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The influence of packaging, price and brand awareness on brand image towards FMCG products in Salem city

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Abstract

The article tries to find out the influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city. One objective of this study is reached through proper methodology. Sample size is 730 in all obtained through quota sampling in Salem City. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.78 to 0.94. Various statistical tools employed were correlation and regression analyses were for data analysis. The study found that positive relationship among the variables packaging, price, brand awareness and brand loyalty and brand loyalty by the variables packaging, price and brand awareness towards FMCG products in Salem city. The study concluded that important and necessary for marketers in the company to assess the response that the targeted customers have towards changes in packaging, price, brand awareness campaigns and messages sent across through various means as a mechanism for monitoring prevailing levels of brand loyalty.

Keywords: Brand loyalty, price, packaging, brand awareness, Correlation, regression, quota sampling technique and FMCG products.

Introduction

The article tries to find out the influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city. Product-related attributes associated with packaging, pricing and brand awareness, inter alia, tend to create and reinforce the relationship between the consumer and the brand (Suresh *et al.* 2012) ^[1]. Consumers respond to packaging based on a set of prejudices, learned reactions and individual preferences that help to catapult certain products to dominance in today's dynamic markets (Aaker 2010) ^[2]. Certain shapes, colors, sizes and textures naturally influence consumers to respond positively, whilst others evoke negative reactions (Aaker 2011) ^[3]. With rising consumer affluence, consumers are often willing to pay a little more for the convenience, appearance, dependability and prestige of better packaging (Kotler & Armstrong 2010). Companies have also recognized the influential power of pricing in contributing to the instant recognition of the company or brand (Duffy 2003) ^[4]. Furthermore, effective brand awareness campaigns tend to attract consumers' attention and convince consumers to venture out to either adopt the product or to use it repetitively, leading to increased sales for the company (McKee 2010).

Review of Literature

Packaging

Packaging may be perceived as a family of activities that are concerned with the design, production and filling of a container or wrapper of the product item in such a way that the product can be effectively protected, stored, transported and identified, as well as successfully marketed (Kent & Omar 2003) ^[6].

An often-overlooked component of packaging is its latent ability to reflect the product attributes to unsuspecting and otherwise disinterested consumers (Gonzalez & Twede 2007). Most of the packaging decisions affect how consumers associate themselves with a firm's products (Del Rio, Vazquez & Iglesias 2001) ^[8] Ordinarily, packaging should be designed in such a way that the product can be handled without damaging the quality of the contents (Silayoi & Speece 2007) ^[9]. Packaging should also be designed to promote product sales

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(Deliya & Parmar 2012) ^[10]. A consumer should, without extraneous effort, be able to role in influencing the perception of consumers of pirated electronic products.

Findings in a study by Gupta (2009) ^[11] also show that effective packaging is positively correlated with impulse buying behavior in the food retailing industry, which justifies the use of sales packaging in that industry. It appears, then, that effective packaging is an indispensable instrument in shaping the purchase decisions of consumers.

Pricing

Price, which is an enduring element of the original Ps of the marketing mix, may generally be perceived in terms of the specific monetary value that a customer attaches to goods and services (Kent & Omar 2003) ^[6].

Farahmand and Chatterjee (2008) ^[12] conceptualise price within the auspices of the value assigned to something bought, sold or offered for sales, expressed in terms of monetary units. It also pertains to how buyers view a product's price, as high, low or fair, which ultimately affects consumers' willingness to buy the product (Ahmad & Vays 2011) ^[13].

Pricing is a crucial strategic variable due to its direct relationship with the company's goals and its interaction with other marketing mix elements (Yesawich 2004) ^[14]. Pricing enables companies to segment markets, define products, create incentives for consumers and even send signals to competitors (Atcharyachanvanich & Hitoshi 2007) ^[15].

Goods and services must be priced in a way that achieves profitability for the company and satisfies customers, in addition to adapting to various constraints such as competition (Sahay 2007) ^[16].

Brand Awareness

Brand awareness is an important indicator of consumers' knowledge about a brand, the strength of a brand's presence in the consumers' minds and how easily that knowledge can be retrieved from memory. It is the probability that consumers will easily recognize the existence and availability of a company's product or service. There are two main types of brand awareness, namely 'aided awareness' and 'top of the mind awareness' (Farris *et al.* 2010) ^[17]. Aided awareness occurs when a consumer is provided with a list of brand names and they recognize the brand from the given set whereas 'top of the mind awareness' occurs when the name of the brand is automatically recollected because the consumer very promptly associates the brand with the product category (Keller 2008) ^[18].

Despite their inherent differences, both types of brand awareness are useful in their respective domains of application. Moreover, brand awareness also comprises brand recognition, which is the ability of consumers to confirm that they have previously been exposed to a particular brand, and brand recall, which reflects the ability of consumers to name a particular brand when given the

product category, category need or some other similar cue such as brand logos (Liu, Liston-Heyes & Ko 2010) ^[19].

Brand Loyalty

Brand loyalty is a measure of the extent to which consumers are loyal to a particular brand over a period of time, which emphasizes a consistent repurchase of the same brand. Brand loyalty results in an emotional attachment to the brand, which is driven primarily by commitment and affection (Hawkins, Best & Coney 2001) ^[20].

The consumer develops affection for the brand in a manner similar to a friendship. Brand loyalty can of their purchases (Rowley 2005) ^[21]. Therefore, brand loyalty is one of the ways with which consumers express satisfaction with the performance of the product or service received (Delgado-Ballester & Munuera-Aleman 2001) ^[22].

Research Methodology

Research Decision

To obtain better answer to the research question, a proper research design is to be framed (Cooper & Schindler 2001; Davis & Cosenza 1988). Based on the framed hypotheses of the research both descriptive and inferential statistics were adopted. Exploratory descriptive and casual designs are few research designs. This study is an exploratory type which tries to explore the influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city.

Objective of the study

- The main objective of the study is found the influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city.

Hypothesis of the study

- There is no influence of packaging price and brand awareness on brand loyalty towards FMCG products.
- There is no relationship among the variables packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city.

Scope of the Study

Scope of the study is as follows

1. The study is centered at Salem city only.
2. Study is related only with FMCG products

Sampling Frame

The sample size of the study is 730 in all. The Salem city FMCG product consumers alone come within the sample frame. The sampling technique used is Quota sampling around Salem. Questionnaire with 5 point scale is used. The reliability of the tool is 0.78 to 0.94. Correlation and Regression analysis are used for data analysis.

Period of the study

The study was carried from the Salem city between the periods of July 2015 to Dec 2015.

Analysis and Interpretation

Table 1: Correlation analysis showing relationship among the variables packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city

Variables		Packaging	Price	Brand Awareness	Brand Loyalty
Packaging	Pearson Correlation	1	.623(**)	.678(**)	.476(**)
	Sig. (2-tailed)	.	.000	.000	.000
	N	730	730	730	730
Price	Pearson Correlation	.623(**)	1	.339(**)	.556(**)
	Sig. (2-tailed)	.000	.	.000	.000
	N	730	730	730	730
Brand Awareness	Pearson Correlation	.678(**)	.339(**)	1	.592(**)
	Sig. (2-tailed)	.000	.000	.	.000
	N	730	730	730	730
Brand Loyalty	Pearson Correlation	.476(**)	.556(**)	.592(**)	1
	Sig. (2-tailed)	.000	.000	.000	.
	N	730	730	730	730

Source: Primary Data ** Correlation is significant at the 0.01 level

Null Hypothesis: There is no relationship among the variables packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city.

Alternative Hypothesis: There is no relationship among the variables packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city.

Table 1 shows the results of correlations among packaging, price, brand awareness and brand loyalty. The brand loyalty is significant with all the three independent variables at 1% level. Brand awareness is significant with price, packaging and brand loyalty. The packaging variable is significant with brand awareness, price and brand loyalty at 1% level. The price variable is significant with brand awareness, packaging and brand loyalty at 1% level. All the variables receive significantly differently responses from the customers’.

Table 2: Regression analysis showing Influence of packaging, price and brand awareness on brand loyalty Model Summary

R	R Square	Adjusted R Square	F	p
.805	.648	.646	357.623	.000

Source: Primary Data

Coefficients

Table 3

Variables	B	SE	Beta	t	p
Constant	16.673	1.803		9.247	.000
Packaging	1.389	.081	.510	17.230	.000
Price	1.550	.078	.603	19.765	.000
Brand Awareness	.303	.064	.164	4.745	.000

Dependent Variable: brand loyalty Source: Primary Data

The regression analysis has been carried a sample of 730 and data considering brand loyalty as a dependent variable and independent variables such as packaging, price and brand awareness. The reaction of the consumers and effect of the independent variables over brand loyalty have been studied by the regression analysis.

H₀: There is no influence of packaging price and brand awareness on brand loyalty towards FMCG products.

H_A: There is an influence of packaging price and brand awareness on brand loyalty towards FMCG products.

The F value obtained for the analysis is 357.623 which are significant at one percent level. Hence the assumed regression model may be considered as a good fit. The value of R² is 0.648 and implies that 65% of brand loyalty is influenced by the above three variables.

Considering the significant individual regression coefficients, it is seen that the packaging shows (Beta – 0.603, t – 19.765, p – 0.000), price shows (Beta – 0.510, t – 17.230, p – 0.000) and brand awareness shows (Beta – 0.164, t – 4.745, p – 0.000). Hence the p value is 0.000 and the null hypothesis is rejected and significant at 1% level.

The analysis found that brand loyalty is influenced on the variables such as packaging price and brand awareness towards FMCG products in Salem city.

Findings of the Study

The correlation analysis has been carried a sample of 730 and data considering packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city. It is observed from the r values are 0.623, 0.678, 0.476, 0.339, 0.556 and 0.592, p value is 0.001. So the null hypothesis is rejected at 1% level of significance. It is establish that there is a positive relationship among the variables packaging, price, brand awareness and brand loyalty towards FMCG products in Salem city.

The multiple regression analysis has been carried a sample of 730 and data considering influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city. The F value obtained for the analysis is 357.623 which are significant at one percent level. Hence the assumed regression model may be considered as a good fit. The value of R² is 0.648 and implies that 65% of brand loyalty influenced by the three variables such as packaging, price and brand awareness towards FMCG products in Salem city. It is concluded that influence of brand loyalty by the variables packaging, price and brand awareness towards FMCG products in Salem city.

Recommendations

With reference to packaging, it is important for marketers develop innovative packaging strategies that will appeal to the customer in an exceptional way. Typical emerging solutions that have revolutionized packaging best practice in recent times include green packaging, tiered branding, the feel-good factor, adding personality, speed to shelf and multisensory packaging, amongst others.

To ensure that brand loyalty is increased, successful companies in most markets are shifting towards the adoption of pricing tactics such as offering better single price points only if multiple purchases are made, cash discounts for purchasing a 'suite of products', discounts on fuel for purchases made in-store, and any other strategies to generate repeat purchases, inspire larger orders and take customers out of the market on key items.

Meaningful customer relationship management programs may be established in order to improve brand awareness. A meaningful relationship between a brand and its customers can result in deeper customer considerations and higher sales volumes as customers become more conscious of and loyal towards the brand.

Conclusion

The article tries to find out the influence of packaging, price and brand awareness on brand loyalty towards FMCG products in Salem city. One objective of this study is reached through proper methodology. Sample size is 730 in all obtained through quota sampling in Salem City. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.78 to 0.94. Various statistical tools employed were correlation and regression analyses were for data analysis. The study found that positive relationship among the variables packaging, price, brand awareness and brand loyalty and brand loyalty by the variables packaging, price and brand awareness towards FMCG products in Salem city. The study concluded that important and necessary for marketers in the company to assess the response that the targeted customers have towards changes in packaging, price, brand awareness campaigns and messages sent across through various means as a mechanism for monitoring prevailing levels of brand loyalty.

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