

CHAPTER I

INTRODUCTION

1.1 INTRODUCTION TO THE STUDY

In the globalized era, the business world is highly competitive. International brands have entered into the field of consumer and industrial goods. Multi-national companies are threatening the domestic companies through their weapon of brand image (Chyrany, 2011). In the competitive market, the marketers are in a position to meet the customer's needs and develop customer satisfying offerings especially after globalization (Broniarczyk and Alba, 1994). The consumers in the society are becoming as brandization of society (Kornberger, 2010). Brand is one of the important pillars of competitive play in the market (Taleghani et al., 2012).

The power of a brand lies in what customers learn, feel and listen about the brand over the time. The marketers realized brand building generates a strong relationship between the marketers and the consumers (Fournier, 1998). The products are identified and recalled by their brand names but not by the product in the past two decades (Demirbag et al., 2010). In order to maintain and strengthen its position, the marketers should raise the level of consumer awareness on their brands (Mohammedian, 2010). A positive and powerful brand helps the organizations to charge a premium price for their products or services, have the opportunity to gain market share, gain customer loyalty, brand extension opportunities and influence their consumers to spread positive word of mouth.

The Customer Based Brand Equity (CBBE) drives to understand the customer's attitude and behavior towards a brand according to Researchers and Equity masters. CBBE is the holistic strength of a brand in the minds of the consumers and helps to build a brand stronger and identify the perception of customers about products and services. The CBBE is the road map and it provides the guidance for brand building. Application of CBBE is to show how a brand's success can be directly endorsed to customers' attitude towards a brand. Even the large companies should carefully assess the current state of the brand and the level of customers understanding on it (Karbasivar, 2011). The competitive advantage can be reaped by the marketers through the brand building especially in FMCG market (Keller, 2009). If customer experience positive thoughts, opinions, feelings and perception about the products / brands, then its signals positive brand equity. The present study is proposed to understand the customers thinking and feeling about a product / brand.

1.2 BRAND EQUITY

Brand is one of the most precious resources for any organization. The value of a brand often gets described as brand equity. Brand equity is the name given to the value of a company's brand. Brand equity is the most important driver of the consumer's decision making process. Creating and maintaining strong brand equity is the foundation and critical to a company's success in the long-term. Brand equity is recognized as source of competitive advantage and a vital component of business success (Christodoulides, et al., 2015). It is used to capture the value and the strength of a brand (Su and Tong, 2015). Marketers can reinforce brand equity by actively investing in the components of brand equity. (Abigail, 2021).

Organizations establish brand equity by creating positive experiences that entice consumers to continue purchasing from them over competitors who make similar products. Organizations that leverage the power of branding often earn more money than competitors. Brand equity can both positively and negatively affect an organization's ability to market products and services that are associated with a particular brand image. Positive brand equity is valuable for a company. When they have a more substantial reputation with consumers, businesses enjoy many benefits.

Brand equity is an acknowledgment that the feelings the customer base has towards a brand value to a business. Customers will repeatedly purchase when they have positive feelings towards the brand, and that has a monetary value. There are several ways to build brand equity which start from brand awareness to brand resonance (Aaker, 1991). The country of origin is also included in the drivers list of brand equity (Urde et al., 2007). The built brand equity results in repurchase intention and prioritization among consumers (Ailawadi et al.,2003). Brand equity develops over time and is based on the experiences customers have with a brand.

1.3 AN OVERVIEW OF INDIAN FMCG MARKET

The FMCG is the 4th largest market in India where 100% FDI in cash and carry section along with 51% FDI in multi brand retail segment (Amit Juneja, 2021). The FMCG brands are facing high competition due to the presence of MNCs, domestic companies and unorganized sector. Urban segment accounts for 55 percentage of the total FMCG consumption, while rural India accounts for the remaining 45 percentage. The main FMCG products are classified as Household Care and Personal Care, Healthcare, Food & Beverages which account for 50, 31 & 19 percentage in the total FMCG products in India (Equity Master, 2020) respectively.

The Indian FMCG industry growth was not significant between 1950s and 1980s. It was not attractive from the investors' point of view due to low purchasing power and the government's favoring of the small scale sector. With relatively lesser capital and technological requirements, relaxation on Foreign Direct Investment, there are so many entries of global players into the market which have made the market more competitive. Indian Top 50 FMCG companies are outperforming in all major FMCG categories (Bhattacharjee, 2011).

FMCG sector in India is growing faster in rural areas when compared to urban. The rural is contributing 35% of total revenue, whereas, the remaining is shared by urban and semi urban areas. More than 40% of the consumption in rural areas has been constituted by personal care, fabric care and hot beverages. Home care and Personal care categories are dominating in urban segment (Vasundhara Singh, 2019).

FMCG brands have high brand equity due to their unique characteristics and broad customer base. As per the most trusted brands survey, 2021 (CNBC-TV18), out of top 50 brands, 8 were FMCG brands. The most tested brands of 2020 (Economic Times) in Indian FMCG market is given in Table 1.1 and reveals the top 16 brands in FMCG market in India. The first three brands are Cadbury Dairy Milk, Good Day and Colgate whereas the last three brands are Lifebuoy, Frooti and Bournvita.

**TABLE 1.1
MOST TRUSTED BRANDS IN FMCG**

S.No.	Brands	Rank	S.No.	Brands	Rank
1.	Cadbury Dairy Milk	1	9	Tata Salt	9
2.	Good Day	2	10	Marie Gold	10
3.	Colgate	3	11	Surf Excel	11
4.	Amul	4	12	Dove	12
5.	Parle-G	5	13	All-Out	13
6.	Horlicks	6	14	Bournvita	14
7.	Glocon-D	7	15	Frooti	15
8.	Maggi	8	16	Lifebuoy	16

Source: Economic Times 2020

The FMCG products in the study are classified in 24 categories under three different groups namely, Household Care Products (HHCP), Personal Care Products (PCP) and Food & Beverage Products (FBP). The details of various brands of those products are summarized in Table 1.2.

TABLE 1.2
PRODUCT CATEGORIES AND THEIR BRANDS

S.No.	Product Category	Brands
HOUSEHOLD CARE PRODUCTS (HHCP)		
1	Fabric Wash	Ariel
		Tide
		Rin
		Surf
		Wheel
		Ujala
		Nirma
2	Utensil Cleaners	Pril
		Vim
		A-One
		Patanjali Dish Wash soap bar
		Dettol Dish Wash
3	Floor Cleaner	Lizol
		Max Kleen
		Domex
		Mopz
		Dettol
		Presto
4	Toilet Cleaner	Harpic Power Plus
		Domex Lime Fresh
		Sani Fresh Ultra
		Presto
		Sani Fresh
5	Air Fresheners	Odonil
		Airwick Freshmatic Life Scents
		Solimo Home Air Fresheners Spray
		Ambi Pur Air Affect
		Pure Source High
6	Mosquito Repellents	Good Knight
		All Out
		Repel
		Mortein
		Super Sleep

S.No.	Product Category	Brands
PERSONAL CARE PRODUCTS (PCP)		
1	Cosmetics	Lakme
		L'Oreal
		Himalaya
		Garnier
		Revlon
		Godrej Group
		Dabour
		Nivea
		Vaseline
		Ponds
		Fair & Lovely
2	Oral Care	Colgate
		Pepsodent
		Closeup
		Oral-B
		Sensodyne
		Patanjali Dant Kanti
		Meswak – Dabur
		Vicco Vajradanti
		Himalaya Herbals Complete Care
		Dabur Red
3	Personal Wash	Mysore Sandal
		Santoor
		Cinthol
		Himalaya Herbal
		Medimix
		Dove
		Vivel
		Margo
		Lifebuoy
		Lux
		Liril
		Pears
		Hamam
Dettol		
4	Hair Care	Clinic Plus
		Dove
		Sunsilk
		Head & Shoulders
		Pantene
		Nyle
		Fiama Di Wills
Vatika		

S.No.	Product Category	Brands
5	Stationary Product	Camlin
		Nataraj
		Reynolds
		Montex
		Apsara
		DOMS
		Cello
		Classmate
		ITC Faber Castell
		Linc
6	Perfumes	Gucci
		Calvin Klein
		Versace
		Ralph Lauren
		Yardley

S.No.	Product Category	Brands
FOOD & BEVERAGE PRODUCTS (FBP)		
1	Snacks	Lays
		Kurkure
		Bingo
		Haldirams
		Little Hearts
2	Tea	Tetley
		Tata Tea
		Himalayan
		Lipton
		Brook Bond Red Label
		Taj Mahal Tea
		Tulsi Tea
3 Roses Tea		
3	Dairy Products	Aavin
		Amul
		Arokya
		Heritage
		Aroma
		Sakthi Dairy
4	Coffee	Nescafe
		Bru
		Kannan Jubilee
		Continental
		Star Bucks

S.No.	Product Category	Brands
5	Atta	Aashirvad
		Nature Fresh Sampoorna
		Annapurna Farm Fresh
		Fortune Chakki Fresh
		Patanjali
		Shakthi Bhog
6	Bottled Water	Bisleri
		Kinley
		Aquafina
		Bailey
		Himalayan Water
		Qua Water
		Bailley
		Tata Water Plus
		Kingfisher
		Pure Life
7	Sweets	Agarwal Sweets
		Sri Annapoorna Sweets
		Krishna Sweets
		Haldirams
		Nellai Lala Sweets
		Sri Annapoorani sweets
		Adyar Ananda Bhavan
8	Health Drinks	Boost
		Horlicks
		Bournvita
		Complan
		Powervita
		Pediasure
9	Chocolates	Dairy Milk
		Perk
		Fuse
		5 Star
		Bournville
		Dairy Milk Silk
		Milky Bar
		KitKat
		Munch
		Bar One
		Amul Dark
		Friberg
		Snickers
		Kinder Joy
Brookside		
Choco Pie		

S.No.	Product Category	Brands
10	Biscuits	Britannia
		Marie GOLD
		Horlicks
		Sunfeast
		Parle
		Unibic
11	Edible Oil	Fortune
		Saffola
		Patanjali
		Sundrop
		SunLand
		Idayam
		Sunrich
		Mr.Gold
		Gold Winner
12	Soft Drinks	7up
		Pepsi
		Mountain Dew
		Coca Cola
		Sprite
		Thumps Up
		Limca
		Fanta
		Frooti
		Mirinda

1.4 SIGNIFICANCE OF THE STUDY

The present research study may contribute to information on how the marketers in FMCG market can implement effective practices and programmes to enrich the Consumer Based Brand Equity (CBBE) on their products. The knowledge obtained from the study results may help the marketers in FMCG market to improve their branding strategies as well as identify and determine factors that support innovative approaches to improve Consumer Based Brand Equity. The implementation and execution of such branding strategies for business performance are significant from the marketer's perspective because they may help the marketers to accelerate growth, expand current market positions and solidify brand position and to achieve marketing targets easily. The respondent's views on various constructs related to CBBE allow the marketers to use the data to identify the level of CBBE and its association with FMCG market.

1.5 STATEMENT OF THE PROBLEM

The FMCG market is facing a tough competition especially after globalization. The consumers' in the market have become well aware of and are exposed to the FMCG. The consumers are highly depending on brand image and brand trust on FMCG. The multinational companies have already established their brands and are reaping the benefits of the brand value. The growing marketers are struggling to compete with the MNC products because of the lack of knowledge and implementation of appropriate branding strategies at the market. The ability of such marketers is lesser to change their marketing strategies as per the situations. The marketers have to understand and analyse the brand value in FMCG market through Consumer Based Brand Equity (CBBE) since the CBBE is not only producing better profit to the organization but also creating a strong customer base for the FMCG products. Financial and human resources are very limited in local markets to generate CBBE. But it is the dire need of the marketing trend. Hence, the present study focuses on this aspect of FMCG especially in Household Care Products, Food and Beverage Products and Personal Care Products.

1.6 OBJECTIVES OF THE STUDY

Objectives of the present study are confined:

- 1) To reveal the branding behaviour of respondents in FMCG market according to their personal profile;
- 2) To measure the different levels of various components in Consumer Based Brand Equity (CBBE) and overall CBBE in FMCG market;
- 3) To assess the influence of the components of CBBE on overall CBBE in FMCG Market;
- 4) To investigate the various determinants of CBBE and their linkage with overall CBBE in FMCG market;
- 5) To examine the various outcomes of CBBE and its impact in FMCG market;
- 6) To evaluate the influence of various determinants of CBBE on the level of overall CBBE among the respondents in the FMCG market.

1.7 LIMITATIONS OF THE STUDY

The following are the limitations of the study

- 1) The scope of the study is confined to only Coimbatore district. It is purposively divided into rural and urban areas of Coimbatore district.

- 2) Even though the sample size has been determined and distributed in each strata of the population scientifically; the sampled households are identified by the discretion of researcher.
- 3) Only one representative of the sampled household has been permitted to respond on the interview schedule given by the researcher.
- 4) Even though, the FMCG products are too many, these have been categorized into three important categories namely Household Care Products, Food and Beverage Products; and Personal Care Products.

1.8 LIST OF ABBREVIATIONS

TABLE 1.3
LIST OF ABBREVIATIONS

S.No.	Coding	Abbreviation
1.	MNC	Multi-National Companies
2.	FMCG	Fast Moving Consumer Goods
3.	CBBE	Consumer Based Brand Equity
4.	HHCP	Household Care Products
5.	FBP	Food and Beverage Products
6.	PCP	Personal Care Products
7.	CFI	Comparative Fit Index
8.	TLI	Tucker – Lewis Index
9.	IFI	Incremental Fit Index
10.	RMSEA	Root Mean Square Error of Approximation
11.	AVE	Average Variance Extracted
12.	ABT	Aesthetic Benefits
13.	SNE	Sensory Experience
14.	FUB	Functional Benefits
15.	CCM	Customer Commitment
16.	PFA	Price Fairness
17.	BAV	Brand Authenticity
18.	SP	Sales Promotions
19.	ID	Intensive Distribution
20.	CI	Corporate Image
21.	SSY	Sustainability
22.	OBE	Overall Brand Equity
23.	OCBBE	Overall Consumer Based Brand Equity
24.	CBBE	Components of Consumer Based Brand Equity
25.	BAW	Brand Awareness
26.	BAS	Brand Association
27.	BIG	Brand Image
28.	BTV	Brand Trust

29.	BIY	Brand Intimacy
30.	BLA	Brand Leadership
31.	BCA	Brand Competitive Advantage
32.	BRU	Brand Reputation
33.	PQ	Perceived Quality
34.	BLY	Brand Loyalty
35.	RI	Repurchase Intention
36.	S.D	Standard Deviation
37.	C.V	Co-efficient of Variation
38.	ABT	Brand Priority
39.	WOM	Positive Word-of-mouth

1.9 CHAPTER SCHEME

The research work has been presented in the following chapters:

The chapter I explain the introduction to brand equity in FMCG market, statement of the problem, research objectives, limitations of the study, list of abbreviations used and chapterization.

The chapter II discusses the review of various studies related to the Consumer Based Brand Equity in FMCG Market.

The chapter III includes the research methods and design, population of the study, determination of sample size, sampling procedure, data collection instrument, pilot study and data organization techniques.

The chapter IV exhibits the proposed research model, in-depth model, identification of various concepts and its sub-concepts and variables included to measure the sub-concepts in the study.

The chapter V explains the background of the consumer in FMCG market, brand analysis in FMCG, place of purchase of FMCG and branding behaviour in FMCG market. The measurement of various components of CBBE, and the influence of the components of CBBE on the overall CBBE in FMCG, determinants of CBBE in FMCG and their impact on the overall CBBE in FMCG Market, outcomes of CBBE in the FMCG Market, impact of determinants of CBBE on the overall outcomes of CBBE in FMCG Market, and the linkage between the determinants of CBBE, overall CBBE and outcomes of CBBE in FMCG Market.

The chapter VI summarizes the findings, suggestion and conclusion, policy implications and scope for future research.