



## **AIDED BRAND RECALL AMONG RURAL CONSUMERS FOR SELECTED FMCG BRANDS**

**Pramod Hanmantrao Patil**

Assistant Professor

BE( Mechanical), MBA ( Marketing), PGDDM, PhD ( Marketing)

School of Management Sciences, SRTMUN Sub-centre

Swami Ramanad Teerth Marathwada University , Nanded

Latur ( Maharashtra)

### **ABSTRACT:**

*Brand recognition is one of the important determinants of brand awareness which forms the base for brand equity; since then consumers develop association, feeling and loyalty for the exposed brand. Aided brand recall measures the memories left by the brand sponsor in consumers' mind .The Indian Rural market is one of the key contributors to the economy. Due to the saturation of urban market all companies are now focusing on this huge untapped market. Ever since the globalization process has started, the gap between rural and urban market is reducing consistently. The buying behaviour of rural consumer has changed due to increased purchasing power, literacy rate, and improvement in lifestyle, introduction of multinational brands and their effective marketing activities, and increased reach of electronic media. As a result now a day's rural consumers are also using branded products in almost all product categories. Therefore, it is very essential to study aided brand recall among rural consumers. This study is conducted with reference to selected FMCG brands as they are easily available and frequently consumed by rural consumers. The aided recall of rural consumers with respect to selected FMCG brands was found to be high and dependent on demographic variables like age, education, gender.*

**Keywords:** Aided brand recall, Brand awareness, rural consumer, FMCG

## 1. Introduction:

Brand awareness and brand choice are highly correlated<sup>i</sup>. Consumers choose brand for which they are exposed instead of the unknown brand. Brand familiarity is likely to: 1) Enhance perceptual identification of a brand, 2) increase the probability of inclusion in the evoked set, 3) generate positive affect toward the brand, and 4) motivate purchase behaviour<sup>ii</sup>. Brand recall measures consumers ability to recall the given brand among the product category.

Globalization has resulted in increased interaction of people of different states and countries through the exchange of knowledge, ideas, culture, money, and goods. It has connected people of different countries and made them more interdependent. The impact of globalization is felt in rural India as much as in urban areas, although it is slow. It has its effects on target groups like farmers, the youth and women<sup>iii</sup>. With the globalization, many multinational companies have entered the Indian market, resulting in ample availability of brands for Indian consumers. Now a day's rural consumers are also using branded products due to increase in awareness and availability of products. The rural consumption basket is also changing and is slowly converging towards the urban consumption basket. According to NSSO data, the expenditure of rural consumer on non food items has increased by 14.6% for the period 1993-94 to 2011-12<sup>iv</sup>. Rural consumers are buying more premium health, hygiene, personal grooming, packaged foods and convenience consumer packaged products, reflecting aspirations towards changes in lifestyle<sup>v</sup>. The consumption of FMCG brands has increased in the Indian rural market with the increase in income and life style changes of consumers.

The Indian FMCG sector has almost tripled in the last decade, much faster than past decades. Even in the meltdown years of FY 2008 and FY 2009 the FMCG industry witnessed sustained growth rates of 14% and 11% respectively, this sector was relatively recession-proof<sup>vi</sup>. This growth in FMCG sector is due to increase in demand drivers (Consistent GDP growth, increasing population, growing awareness, changes in consumer profile-more young population, increasing consumer income -approx 60% increase from 2006 to 2014, changing consumer expenditure pattern -more expenditure on nonfood items, increasing discretionary income, changing lifestyle, growth in rural sector- increasing share of the non agricultural sector, untapped rural market -low penetration levels for many FMCG categories, aspiring rural consumers, high private consumption, rising urbanization and huge export potential), development in supply side (presence of strong brands, new products, e-commerce,

innovation in marketing methods and growth in modern retail) and favourable changes in Government Policy<sup>vii</sup>.

## 2. Literature review:

According to Aaker (1991), brand equity is composed of a set of assets, namely brand loyalty, name awareness, quality, brand association, and other proprietary assets such as patents and trademarks, which are linked to a brand name or symbol. A high level of brand recall through constant exposure can create more than brand awareness; it can also minimize the recall of other brands in the category<sup>viii</sup>. Brand awareness is related to the strength of brand node or trace in memory, which we can measure as the consumer's ability to identify brand under different conditions<sup>ix</sup>. According to Rajan Saxena, brand awareness is the ability of potential buyers to recognize or recall that a brand is part of product category<sup>x</sup>. Brand awareness can be evaluated at various stages such as recognition, recall, top of the mind, brand dominance and brand knowledge<sup>xi</sup>. Brand recognition and recall depends on the extent to which consumers make decisions in the store versus outside the store. Brand recognition plays an important role during decision making in the store<sup>xii</sup>. According to Kim, perception about quality depends upon recognition<sup>xiii</sup>. In fact, brand recognition and brand perception has a strong relationship<sup>xiv</sup>. Brand recognition is the first stage of brand awareness where consumers can recognize a specific brand among others by aided recall<sup>xv</sup>. It is the ability of consumers to identify a certain brand amongst other i.e. "aided recall". According to Aaker aided recall is a situation whereby a person is asked to identify a recognized brand name from a list of brands from the same product class. Brand awareness is affected by group factors and individual factors such as age and gender (younger people tend to have a better brand recall than older people), the level of excitement created by the sponsor, individual previous experience of person, involvement about the event and general opinion about the sponsor<sup>xvi</sup>. Cornwell identifies three determinants of the brand recall: Individual and group factors (experience, involvement), Management factors (sponsorship policy) and Market factors (competitor activities)<sup>xvii</sup>. Brand awareness is affected by demographic factors such as age, education, locality (rural & urban) etc<sup>xviii</sup>.

## 3. Objectives:

- To measure aided brand recall among rural consumers
- To study relation between aided brand recall and age, education and gender

#### **4. Hypothesis:**

H0: There is no relation between aided recall and age, education and gender

H1: There is relation between aided recall and age, education and gender

#### **5. Research Methodology:**

This study of aided brand recall among rural consumer is with respect to selected FMCG brands. Sixteen FMCG brands from eight different FMCG categories which are easily available in almost all rural retail shops were selected. Both exploratory and descriptive research design was used. The study was conducted in all ten talukas of Latur district. Multistage sampling technique was used for selection of sampling units. In first-stage, Latur district was divided into 10 clusters i.e. talukas such as Latur, Udgir, Ausa, Nilanga, Renapur, Chakur, Devani, Shirur anantpal, Jalkot and Ahmadpur. In second stage villages with a population less than 5,000 and minimum 4 km away from city were selected by using simple random sampling method. Respondents were selected by systematic random sampling method at the shops and public places. Interviews were conducted at different timings i.e. morning, afternoon and evening in order to survey different strata of the population. The sample size used for the survey was 500.

#### **6. Findings and Discussion:**

Aided brand recall for all sixteen FMCG brands was measured by asking hint questions. As literacy is measure problem in rural area, therefore questions were asked about the colour of the product, packaging colour and picture, positioning aspect, advertisement.

The average aided brand recognition of rural consumers for selected FMCG brands was high. Approximately 64% consumers recalled brand correctly. Brand recognition was high for brands like Nirma, Parle-G, Wheel flake, Parachute and Santoor soap. It was very low for Brokebond, Tata tea, Fair& handsome, Close-up and Fair & lovely brands. Following table shows aided recall for sixteen FMCG brands:

**Table no.1 Aided brand recall of rural consumers**

Sr. No.	Brand	Question	Answer	
			Correct	wrong
1	Nirma Powder	Which detergent powder is yellow coloured and having girl picture on it?	90.25 %	9.75%
2	Parle-G	Which biscuit packaging has child picture on it?	84.5%	15.5%
3	Wheel Flake	Which detergent flake is green coloured, lemon flavoured and economical?	83.5 %	16.5%
4	Parachute	Which coconut oil is with blue packaging and coconut tree picture on it?	81.31%	18.69%
5	Santoor	Which Toilet soap is orange coloured and having sandal content?	76.14 %	23.86%
6	Good-day	Which biscuit has cashew in it?	70.37%	29.63%
7	Navaratna	Which hair oil is red coloured, sainted and cool?	69.78%	30.22%
8	Rin Flake	Which detergent flake is blue coloured and gives brightness?	67.39 %	32.61%
9	Wheel powder	Which detergent powder is green coloured, having lemon content and economical?	65 %	35%
10	Lux	Which Toilet soap is used by actresses and it is beauty soap?	60.23%	39.77%
11	Colgate	Which tooth paste is white coloured and having red and white packaging?	57.45%	42.55%
12	Fair& lovely	Which Fairness cream is with pink packaging and a girl picture on it?	54.47%	45.53%
13	Fair& Handsome	Which Fairness cream is with white packaging and a boy picture on it?	48.7%	51.3%
14	Close-up	Which tooth paste is coloured, fresh and gel based?	47.71%	52.29%
15	TATA Tea	Which tea powder has “ Jagore jagore” campaign ?	38.96%	61.03%
16	Broke-bond	Which tea powder has red coloured packaging and cup picture on it?	30.61%	69.39%
<b>Average</b>			64.15%	35.85 %

(Source: Primary data)

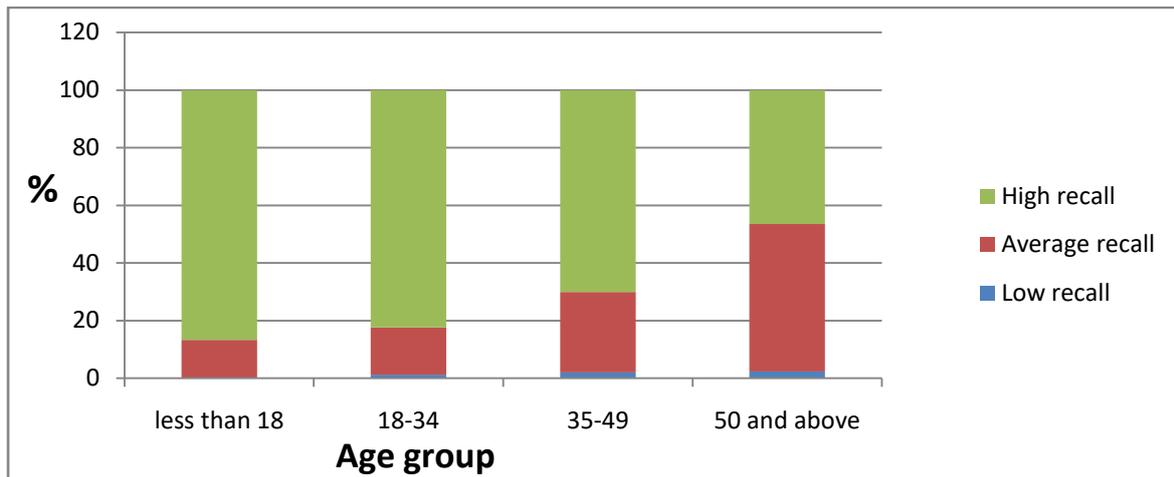
### 6.1 Aided brand recall and age of rural consumer

**Table no.2 Aided brand recall and Age cross tabulation**

Age	Aided brand recall category			Total
	Low recall	Moderate recall	High recall	
<b>Less than 18</b>	0	8	52	60
<b>18 to 34</b>	3	41	206	250
<b>35 to 49</b>	3	41	103	147
<b>50 and above</b>	1	22	20	43
<b>Total</b>	7	112	381	500

(Source: Primary data)

**Graph no.1 Aided brand recall and Age**



(Source: Table no. 2)

The aided brand recall was higher for age group less than 18 and between 18 to 34 years. At the 5 % significance level and 6 degrees of freedom p- value is 0.00 which is less than 0.05 therefore we reject null hypothesis, i.e. there is relation between rural consumers age and aided brand recall.

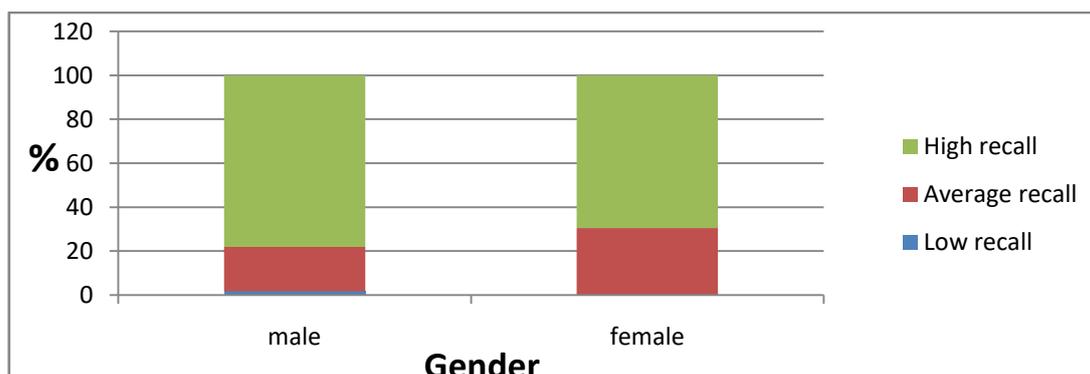
## 6.2 Aided brand recall and gender of rural consumer

**Table no.3 Aided brand recall and Gender**

Gender	Aided brand recall category			Total
	Low recall	Moderate recall	High recall	
<b>Male</b>	7	79	306	392
<b>Female</b>	0	33	75	108
<b>Total</b>	7	112	381	500

(Source: Primary data)

**Graph no.2 Aided brand recall and Gender**



(Source: Table no. 3)

Approximately 78.1% of males and 69.4% of females had high aided brand recall. At 5 % significance level and 2 degrees of freedom p- value is 0.033 which is less than 0.05 therefore we reject Null hypothesis i.e. there is significant relation between gender and aided brand recall.

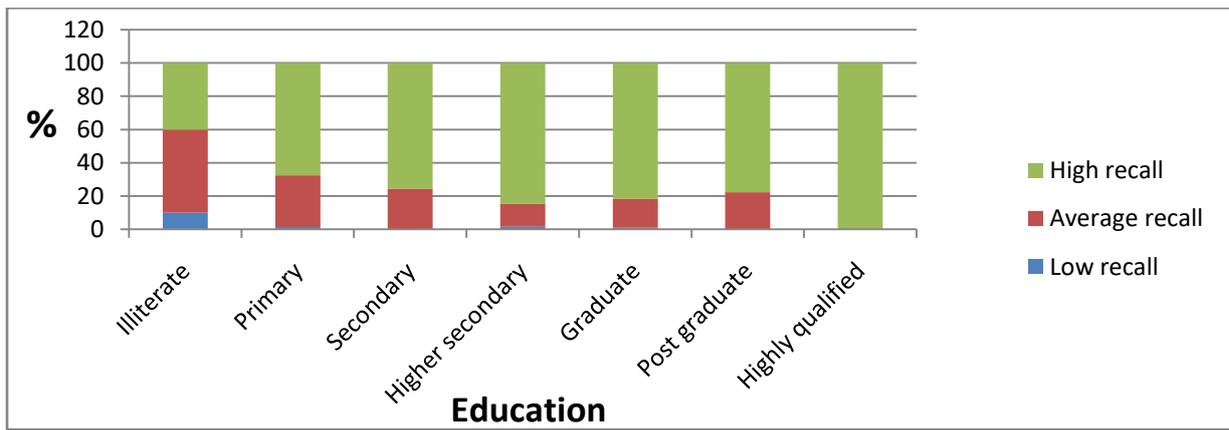
### 6.3 Aided brand recall and education of rural consumer

**Table no.4 Aided brand recall and education**

Education	Aided brand recall category			Total
	Low recall	Moderate recall	High recall	
Illiterate	3	15	12	30
Primary	1	24	52	77
Secondary	0	32	99	131
Higher secondary	2	18	110	130
Graduate	1	17	81	99
Post graduate	0	6	21	27
Highly qualified	0	0	6	6
Total	7	112	381	500

(Source: Primary data)

**Graph no.3 Aided brand recall and education**



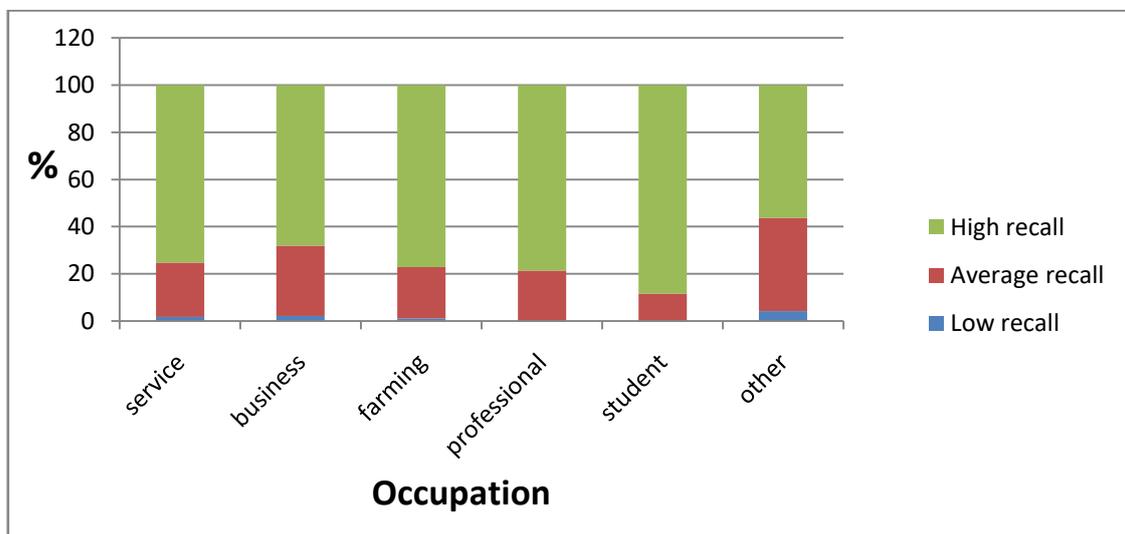
(Source: Table no. 4)

Aided brand recall was high for graduate, post graduate and highly qualified rural consumers. At 5 % significance level and 12 degrees of freedom p- value is 0.00 which is less than 0.05 therefore we reject Null hypothesis i.e. there is significant relation between education and aided brand recall.

#### 6.4 Aided brand recall and occupation of rural consumer

The aided brand recall was highest among students followed by professionals and farmers.

**Graph no.4 Aided brand recall and occupation**



(Source: Primary data)

## 7. Conclusion:

Aided brand recall of rural consumers was high for selected FMCG brands. High brand recognition was observed when hints (aids) were on the basis of the colour of the product, packaging and pictures. This may be because of literacy problems in rural region. Hence, companies while targeting the rural market must use colour products and packaging with bright colour pictures on it. Aided brand recall was high for brands like Nirma, Parle-G, Wheel flake, Parachute and Santoor where as it was low for brands like Close-up Tata tea and Broke bond. It can be because of exposure of consumers to these brands. The positioning of Lux brand is accurate and precise as the high aided recall was found even though the question was based on positioning aspect and not on simple hints like colour, picture, packaging etc.

A significant relation was found between age of consumer and aided brand recall. Aided recall was more for age groups less than 18 years and 18-34 years.

Aided brand recall and gender are found to be related and it was more among males. This may be because in rural region males are decision makers and literacy rate is higher among males.

A significant relation between aided brand recall and education was observed in this study. Aided recall was more for educated people than illiterate and less literate consumers.

Brand recognition was higher among students than others. This supports to the earlier findings that brand recognition is related to age and literacy. (As students are younger and more literate)

## 8. References:

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