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Ashwin A Santoki
Assistant Professor (MBA)
Naran Lala School of
Industrial Management &
Computer Sciences Bhagwati
Sankul, Nr. Eru Char Rasta,
Navsari, Gujarat, India.

Milind H Parekh
Assistant Professor (BBA)
Naran Lala College of
Commerce & Management
Bhagwati Sankul, Nr. Eru
Char Rasta, Navsari, Gujarat,
India.

Correspondence
Ashwin A Santoki
Assistant Professor (MBA)
Naran Lala School of
Industrial Management &
Computer Sciences Bhagwati
Sankul, Nr. Eru Char Rasta,
Navsari, Gujarat, India.

Brand awareness & consumer buying behaviour of Selected FMCG products among rural consumer in dang area of Gujarat

Ashwin A Santoki and Milind H Parekh

Abstract

Dang district in Gujarat, having the total population of nearly 2.26 lacs in 2015, the people who are living here are very poor from economic perspective. As far as Fast moving consumer goods are concerned, they are using as well as they are aware with very few brands of FMCG. Moreover, one interesting thing to know is they are making multiple use of single product! Brands which are sold as FMCG items, are very much known and used by urban population of Gujarat, but the place where total 311 villages are covered in which approximately 75% of population is still living below poverty line and 98% population living here belong to Scheduled Tribe; hence it is very essential and interesting to make a study on awareness and usage of various FMCG products. Descriptive-cross sectional research design and quantitative research was used to get responses about five selected FMCG products from 302 respondents with well structured questionnaire. Researchers got good insights about brand awareness; and in this regard brands like Lux, Head & Shoulders, Clinic Plus, Navratna, Parachute, Colgate, Jivraj & Wagh Bakri; are having strong awareness in the area like Dang. Also, they perceive that local brands are much better than national or international brands. The whole area of dang district was unable to cover due to time & cost constraints and others product categories like moisturized cream, face-wash, food products, washing powders etc. can be studied for future research. From this research, rural people got aware about other brands in which they were unaware and still that brand was available at their village! Authors recommend that companies selling FMCG products should do their campaigning in such rural areas too because rural areas are a part of untapped market where they can use their segmenting, targeting & positioning strategies.

Keywords: Brand Awareness, Usage, Consumer Buying Behaviour, FMCG Products, Rural Consumer

Introduction

According to AMA (American Marketing Association), a brand is a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of seller and to differentiate them from those of competitors.” Brand Awareness is related to the strength of the brand node or trace in memory, which can be measure as the consumers’ ability to identify the brand under different conditions. Brand awareness is the degree of familiarity among consumers about the life and availability of the product brand awareness is the extent to which the consumer associates the brand with the product he desires to buy. The term FMCGs refers to those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year. This contrasts with durable goods or major appliances such as kitchen appliances, which are generally replaced over a period of several years. The rural market offers a big attraction to marketers, it would be naïve to think that any company can enter the market without facing any problems and walk away with a sizable share. Indian Rural Market is growth Engine of Indian Economy – According to the many market research agencies. Indian rural market is witnessing fast change in its consumption pattern, due to number of factors. The consumption pattern of rural India is changing- one third of rural Indians consume biscuits for breakfast and one in six opts for hair colors, says market research agency A. C. Nielsen. The Indian FMCG sector is the fourth largest sector in the economy with an estimated size of Rs.1, 300 billion. The sector has shown an average annual growth of about 11% per annum over the last decade.

Literature Review

Surinder S. K. (2013) [12]. The author has studied the consumers’ perception towards the fast moving consumer goods in rural markets. The data are collected with the help of well structured questionnaire from 1000 respondents among 40 villages in Haryana state. The results show that the rural buyers perceived that TV commercials followed by print advertisements and word of mouth plays a significant role for taking the decision to purchase these FMCGs and rural buyers perceived that social factors are not so strong that those may influence their decision to purchase these FMCGs. Vernekar *et al.* (2011) [13]. Examined the consumer perceptions and consumer attitudes towards eco-friendly products in FMCG sector and their willingness to pay on green products. The studies revealed that the majority of customers considered package is most important element of green products and have substantial awareness of green products among urban Indian customers and they are willing to pay something more on green products. B. Amarnath and *et al.* (2009) [1]. Analyse the case study of fast moving consumer goods in Chittor District of Andhra Pradesh regarding brand awareness in rural area. The author found that the level of awareness of branded FMCGs has increased everywhere, further people are not bothering about the price of the product, they are willing to pay higher price. Meenakshi Sharma *et al.* (2012) [6]. Examine the brand awareness in rural area and to study the interest of consumers in branded products of Fast Moving Consumer Goods (FMCG). The results show that Consumers of different age groups have different attitude towards the brand, Educational Qualification as one of the Categorical Independent variable also has a significant difference in terms of attitude towards the brand. It is also found that there is no significant difference among different income categories towards the brand of various FMCG products. Sulekha *et al.* (2013) [11]. Investigates an Empirical Study of Consumer Buying Behavior for FMCG in Rural Haryana. The study was conducted in four districts of Haryana namely panipat, jind, kuruksetra and gurgaon with a sample size of 500 consumers. The results show that rural consumers’ incomes are rising and willing to buy the products which improve their lifestyle, rural customers are not only price sensitive but also think about quality, performance, reliability, brand and other critical aspects. Mohammad Ali Daud (2013) [7]. Has examined awareness of brand and increasing customer’s demand for FMCG products in rural market of Uttar Pradesh. The finding shows that People are not much worried about the price of the product and they are showing willingness to use the branded product, it also evaluates their status as well as in their village. Mridanish Jha (2013) [8]. Has studied the brand awareness and consumer preference in rural areas of Bihar and to study the consumer preference in fast moving consumer goods category. The results show that the rural market has been growing steadily over the years and is now bigger than the urban market for FMCG (Fast moving consumer goods). Jayswal and *et al.* (2012) [4]. Analyzed the effect of some selected FMCG products television advertisements with commonly used negative emotional appeals on cognitive message processing style of Indian house wives. The study revealing different effect of different advertisement with negative emotional appeals derived that advertising creative aspect has considered most important. The findings of the research shows that there is

negative emotional advertising appeal makes the cognitive response positive, helps to form positive attitude and this increases the customer intention to buy the brand.

Objectives

The objective of the study is to understand the buying behaviour and awareness of brands of the rural consumers towards selected FMCG products. For this the objective of the research work are as under:

1. To study consumers’ brand awareness in selected FMCG product categories.
2. To study consumers’ buying behaviour towards FMCG products.
3. To study factors affecting buying behaviour towards FMCG products.

Scope of the study

A lot of work has been done on various aspects of rural marketing. The whole area of dang district was unable to cover due to time & cost constraints and others product categories like moisturized cream, face-wash, food products, washing powders etc. can be studied for future research. Hence, it was felt necessary to make a humble attempt to study the importance of Brand in consumer Buying Behavior of FMCG goods in rural markets.

Description Methodology

Descriptive-cross sectional research design and quantitative research was used to get responses about five selected FMCG products from 302 respondents with well structured questionnaire. The primary data are collected from different villages of Dang district such as Waghahi, Ahwa, & Saputara and nearby areas.

Sampling Plan

1	Sample Size	302 samples
2	Sampling Units	Respondents from different background i.e. businessman, service employees, farmers etc.
3	Sampling Methods	Non Probability Convenience Method
4	Sampling Area	Waghahi, Ahwa, & Saputara of Dang District.

Sampling characteristics

Out of 302 samples, the data are collected from respondents consists of 61% males and 39% females. The occupation of the respondents was also taken into consideration and it was found that 7.6% were farmers, 22.8% were doing services, 23.5% were have small business, 2.3% were professionals, 9.3% were buying behaviour tendency were subjected to a principal component analysis. Prior to using the principal having 4-6 family members and average family monthly income were Rs. 9400 (appx).

Results of the study

Do you use branded FMCG Products (Soaps, Shampoo, Hair Oil, Toothpaste and Tea)?

	%
No	1.0
yes	91.4
Use branded & traditional products	7.6
Total	100.0

Source: Primary data

Brand Awareness and Brand purchase among product categories: (Multiple Choice Questions)

Product Category	Brand Name	Percentage (Awareness)	Percentage (Usage during last 4 months)
Soap Category	Lux	81.1 %	56.3 %
	Hamam	66.2%	42.1 %
	Nirma	84.1 %	68.9 %
	Godrej	63.2 %	40.7 %
	Dove	47.7 %	19.2 %
	Pears	17.2 %	11.3 %
	ITC vivel	32.8 %	0 %
	Cinthol	77.8 %	26.2 %
	Dettol	79.5 %	32.5 %
	Himalaya	28.8 %	0 %
	Santoor	84.4 %	0 %
	Medimax	47.0 %	10.3 %
	Lifebouy	83.4 %	54.6 %
	Dyna	33.8 %	0 %
	Superia	42.1 %	0 %
Joy	34.8 %	0 %	
Breeze	23.8 %	0 %	
Shampoo Category	Sunsilk	96.0 %	52.3 %
	Dove	39.1 %	13.6 %
	Clinic Plus	93.7 %	64.9 %
	Vatika	78.5 %	33.1 %
	Himalaya	19.9 %	0 %
	Pentene	65.6 %	38.1 %
	Head & Shoulder	76.2 %	51.3 %
	Garnier	20.9 %	17.9 %
	Loreal	11.3 %	8.3 %
	Vivel	37.1 %	7.3 %
	Shikakai	26.5 %	0 %
	Halo	42.4 %	0 %
	Tresemme	13.2 %	0 %
	Chik	23.5 %	0 %
	Nyle	18.2 %	0 %
Fiama D Villis	12.3 %	0 %	
All Clear	46.4 %	0 %	
Hair Oil Category	Bajaj Bhahmi Amla	72.8 %	34. %1
	Parachute	86.4 %	66.9 %
	Navratna	92.1%	63.2 %
	Vatika	67.5 %	18.9 %
	Nihar Amla	74.5 %	38.1 %
	Dadur Amla	64.6 %	50.3 %
	Hair and Care	29.1 %	10.9 %
	Sesa	8.3 %	0 %
Tea Category	Tata tea	61.9 %	30.1 %
	Wagh Bakri	82.5 %	37.1 %
	Jivraj	90.1 %	68.9 %
	Red Label	47.0 %	9.6 %
	Godrej	44.4 %	0 %
	Lipton	29.8 %	6.6 %
	Taj Mahal	79.8 %	16.6 %
	Parivaar	25.8 %	0 %
	Tetley	8.3 %	0 %
	C. Somabhai ni Cha	30.8 %	17.5 %
	Good Morning	17.9 %	0 %
Toothpaste Category	Girnar	18.2 %	0 %
	Colgate	98.0 %	85.8 %
	Close Up	75.5%	35.1 %
	Pepsodent	93.7%	45.4 %
	Himalaya	34.4 %	7.3 %
	Sensodine	27.5 %	0 %
	Anchor	42.4 %	9.3 %
	Babool	73.8 %	32.8 %
	Vicco	59.9 %	14.6 %
	Meswak	53.3 %	0 %
	Dadur Red	50.7 %	14.2 %
	Oral B	46.0 %	0 %
	Neem	12.6 %	6.6 %
	Promise	12.9 %	6.6 %
Amar	35.1 %	11.9 %	
Crest	18.9 %	0 %	

Source: Primary data

From where do you purchase FMCG?

	%
Haat / Mandi	13.2
From Hawkers	0.7
Provisional Store	71.9
Departmental Store	14.2
Total	100.0

Source: Primary data

How do you pay for FMCG products?

	%
cash every time	71.5
weekly payment	12.9
fortnightly payment	10.9
monthly payment	4.6
Total	100.0

Source: Primary data

The following statements shows consumer’s agreement level on their buying behaviour towards FMCG products: [1 =“Highly Agreed”, 2=“Agreed”, 3=“Neutral”, 4=“Disagree” & 5= “Highly Disagree”]

	Mean Score of 21 items	Mean Score
1.	I take advise of friends before purchasing FMCG items	4.85
2.	I take advise of retailer / shopkeeper before purchasing FMCG items	4.80
3.	I prefer the products which is available at least price or discounted price	1.82
4.	I consider durability factor before purchasing FMCG	1.31
5.	Attractive package stimulates me to purchase a particular good	1.60
6.	I prefer the products which offers me more numbers of features	1.25
7.	I do not buy the product unless it is necessary for my family	1.18
8.	I prefer to purchase brand which is known to me	1.69
9.	I purchase the goods from a particular retailer only even if goods are	2.18
10.	I used to purchase those products which advertisements come on television	2.85
11.	I like to buy goods with any promotional schemes rather than goods without it	3.10
12.	I prefer to buy branded FMCG products	1.61
13.	I prefer to buy local branded FMCG products	3.60
14.	I prefer to buy FMCG products from the nearest retailer to my home	3.27
15.	I prefer to buy those products which are promoted by celebrities	3.77
16.	I look forward purchasing those items which are sold at cheaper	3.67
17.	I never change my preferred brand as far as FMCG products are concerned	3.39
18.	I try to use different brands at regular interval	2.85
19.	I purchase the goods in larger package compare to smaller one	2.53
20.	Arrangement of merchandise at retailer shop attracts me to buy	2.50
21.	I often buy some FMCG products at retail store without pre-planning	2.21

Results from Factor Analysis

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.645
Bartlett's Test of Sphericity	Approx. Chi-Square	2.795E3
	df	210
	Sig.	.000

The 21 items to measure the consumer buying behaviour tendency were subjected to a principal component analysis. Prior to using the principal axis factor analysis, it is important to ensure that the data matrix has sufficient correlations to justify the application of factor analysis, results related to Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity were observed. Bartlett's Test of Sphericity is a test statistical used to

examine the hypothesis that the variables are correlated in the population, the test value was 2.795E3. A significant value < 0.05 indicates that these data do not produce an identity matrix or differ significantly from Identity matrix and are thus approximately multivariate normal and acceptable for factor analysis. In this case the Bartlett Test value is 0.000<0.05, so the set of distribution is multivariate normal and acceptable for factor analysis, while 0.645 for the KMO test of sampling adequacy was found to be good. KMO is used to examine the appropriateness of factor analysis. The initial matrix from the factor analysis showed that six factors explained 65.665% of total variance, exceeding the 60% threshold. Here while reducing these factors to six factors, 34.335% of the information content get lost.

Factors	Components	Factors Name
Factor 1:	1. I used to purchase those products which advertisements come on television 2. I like to buy goods with any promotional schemes rather than goods without it 3. I prefer to buy branded FMCG products 4. I try to use different brands at regular interval	Promotional Activities
Factor 2:	1. I prefer to purchase brand which is known to me 2. I purchase the goods from a particular retailer only even if goods are available at cheaper rate at some other retailers 3. I prefer to buy those products which are promoted by celebrities 4. I look forward purchasing those items which are sold at cheaper	Brand Preference & Price
Factor 3:	1. I take advise of friends before purchasing FMCG items 2. I prefer to buy FMCG products from the nearest retailer to my home 3. I never change my preferred brand as far as FMCG products are concerned 4. I purchase the goods in larger package compare to smaller one	Affective Factor

Factor 4:	1. I prefer the products which is available at least price or discounted price 2. Attractive package stimulates me to purchase a particular good 3. Arrangement of merchandise at retailer shop attracts me to buy 4. I often buy some FMCG products at retail store without pre-planning	Cognitive Factor
Factor 5:	1. I consider durability factor before purchasing FMCG 2. I prefer the products which offers me more numbers of features 3. I do not buy the product unless it is necessary for my family	Product Features
Factor 6:	1. I take advise of retailer / shopkeeper before purchasing FMCG items 2. I prefer to buy local branded FMCG products	Retailers' advice

Findings and Conclusions

The findings of this research show that 61% male and 39% females were involved for data collection. The occupation of the respondents was also taken into consideration and it was found that 7.6% were farmers, 22.8% were doing services, 23.5% were have small business, 2.3% were professionals, 9.3% were labors, 7.9% were students, 20.9 were housewife, 5.6% were retired persons. More than 40% of people having 4-6 family members and average family monthly income were Rs. 9400 (appx). More than 90% of rural people were buying branded FMCG products. In soap category, more than 80% of rural people were having brand awareness for brand LUX, NIRMA, SANTOOR and LIFEBOUY, while more than 60% of rural people were having brand awareness for HAMAM, GODREJ No 1 and CINTHOL. In Shampoo category, more than 90% are aware of brand SUNSILK and CLINIC PLUS, while more than 65% have awareness of brand VATIKA, PENTENE and HEAD & SHOULDER. In Hair Oil category, it was found that 92% are aware with brand NAVRATNA, 86% aware of brand PARACHUTE, more than 70% of BAJAJ BHAHMI AMLA and NIHAR AMLA, while 67.5% people aware of brand VATIKA. In Tea category, more than 90% are aware of brand JIVRAJ, more than 79% aware of brand WAGH BAKRI and TAJ MAHAL, while more than 61% aware of brand TATA TEA. In Toothpaste category, it was found that 98% aware of brand COLGATE, 94% aware of brand PEPSODENT while more than 73% aware of brand BABOOL & CLOSE UP. The results also revealed that people who have more brand awareness are like to purchase more of that brand. 71.9% rural people like to buy FMCG branded products from Provisional store. 71.5% people doing cash payment while purchasing FMCG products while others on credit bases. More than 93% people are being aware of brand FMCG products from television advertisements, while it is also found that no one is being aware from the internet source because of lack of internet facilities.

Factor Analysis Test was used to determine reduced factors from various factors. Kaiser-Meyer-Olkin Measure of Sampling Adequacy was used to examine the appropriateness of factor analysis and it was found to be 0.645, which is found to be appropriate. From the total variance, it is interpreted that the six factors are extracted together account for 65.665% of the total variance. Here while reducing these factors to six factors, lost of the information content was $(100-65.665) = 34.335\%$. The six factors affecting consumers' buying behaviour towards FMCG products are Promotional activities, Brand Preferences & Price, Affective factors, cognitive factors, Product features and Retailers' advice.

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