The study focuses mainly on the rural consumer behaviour towards selected FMCG products, but with the prevailing trend it is necessary to focus on the essence and emergence of vibrant rural marketing efforts of FMCG companies. Thus, with more number of companies entering into the rural market, with a variety of products, it is must for companies to study the rural consumer behaviour over FMCG products. This study will highlight the rural consumer behaviour before purchase, at the time of purchase and post-purchase. The commodities chosen for the research are shampoo, bathing soap, toothpaste, biscuits and mosquito
coil/liquid. The commodities selected for the research has been done on the basis of products available for respective industries: hair care; skin care; oral care; food and beverages; and mosquito repellants.

**Deliya, 2012** studied the importance of packaging design as a vehicle for communication for packaged FMCG products. This research utilized a focus group methodology to understand consumer behaviour towards such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer’s behaviour towards the packaging of FMCG products. When consumers search for the process information in-store, the product's package can contain relevant and useful information for the consumer. Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play an important role in predicting consumer outcomes. Packages also deliver brand identification and label information like usage instructions, contents, and list of ingredients or raw materials, warnings for use and directives for care of product.

**Tauseef, 2011** attempted to find the variables/factors that affect customer impulsive buying behaviour in FMCG sector considering retail market in India. The impact of various impulse buying factors like sales and promotions, placement of products, window merchandising, effective price strategy etc., on customer buying behaviour have been analyzed. A hypothetical model was created in this paper, which had been taken into consideration for our research work on impulse buying behaviour of consumers. The study is based on the primary data collected from Shopping malls, Handlooms and marts from the area of JODHPUR with the help of structured questionnaire on Likert scale. Data analysis has been done using SPSS software. The statistical analysis method employed in this study was Factor Analysis. After the thorough analysis of the available data it was found that since income of each individual is increasing and more and more people are moving towards western culture in dressing sense, in eating etc., so the purchasing power of people has really gone up and thus the impulsive buying of commodities is on a high trend mainly due to pricing strategies of retail players and full festival offers throughout the year.

**Garga,Ghuman, and Dogra, 2009** done the one study among the 300 rural consumers in 3 districts of Punjab found that, rural consumers prefer to buy the goods in
small packets at lower price. They want the more products at reasonable price, in other words value for money. He also explains the importance of promotional tools in rural areas. He suggested that FMCG companies must enter and tap the rural market in phase manner.

**Hirekenchanagoudar, 2008** examined the buying behaviour of ready-to-eat food products by consumers of Hubli and Dharwad. A total sample of 200 respondents was selected for the study. Majority of respondents were aware of Parle-G, Lays, Frooti and Amul brands in case of biscuits, chips fruit juice and ice creams respectively. Television was the major source for getting information about various brands in all the four products. Biscuits were consumed by all the respondents because of their convenience to use as snacks. About 92 per cent, 93 per cent and 94 per cent of the respondents consumed chips, fruit juice and ice creams respectively. Taste was the main driving force for purchase of chips, fruit juice and ice creams. Health consciousness was the main factor for not purchasing chips among the respondents. Majority of the respondents were not purchasing fruit juice because they preferred home made products. Dislike towards the product was the main reason for not purchasing ice creams. The average monthly expenditure on ready-to-eat food products was found to be highest in case of high income group. Planned purchase was common among majority of the respondents for biscuits and fruit juice. However, most of the respondents did impulsive buying for chips and ice creams. Parle-G, Lays, Maaza and Amul brands were highly preferred brands of biscuits, chips, fruit juice and ice creams respectively. The main factors influencing brand preference for biscuits, chips, fruit juice and ice creams were quality, taste and reasonable price. Most of the respondents would go to other shops if preferred brand in all the four products was not available. Thus, the study revealed that the younger generation preferred more ready-to-eat food products than the other age groups. The consumer behaviour also varies from product to product.

**Nagaraja (2004)** opined that, buying behaviour is very much influenced by experience of their own and of neighbour consumers and his family. Above all, the quality of the product and its easy availability were the primary and the vital determinants of his buying behaviour. Consumers were influenced by touch and feel aspect of any promotional activity.

**Prell et al. (2002)** conducted a study to examine the factors influencing adolescents’ fish consumption in school. Fish consumption was assessed by observation on 4 occasions.
Attitudes towards the fish, friends' behaviour and perceived control were important predictors of the intention to eat fish and barriers for fish consumption were a negative attitude towards both smell and accompaniments and fear of finding bones. But the eaters of fish were more satisfied with the taste, texture and appearance of the fish and rated safety significantly higher than those who resisted. They also thought to a greater extent that the fish was healthy if prepared with care. The results suggested that, it is important to alter dishes so that they appeal to children and to pay attention to the whole meal, accompaniments included. Finally it was recommended to convey the pupils that the fish served would be healthy if prepared with care.

Sarwade (2002) analysed a study on the emerging dimensions of buyer behaviour in rural area. It is observed that the role of husband in family purchasing decisions in various items was comparatively less than of housewife. The study reveals that, the consumer purchases the convenience goods in rural market was mostly did once a week and it is monthly for daily consumption goods such as toothpaste, shampoo, talc. With the increase in real income of rural people, a shift was found to have taken place in the items consumed by the rural consumers. It was also found in the study that most of the consumers from rural area developed brand familiarity with brand names, which are heavily known in urban areas. The buying behaviour in general and buying decisions in particular in rural area is influenced by the factors like price, availability of products. It is very interesting finding from the survey of that, most of the consumers from higher income group generally purchase the products, which are highly popular in urban area. It also conducts that majority of the customers get the new product information from the shop keeper as against the television and price is the most influencing factor, which influences the purchasing decision as compared to quality.

Hugar et al. (2001) carried out a study on dynamics of consumer behaviour in vegetable marketing in Dharwad city. Low income groups purchased lesser quantity (3.25 kg/week) of vegetables as compared to medium (5.40 kg/week) and high income groups (4.66 kg/week). Majority of low income group preferred to purchase vegetables from producers because of reasonable price. High and medium income families preferred stall vendors for the purchase of vegetables because of better quality and correct weight.
Srinivasan (2000) depicted that, consumer with higher educational level consumed more processed products. The quantities of processed fruit and vegetable products were consumed more in high income group. The tolerance limit of price increase identified was less than 5 percent, any price change above this limit, would result in discontinuance of the use of the processed product. Consumers preferred processed products because of convenience of ready-to-eat form.

Sayulu and Reddy (1998) carried out a study on a socio-economic influence of rural consumer behaviour. They concluded that the frequency of purchase of commodities by rural consumers was highly influenced by the type and nature of the products. Products like groceries (40.35%) and others which included vegetables, milk etc. (48.25%) purchased on daily basis and 33.33 percent and 42.98 percent of them purchased these products on weekly basis. Cash purchase was highest in case of products like groceries (44.74%) followed by credit purchase with 38.60 percent and 21.06 percent respectively. Price of the goods was considered to be the most important factor by more than 88.00 per cent of the respondents followed by easy availability (66.66%) and use by neighbours (54.00%). A more direct influence on everyday buying behaviour is in one’s family procreation, i.e. one’s spouse and children. Wife plays the dominant role in purchasing the toiletries goods in rural sector. Rural consumers as compared to urban consumers considered price of the goods to be the most important factor followed by easy availability and use by neighbour. It can be concluded that rural consumers are apathetic to their problems as consumers owing to higher levels of illiteracy ignorance and low purchasing power.

Sundar (1997) revealed that, grocery department of Saravana Bava Cooperative Supermarket, Cuddalore was enjoying favorable images of consumers in the attributes, such as, equality of price, behaviour of sales persons, moving space, location, correctness of weight, packaging of goods, number of sales persons and convenient shopping hours. At the same time, the image was weak in the attributes, such as, quality of goods, availability of range of products, variety of goods, acceptance of returns, credit facility, door delivery and sales promotional measures.

Kulkarni and Murali (1996) carried out a study on purchasing practices of consumers in Parbhani. The results revealed that 83.50 per cent of consumers were seeking
the information from television regarding the products availability and this was followed by
eighbours (71.00%) and newspapers (69.50%). Consumers preferred retail market for the
purchase of groceries (65.00%), milk and milk products (100.00%), vegetables (100.00%),
fruits (100.00%) and snacks (75.00%) and they adopted cash payment. Majority (75.00%) of
the consumers preferred quality for the purchase of food.

Dhillon et al. (1995), concluded while studying the purchase behaviour in Ludhiana,
rural and urban respondents ranked nearby market (mean score of 1.47 for rural and 2.10 for
urban) and main market (mean score of 0.88 for rural and 1.38 for urban) as their first and
second preference of order respectively for the purchase of food items. The prime factor
indicated by the rural respondents for buying their food items was appearance with mean
score of 4.01, followed by price, quality and place of buying to which they ranked second,
third and fourth with mean scores of 3.81, 3.45 and 2.96 respectively. But urban respondents
visualized these factors little differently and ranked quality, appearance, place of buying and
expiry date as first, second, third and fourth ranks with mean score of 4.69, 4.01, 3.20 and
3.05 respectively.

Joshi (1993) exhibited the study in Dharwad on food purchasing habits and consumer
awareness among rural and urban housewives indicated that majority of the urban
respondents purchased the groceries like cereals (52.00%), pulses (64.00%), oils (73.00%),
spices (72.00%) and sugar (69.00%) on monthly basis. While perishables like fruits
(48.00%), eggs (41.00%) and meat (46.00%) were purchased once in a week and milk
(48.00%) was purchased daily. Rural respondents purchased cereals (70.00%), pulses
(71.00%), oils (71.00%), spices (71.00%), sugar (71.00%) and fruits (73.00%) once in week
and milk (78.00%) daily. Regarding place of purchase 83.00 percent of urban and 99.00
percent of rural respondents purchased all the groceries like sugar, rice, and wheat from fair
price shops. Both rural and urban respondents purchased groceries (99.00% each),
perishables (89.00% and 99.00% respectively), ready to use foods (97.00% and 87.00%
respectively) and commercially available foods (96.00% and 6.00% respectively) from retail
shops. Price, quality and weight of the products were the important factors considered by
both rural and urban respondents while purchasing of food items.
Rees (1992), in his study revealed that factors influencing the consumer's choice of food were flavour, texture, appearance, advertising, a reduction in traditional cooking, fragmentation of family means and an increase in 'snacking' etc. Demographic and household role changes and the introduction of microwave ovens had produced changes in eating habits. Vigorous sale of chilled and other prepared food was related to the large numbers of working wives and single people, who require value convenience. Development in retailing with concentration of 80.00 percent of food sales in supermarkets was also considered to be important. Consumers were responding to messages about safety and healthy eating. They were concerned about the way in which food was produced and want safe, 'natural', high quality food at an appropriate price.

Grover (1991) investigated the preference to obtain information about the store for purchasing toothpaste from personal sources was quite limited in all social class, the amount of interpersonal search about the store to be patronized for purchasing toothpaste generally declined. However, the buyers in the lower uppers social class did not engage in any interpersonal search. In both the lower lowers and upper lowers social class, among various personal sources of information about the store, neighbours followed by friends was the most significant source of information. In the lower middle social class also, friends and neighbours were the major sources of information, though friends were consulted more often than the neighbours. In the upper middle social class, unlike other social classes, spouse was an important provider of information about the store. In the upper uppers social class, friends were the only provider of information about the store.

Jorin (1987) examined changes in spending power and buying habits of Swiss consumers since the beginning of the 20th century and in the more recent past. Current trends include greater emphasis on health and safety of foodstuffs and less attention to price, increased demand for low calorie light products and increased demand for organically grown food. For young people, more concern with enjoyment and less for health, with more meals eaten from home and generally an increased demand for convenience foods. The prospects for high quality branded products were seen to be good.

Balaji (1985) studied fish consumption behaviour of 526 consumers in Vishakapatnam city. The study revealed that 77.00 percent of respondents consumed fish for
dinner and 22.00 percent for lunch. About 30.00 percent of the respondents did not consume fish on festival days, as those days were considered auspicious, while the rest had no notations and consumed fish, irrespective of festivals.

Singh (1983) analysed the consumer’s store loyalty and their preferences. It was revealed that among the reasons for their store selection, nearness of the store, reputation of the store and acquaintance with the store owner, are the factors that play an important role in store selection. It was also concluded that the existence of store loyalty was found more among educated families. It was quite possible that some more distinguishing characteristics could be identified by studying the loyalty behaviour of people who were not educated and comparisons could be made between the loyalty behaviour of educated versus uneducated consumers.

Sitamber and Manoher (1980) conducted a study on shopping behaviour of consumers and revealed that Indian consumers had no special choice in choosing his particular shop for making a purchase. In most of the families, the male head makes the purchases, restricting the choices of other members of the family to limited variety of goods. He generally selects a shop, which is near to his residence and where he goes on feet and occasionally uses a bicycle. Generally the average consumers prefer to buy from the shop, where a credit facility is available and which is easily approachable.

Vinson, Scott and Lamont (1977) measured the role of personal values in marketing and consumer behaviour. It has been conducted that values are centrally held cognitive elements which stimulate motivation for behavioural response. It has been generally accepted in consumer behaviour research that product attributes represent the basic elements ordering an individual attitude towards products and services. Hence, an individual’s attributes are ultimately based upon his values, and changing values could have a profound impact upon these attitudes and upon behaviour as well.

Gaber and Granger (1966) indicated that a consumer acquires greater experience in buying a product, he may rely less on price information and suggested that price was not of sufficient importance to be the primary determinant of brand choice.
Wells and Losciuto (1966) exhibited the direct observation of purchasing behaviour at the time of purchasing the products. It was found that plenty of shopping behaviour takes place without fixed intention to buy specific brands. Attitudes measures can never be more than rough indicates of purchases. Urban shoppers show somewhat greater concern with price than rural shoppers, but many in both groups pay no attention at all on prices marked on packages. Price consciousness seems to be slightly more characteristic of women than of men. It was also concluded that women do more of the family shopping than men and when they try to purchase the product, husbands accompanying wives almost always influence purchase decisions.

Woods (1960) asserted that were ego involvement with the product is high, product image is important to the consumer. He identified various types of consumers and the importance of the symbolic content of the product to the purchase. He concluded that there are two sets of factors which determine the choices: Personality of purchases and Character of product. There are thus two sets of variables. (i) consumer variables; the differences among consumers in their habits cognitive structure and motives which cause them to behave differently in purchase situation, (ii) differences among products in demand character which cause consumers to be more ego involved with some products than with others.

Brown (1950) described that every purchase made by a consumer represents an ultimate decision influenced by vast number of factors. The consumer’s selection of a brand rests upon the comparative net balances of all influences, both favourable and unfavourable that bears upon each brand to which he is exposed.

2.3 BRAND PREFERENCE

Banumathy and Hemameena (2006) exhibited on brand preference of soft drinks in rural Tamil Nadu by using Garrets ranking technique, to rank factors influencing the soft drinks preferred by rural consumers. They found that, the product quality was ranked as first, followed by retail price. Good quality and availability were the main factors, which influenced the rural consumers for a particular brand of a product.

Narang (2006) opined that, a buyer does not stick to one brand in case of food purchasing. They should be able to recall different brand names when they go for purchase.
Repetitive advertising can be used to promote brand recall. The product should be associated with style and trend, so that it appeals to the youth and the brand name should be developed as a fashion statement. Promotional schemes such as discounts and free offers with purchase were suggested to increase rates.

Kubendran and Vanniarajan (2005) studied that, the change in consumption pattern was due to changes in food habits. If income and urbanization increase among consumers, the percentage of income spent on consumption increased. The urban consumer’s preferred mostly branded products compared to rural consumers. The most significant factors influencing buying decisions were accessibility, quality, regular supply, door delivery and the mode of payment.

Kim-Hyunah et al. (2005) analysed the relationship among brand equity factors (brand awareness, brand image, brand preference and brand loyalty) and suggested a strategy for brand management in contract food service management companies. He concluded that brand awareness has positive effect on brand image and brand preference and recommended that the contract food service companies should focus on improving brand awareness as a brand strategy. In addition, brand preference and brand image had significant positive affects on brand loyalty. Thus, the companies should strive to strengthen brand loyalty through building brand preference and brand image. Brand loyalty promoted more customer visits, which was directly related to profitability of contract food service management companies, the authors concluded.

Sampathkumar (2003) studied about brand preference in soft drinks in Telangana region of Andra Pradesh. He found that in rural market about 37.50 per cent of consumers preferred Thumbs-up (urban 30%), followed by Coca cola (28.50%) (urban 37.50%), Pepsi (12.50 %) (urban 9.00%), Limca (4.00%) (urban 8.50%). Most of the urban consumers (67.00%) purchased soft drinks in nearest Kirani stores (rural 73.00%), followed by super bazaar (27.00%) (rural 26.00%) and others (6.00%) (rural 1.00%). The method of physical distribution played very vital role in company's success and failure in the market. Transportation was among the major functions of physical distribution. Transport adds time and place utility for the product.
Kamenidou (2002) presented the findings on the purchasing and consumption behaviour of Greek households towards three processed peach products: canned peaches in syrups, juices and peach jams. The results revealed that 47.50 percent of the households purchased canned peaches in syrup, 67.40 percent purchased peach juice and 42.60 percent purchased peach jam. Reasons for such purchases were satisfactory taste and qualities and household's perception that they were healthy products. The results also indicated that the consumption quantities were considered low, while households usually purchased the same brand name, meaning that there was a tendency for brand loyalty.

Veena (1996) studied brand switching and brand loyalty of processed fruit and vegetable products in Karnataka state by using Markov Chain analysis. The result of the study revealed that Maggi, Sil and Kissan were having market retention of 74.20, 55.78 and 48.74 percent, respectively for jam products. The equilibrium shares determined in order to predict future market position among the different brand showed that in long run shares of Kissan, Rex. Other brands were likely to decline, mainly on account of increased market shares of Gala, Sil and Maggi.

Shanmugsundaram (1990) depicted about soft drink preference in Vellore town of North Arcot district in Tamil Nadu. The study revealed that, the most preferred soft drink among respondents as Gold spot (26.00%), followed by Limca (24.80%). It was found that the taste was the main factor for preference of particular brand and among the media; television played a vital role in influencing consumer to go for a particular brand. Because of convenience in carrying, tetra pack was most preferred one.

Ratneshwar (1990) conducted a survey on consumer self image and product brand. It is clearly reveals from the study that preferred brands tend to be congruent with the consumer’s self image. It is also indicate its implications for the marketing man. It must be recognized that the reasons people usually give for using a specific brand are inclined to be either strongly rationalized or related to the product’s most obvious purposes. A reputable brand persists as a stable image through time. The personality dimension, and more specifically the self -concept factor in personality, are likely to be crucial factor in the consumer’s behaviour. Thus, the task of marketing man then is to first decide on the segment of the population in which he wishes to make a particular brand preferred and next to
determine the kind of brand which would be most congruent with the way the potential consumers in the segment think about themselves.

**Dass and Reddy (1990)** concluded that the educational level of smokers significantly influences the formation of brand loyalty of cigarettes. Less educated smokers mostly from their brand loyalty on the basis of price, quality and easy availability of cigarettes, whereas, the educated smokers also consider company image, filter, packaging, influence of friends and fire holding capacity of cigarettes to form their brand loyalty. It also found that the income level of smokers considerably influences their smoking habits. By and large, smokers with a monthly income of below Rs. 8,000 smoke cheaper brands but with higher intensity, whereas, smokers with a monthly income of Rs. 8,000 or more smoke costlier brands but with low intensity. It revealed that the occupation of a person does not influence his cigarette smoking habits and there is a high degree of brand switching by the smokers an account of change in income, change in price, irregular supply of their brand availability of a cheaper brand with equivalent factors of satisfaction and change in their own taste.

**Hoyer and Brown (1990)** analysed the effects of brand awareness on choice for a common, repeat purchase product. This study concluded that brand awareness had important effects on consumer choice. In particular, it had shown that brand awareness was a prevalent choice tactic among in experienced consumers facing a new decision task. It also suggests that those who were aware of one brand in a choice set tend to product trials and other were, who aware of one brand in a choice set tent to choose the known brand even when it was lower in quality then other brands they had had the opportunity to sample. Advertising targeted at increasing brand awareness may be effective in increasing choice probabilities. Further, it reveals that the effect of awareness on choice may persist beyond the consumer’s first choice from a product category.

**Simonson, Huber and Payne (1988)** conducted that the prior knowledge about various brands is used by consumers. While arriving at a choice, initially the consumer concentrates on the most attractive brands and later on, information about less attractive alternatives is related by him.
Kumar et al. (1987) observed the factors influencing the buying decision making of 200 respondents for various food products. Country of origin and brand of the products was cross-tabulated against age, gender and income. Results revealed that the considered factors were independent of age, education and income. The brand image seemed to be more important than the origin of the product, since the consumers were attracted by the brands.

Gluckman (1986) studied the factors influencing consumption and preference for wine. The explicit factors identified were, the familiarity with brand name, the price of wine, quality or the mouth feel of the liquid, taste with regard to its sweetness or dryness and the suitability for all tastes. Some of the implicit factors identified through extensive questioning were colour and appearance. Most of the consumers seemed to prefer white wine to red. Consumers preferred French or German made wines to Spanish or Yugoslavian wines.

Anderson (1974) employed a brand preference measurement model to explore the sensitivity of the phenomenon of brand preferences and the direction of brand preference as the market terms of trade vary. It revealed that the occurrence of short run brand switching results from changes in product pricing and promotional conditions. Brand preference of the entire market was measured rather than the brand preference of particular buyers, by partitioning sales into two orthogonal components namely, preference oriented and random. A considerable amount of brand switching was observed as a result of changes in terms of trade.

Copeland (1923) described the term brand choice as consumer preference. He appears to be the first to suggest that an extreme attitude towards a particular brand might have a special effect on buyer behaviour. He described that when several brands of products, which are similar in general qualities and in external appearance, are offered to the consumer by a retail salesman, the one for which previous experience, advertising or perhaps the retailers recommendation has created a preference, is chosen. The strength of a brand depends upon the degree of preference in the mind of the consumer.

2.4 FACTORS INFLUENCING BRAND PREFERENCE

Muneeswaran and Vethirajan (2013) revealed that Consumer behaviour assumes much importance in the present consumer oriented marketing system with particular
reference to 'gender attention'. The FMCG sector consists of four product categories such as Household Care; Personal Care; Food and Beverages; and Tobacco each with its own hosts of products that have relatively quick turnover and low costs. Every consumer is purchasing a particular product due to the influence of many factors. The influencing factors differ from one consumer to another and from product to product also. Similarly the brands which hitherto occupied a place in the minds of the consumers have started to disappear due to various sales promotion techniques and the quality brands from FMCG have slowly started to attract the rural consumers. Though there is a different ways and means to exhaust and to distribute abundantly produced Personal Care FMCGs products in markets, but the consumers in the market are influenced generously by responding to selling habits of retailers both in urban and rural market. In markets the consumers usually purchase what is available at the retail outlet. Therefore the producers of personal care FMCGs should progressively strengthen their distribution reach in the market. At the same time, there are some challenges such as poor distribution system, fragmented rural market and heterogeneity of population which the retailers ought to meet for satisfying the needs of consumers.

Mahalingam and Nandha Kumar (2012) concluded that the consumer behaviour plays an important role in marketing. This is influenced by various factors. In the changing global scenario we find that consumers needs and wants to buy a product also changes with it. In this study titled "A Study on Consumer Behaviour towards Selected Fast Moving Consumer Goods in Coimbatore City" the researcher has assessed the socio-economic profile, shopping pattern of consumers and found out the factors influencing the consumer to purchase the selected FMCG products. The primary data required for the study was collected through questionnaire which was distributed to 400 samples chosen from Coimbatore city. The tools used for analysis are percentage analysis, garrett ranking and chi-square. From this study it was found that most of the consumers are influenced by brand and quality in purchase of FMCG products. There by the researcher has suggested improving the quality in FMCG product through product development and external monitoring.

Ullah, Shafayet, Prince and Rozario (2012) depicted that Fast Moving Consumer Goods (FMCG) sector is one of the largest sectors in the economy of Bangladesh. In the last few years, the FMCG industry in Bangladesh has experienced a dramatic growth; both
qualitative and quantitative improvements have taken place in the consumer durables segment. FMCG in marketing means convenient and low involvement products like, salt, flours, pens, chocolates, etc. In recent years, the FMCG industry worldwide has experienced a difficult market condition. In some categories, formerly popular brands have either been deleted or squeezed between the category leaders and low-cost competitors. The study has identified eight primary factors that influence consumers' purchase decision of FMCG products in Bangladesh. These factors are sales promotion, unavailability of brand, time constraint, in-store TVC, variety-seeking behaviour, product features, end of aisle display and product convenience. This study recommends focusing on three important factors, i.e., sales promotion, time constraints and unavailability of brand to smoothen the progress of the FMCG industry in Bangladesh. The FMCG industry will find better development opportunities, if the findings of this study are used as an input in its strategic decision making.

Bhagat (2012) concluded that today, companies focus on consumer to reach success in the global competitive environment. In new marketing approaches, focus on consumer activities take place of focused on product/service activities. The companies analyse consumer qualifications and form their marketing strategies based on them. The consumers are affected from some individual and environmental factors, such as motivation, personality, perception, learning, values, beliefs, attitudes, life style, personal influence, reference group, family influence, social class and culture in their buying decision process. The aim of this study is to focus on affecting factors on the consumer buying behaviour in teenager consumer market, because teenager consumers are one of the important market segments of companies.

Md., Venkat and Khan (2012) revealed with more than six hundred thousand villages and more than 70% of the population, rural India has become a massive consumer goods market. FMCG has emerged as a major product category in rural consumption. Companies marketing FMCG to rural consumers cannot merely extend their general marketing strategies to rural markets. Instead, they need to devise rural specific strategies. In this process, they need to understand crucial issues relating to rural consumer behaviour and more specifically relating to different geographic regions of the country. This paper focuses on understanding factors that affect the rural purchase of FMCG in South India. Empirical
study was conducted in 8 districts of South India to identify the key influencing variables. Factor analysis was used to form 24 key variables into five groups (influencing factors). Influence of retailers’ recommendations has emerged as the most significant variable in the trust factor. According to the study, rural consumers in South India consider that usage of FMCG contributes to their lifestyle.

Kumar and Madhavi, (2006) conducted a study on Rural Marketing for FMCG. The most preferred brands of toothpaste, shampoo and toilet soap in rural areas were identified on the basis of gender interpretation. The study revealed that quality is the first factor that influences rural customers followed by price, colour and taste. Among brand preference Colgate plays a vital role among female respondents whereas male respondents mostly use Pepsodent. Almost half of the respondents do not use shampoo because they are using conservative products only and among the users 60 percent of them use Clinic Plus. No significant relationship between gender and the use of shampoo was found. Majority of the respondents using soaps preferred Hamam as their brand of toilet soap.

Vincent (2006) elicited that quality was an important factor that draws consumer towards branded products. Branded products were accepted as good quality products. People do not mind paying extra for branded products, as they get value for money. Media is a key constituent in promoting and influencing brand. A child's insistence affects family's buying behaviour. Children are highly aware and conscious of branded items. Although unbranded products sometimes give same satisfaction as branded products, customers would still prefer to purchase a branded product.

Ramasamy et al. (2005) studied consumer behaviour towards instant food products in Madurai, the second largest city in Tamil Nadu and observed that consumers do build opinion about a brand on the basis of which various product features play an important role in decision making process. A large number of respondents (78.00%) laid emphasis on quality and 76.00 percent on price which was an important factor, while 64.00 percent of the respondents attached importance to the image of the manufacturer and 50.00 percent considered packaging as an important factor and an equal percentage (50.00%) felt longer shelf life influenced them.
Sanjaya, Gaur and Waheed (2002) conducted a study on buying behaviour for branded fine rice in Chennai and Coimbatore city. The study reported that, the decision for purchasing branded fine rice was mostly made by the wives of the family and it is also indicated that retailers were ranked as the prime source of information and the family members as the next important source of information about the branded fine rice. The monthly purchases were the most preferred frequency of purchases, which might be due to the fact that most of the respondents were of monthly salaried class and they would have planned their purchase accordingly along with other provision items. The quality and the image of the brand were ranked as the major factors for brand preference in the purchase of branded fine rice. Rice mandy formed the major source of purchase for Chennai (73.00%) and Coimbatore (70.00%) households. Quality and image of the brand were ranked as first and second factors influencing brand preference in both Chennai and Coimbatore cities.

Rodge (2001) conducted a study on influence of advertisement on consumer of different age group and areas. It was concluded from the study that the rural respondents gave more importance to the advertisement as compared to urban respondents and has significant impact on their behaviour. According to urban respondents, the reading and watching of advertisement helped them in purchasing more as compared to rural respondents. Whereas both groups found that all the advertising media were equally important and effective.

Ashalatha (1998) studied the factors influencing the performance of BAMUL milk for a sample of 100 respondents. The study revealed that the factors such as door delivery, clean packing, quality, hygienic preparation, time saving and reliability, good value for money, freshness and desired flavour were important in the order in influencing the decision of buyers for BAMUL milk.

Sadar and Dhawale (1997) examined a study to analyse how slogans influence the buying behaviour. It was concluded that consumers were found to be greatly influenced by the slogans in case of consumer non- durable goods but in case of consumer durable goods, consumer’s main emphasis is on quality, availability and price. The respondents also had a feeling that a good slogan had establish a high degree of association between the market
share and the popularity of the slogans in case of non-durables in comparison to durable goods.

**Shergill and Kaur (1993)** found that the socio-economic background of consumers influences their buying behaviour. The high-income group respondents were more quality conscious, although for most of the consumers, price is the main consideration. A major role in the preventing brand switching is played by the loyalty of the consumer towards a particular brand. Moreover, the buying decisions were influenced by the media, particularly TV advertising.

**Lee (1991)** conducted a study of the influence of shopper type and mood on impulse purchasing behaviour. It found that earlier studies had focused on the non-personal aspects of this consumer behaviour, but this study has shifted their attention to the psychological content of consumer under the impulse purchasing situation. This study considered two influential factors: shopper type (recreational Vs economic) and mood (positive Vs negative). Both have shown a close relationship with impulse purchasing behaviour. It revealed that comparing shopper type and mood, shopper type was found to be more influential than mood on impulse purchasing behaviour. Recreational shoppers who entered in a positive mood and economic shoppers who entered in a negative mood, they have relatively higher impulse purchasing rates. In comparing existing mood, only recreational shoppers who existed in a positive mood showed the higher impulse purchasing rates than those who existed in a negative mood. Lastly it found that, interaction effect between shopper type and mood was found marginally significant.

**Mathur (1989)** concluded a study on toothpaste advertising and consumer reaction. It concluded that majority of the users of toothpaste have seen, read or heard advertisements of toothpaste. It revealed that majority of users have seen advertisements in films, in newspapers and in magazines. Very few users have seen on slides and on hoardings. It also found that as far as the basis of preferences is concerned Radio is the most appealing media and the hoarding is considered as the least appealing. Cinema films, newspapers and magazines are also very much appealing. Majority of users could recollect the brand name given in the advertisement. It has been found that some users were affected by advertisements to buy a brand and only few are changed the brand on account of advertising.
Majority of the users felt that the product characteristics do not match even to the extent of fifty percent with what mentioned in the advertisement. Lastly it revealed that majority of the users were conscious on account of advertising, followed by advice of doctors. Most of the users opined that salesman persuasiveness and appealing package do not make people conscious about toothpaste.

Venketeshwarlu, Kumar and Rajnath (1987) conducted a study of different influencing factors which effects the decisions making process and examine the reasons for being brand loyal. It was derived that the consumers were by and large, loyal to one brand or the other. The perceived quality and taste were the two important variables that determine brand loyalty. The existence of brand loyalty was quite significant, however, a small section of consumer switch over to other brands, mainly due to the influence of reference groups or non-availability of the desired brand.

With regard to decision making, though both parents and children are more or less equally involved, the influence in majority of the cases was the child. It also reveals that taste, freshness and brand name, the three together would influence for decision making process. The other factors like availability, variety and price got negligent position comparatively.

Raj (1982) empirically investigated different advertising effect on purchase behaviour of consumer varying brand loyalty. In a frequently purchased product class, high loyalty consumers increase brand and product purchase, while advertising for brand increase. At low loyalty there was a little impact. Effects of increasing advertising carry over for a few months after advertising was reduced back to normal levels.

Dogra (1982) depicted a study on the consumer buying behaviour towards magazines. This study revealed that the best selling magazines are not confined to anyone particular segment of the market, nor do they present reading material to only one facet. Further, most of the readers have been found to be price – conscious and less influenced by the advertisements for particular magazines. Hence, ‘word of mouth’ influence or whispering campaign would, probably, be more effective in attracting readers. Since, males in age –
group of 20-30 years have been found to be on the look-out for trying something; it will be easier for magazine seller to persuade them.

**Jones and Zufryden (1982)** made an approach for assessing demographic and price influence on brand purchase behaviour. It was found that the basic concept of the brand choice model is that changes in the values of the explanatory variables change the collective propensity of consumers to purchase a particular brand. From this observation he proposed that consumers are influenced by “purchase event feedback”. The overall model describes a two stage process whereby a decision is first made to buy an item from the product class, and then a brand choice is made. In this case the significant variables fall into two categories – demographic variables over which the manager has no control and one marketing mix variables, price, over which there is some measure of control. In this study, a new model of brand choice behaviour – one that incorporates variables whose values can significantly impact on market share and demonstrated the application of this model to a certain brand in a frequently purchased non-durable product category. The model proved to be good fitting and provided important insights for marketing decision making and the segmentation of a target market.

**Singh and Singh (1981)** conducted a study of brand loyalty in India. It was found that among the reasons for their brand loyalty, ‘quality of product’, ‘habit of use’, ‘ready and regular availability’ of the products are the factors that influence and strengthen their loyalty to their brands. Commercial advertisements released through radio, television and press media are among the major sources of information used by consumers. Retailer continues to have an influence over the brand choice and loyalty behaviour of the consumers as store loyalty has contributed in a big way to brand loyalty in the case of a large majority of the consumers.

**Davis and Silk (1978)** defined the brand choice process as the consequence of an interaction between the attitude and the environment of the choice decision. The environmental influences that might be relevant to the brand choice decision are the relative attraction of competing brands, the preference of family and friends, and the buyer’s appraisal of the kind of social behaviour that is appropriate to the purchasing or using situation.
Kaurshall, Raghubanshi and Sinha (1976) conducted a study on purchasing behaviour pattern of the consumer and their brand preferences for washing soaps. It concluded that the formation of brand loyalty is significantly influenced by the educational level of the users of washing soaps. Lesser educated people form their brand loyalty on the basis of price, attractive packaging and easy availability in the market, whereas their educated counterparts i.e. users of washing soaps form their brand loyalty on the basis of easy lather formation and convenience in handling. Keeping in view these facts the sellers should adopt a separate marketing strategy for urban sector and rural sector. In urban sector, there is high degree of education, whereas a very low percentage of education is found in rural sector. Also, the firms dealing with high quality products should concentrate mainly amongst educated class, which prefers high quality irrespective of high price of the product, whereas the firms selling cheap product should concentrate on the illiterate class.

Mehta (1973) asserted an experimental study of impact of price and brand consumer’s choice. It is concluded that a considerable gap between expectation and price information can create a negative disposition whereby the consumers tends to attribute a lower quality perception to the product at the high price range. This finding suggests that it would be useful to provide price information to the consumer along with the presentation of the product by having the price tag on it. This seems particularly necessary for products in the high price range. The availability of price information in the first instance would avoid the creeping in of dissonance, as the need to estimate the price would be eliminated. It also revealed that the consumer attaches considerable importance to the brand image in the purchase of products. It also found that the decision maker for the final purchase is generally the husband, and the wife has only a supporting role in the final choice. It is further concluded that wives prefer high quality shirts than husband.

Lambert (1972) revealed a study on price and choice behaviour. It concluded that persons who chose the high priced items perceived large quality variations with the product category and saw the consequences of a poor choice as being undesirable. They were confident that quality was related with price and saw themselves as good judge of product quality. They thought brand choice was likely to affect other people’s social judgments on them.
Jacoby, O’sen and Haddock (1971) studied the effects of three variables price, composition difference and brand image – on the perception of brand quality. It concluded that brand name and composition characteristics (i.e. colour, size, style and taste) were more important determinants of quality in brand choice than price. This study underscores relatively less importance to price as quality perception factor.

Rao (1969) concluded the inter-relationship among the various selected elements of the consumer’s purchase decision (store visited, brand purchased and size of purchase) and their implications for building realistic models of buying behaviour. The findings were that the consumer’s probability of purchasing a brand was not only affected by his / her past experience with the brand, but also his/her selection of the store at the time of purchase. The store acts as an intervening variable between the consumer preference for a brand and the execution of his preference in terms of his purchase probability. The purchase size, time lapse between purchases, price of the purchase and advertising exposure were only few of the important factors of purchase environment that should be brought explicitly into models of brand choice.

Stafford (1966) conducted an exploratory study to identify as how informal social group influence the brand preference on their members. The design of the experiment consisted of socio-metrically selecting ten groups of women who were close friends, neighbours or relatives, who might go shopping together. It can also be conducted that the informal groups had a definite influence on their members towards conformity behaviour with respect to brand preference.

Guest (1964) exhibited a study to determine the degree of correspondence of previous preference with present preference with brand usage. It revealed that there was rather high degree of loyalty towards brand names, especially where special considerations such as unavailability, price considerations and the respondent not being the primary purchaser, do not play major part in brand selection. Further, there was a little indication that sex, intelligence or marital status is related to preference agreements. It appeared that the older subjects had more agreements than the younger ones. Also the result of this study showed that early childhood experiences exert considerable influence upon later brand purchasing behaviour.
2.5 ALTERNATIVE PURCHASE PLANS

Leahy (2008) suggested that this paper examines the concept of brand loyalty in Fast Moving Consumer Good (FMCG) markets. The primary objective of the study was to explore why loyalty develops in FMCG markets from the consumers’ perspective. In addition, this study explored the consumers’ perspective on the types of bonds that exist in FMCG markets and the role of bonds in the development of brand loyalty. The dominant conclusion arising from this study is that brand loyalty exists in FMCG markets for both cognitive and emotional reasons. Essentially this research determined that the development of brand loyalty is predicated on the development of customer-brand bonds. This research concludes that the challenge for marketers is to develop and nurture the bonds that lead to and that can strengthen brand loyalty. The research also concludes that brand loyalty studies in the future should focus on both cognitive and emotional reasons for brand loyalty and the role of bonds therein. Exploring brand loyalty in this way should assist in the analysis of and understanding of brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies designed to build brand loyalty.

Anandan et al. (2007) studied that, majority of the respondents (54.00%) will buy another brand if preferred brand is not available, 18.00 percent of the respondents will go to the nearby town for buying the preferred brand. Fifteen percent of the respondents will postpone their purchase decision. It was revealed from the study that customers cannot postpone the decision of buying the detergents, as it was one of the essential commodities.

Narayana and Markin (1975) conducted a study of alternative concept utilization for probable consumer behaviour with multiplicity of brands. It was suggested that consumers categorize the brands of any product class into evoked set, inert set and inept set. Evoked set is defined as the select set of brands the consumer considers in his purchase choice. Inert set is defined as the set of brands about which the consumer has neither a positive nor a negative evaluation. The inept set, however, consists of those brands that he has rejected from his purchase consideration. It seems that consumers do attempt to simplify their decision making by categorizing the available brands. The study also indicated the feasibility of not only extracting this consumer categorization process but also obtaining the reasons for such a process. Lack of sufficient information about certain brands are included
in the inert set of many consumers. If the appropriate information were supplied, some of these brands might move into the evoked set thus enjoy consumer acceptance and marked success.

RESEARCH GAP

The review of related literature regarding the rural and urban consumer behaviour are analysed from different sources. From the analysis of the review of literature, it is found that all the studies have attempted to examine the rural and urban consumer behaviour of various product categories with the study of only the pre-purchase behaviour or at the time of purchase or post purchase behaviour. But no attempts have been made to study all the three constraints jointly. Secondly, few researches have been made to take all the categories of FMCG products; some have studied the consumer behaviour and some have taken the factors influencing them. It will be greater importance when it is related to the comparison of buying behaviour between rural and urban consumers. It also has been observed that plenty of reading material is available on buying behaviour of rural consumers or urban consumers but unfortunately very little work has been done in the area of comparative study of consumer behaviour with referred to fast moving consumer goods in rural and urban markets. This is the reason and logic that this topic has been selected to know and compare the consumption pattern, the influence of factors and the behaviour of rural and urban consumers towards branded and unbranded FMCG products.
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JOURNALS


