



BRAND AWARENESS AND BRAND PREFERENCE

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ABSTRACT

Nowadays, branded products are consumed almost in every sector by all sections of the society. A brand name is an assurance by the seller to consumers about services offered by him. It reduces buyer's risk and makes the decision making process simpler. In order to reduce risk consumers prefer those brands which are known and familiar to them. Hence, brand awareness becomes the initial step and foundation for brand preference. As Fast Moving Consumer Goods are frequently consumed by every section of the society, the relationship between these two dimensions of brand equity – brand awareness and brand preference can be well defined and understood . Sixteen FMCG brands from different segments and eight product categories were selected for the study. A significant relationship is observed between brand awareness and brand preference for all sixteen FMCG brands.

Keywords : Brand, brand awareness, brand preference, brand recall, FMCG

Introduction

The Fast Moving Consumer Goods (FMCG) sector is a key contributor of the Indian economy. The industry has tripled in size in the last few years and growing much faster than in past decades. Favorable developments happening in demand side, supply side and systematic drivers shows that this sector has a bright futureⁱ. FMCG sector is more lucrative because of low penetration levels (especially rural region), well established distribution network, low operating cost, lower per capita consumption, large consumer base and simple manufacturing processes for most of products. The mushrooming Indian population with the rising disposable income, particularly the middle class and the rural segments are acting as a demand driver for this sector. FMCG sector has tough competition from both unorganized sector and me-too products particularly in rural areas. Still, a larger section of the society is regularly consuming branded products of this sector.

A brand is an offering from a known source. A brand name carries many associations in people's mind that make up the brand image. All companies strive to build a strong, favorable, and unique brand imageⁱⁱ. If a mind is not aware of a brand then it is difficult to develop desired brand associations in consumer's mind. Awareness of the name act as an anchor to which everything else about the brand is linked, much like the name of a person acting as an anchor for tying all associations about himⁱⁱⁱ. According to Aaker, brand equity is a set of fundamental dimensions such as brand awareness, brand perceived quality, brand loyalty and brand associations^{iv}. 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^v. It is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category. The importance of brand awareness in the mind of the customers can be evaluated at various stages e.g. recognition, recall, top of mind, brand dominance and brand knowledge^{vi}. According to Keller, the relative importance of brand recognition and recall depends on the extent to which consumers make decisions in the store versus outside the store. Brand recognition may be more important to the extent that product decisions are made in the store. Unaided awareness is very important for low value, fast moving goods. When three brands on the market are strongly related in unaided awareness, scarcely any other brand has a chance even getting quoted^{vii}. Brand awareness influences consumers' perceived risk assessment and their confidence in the purchase decisions. Some of the consumers can make rule to purchase

only those brand which are famous in the market^{viii}. By creating high brand awareness one can influence brand liking and hence behavioral intention to purchase^{ix}. In low involvement decision settings brand awareness is just adequate leading to purchase .Repeat purchase then, is a function of the functional utility and image utility of the brand. Thus, when perceived quality differences exist among competing brands, consumers may “pay a price” for employing simple choice heuristics such as brand awareness in the interest of economizing time and effort^x. Results reveal consumers' brand usage experiences contribute to brand awareness, implying experience precedes awareness in some contexts. The results also confirm positive association between brand awareness and brand equity^{xi}.

American Marketing Association defined brand preference as one of the indicators of strength of a brand in the hearts and minds of customers; it represents which brands are preferred under assumptions of equality in price and availability. Customers form brand preferences to reduce the complexity of the purchase decision process^{xii}. The process of forming brand preference involves: first, being exposed to many brands, followed by a complex purchase decision process. Customers often remove some brands from their memory; then, among remaining brands of products, customers memorize brands they would consider purchasing in the future^{xiii}. Consumer brand preference represents three components: cognitive, affective and conative or behavioral^{xiv}. There is high relation between cognition and consumer choice^{xv}. Thus it is concluded that purchase intentions can be enhanced with the increase in the Brand awareness.

Objectives

- To study the concept of brand awareness and brand preference
- To study relation between brand awareness and brand preference

Hypothesis

H0: There is no relation between brand awareness and brand preference

H1: There is relation between brand awareness and brand preference

Research Methodology

This study of brand awareness and brand preference was conducted in both rural and urban regions of Latur district (Maharashtra, India). Total sixteen FMCG brands which were easily available in both regions - two brands from eight product categories each (toilet soap, detergent powder, detergent flake, hair oil, fairness cream, biscuit and tea) were selected after conducting the pilot study. Both exploratory and descriptive research design was used. Multi stage 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. The survey sample size was 938 and it was calculated using statistical formula. A structured questionnaire containing close ended questions was used for data collection. The questionnaire was designed in both English and Marathi languages considering the profile of respondents, especially rural consumers.

Brand knowledge can be expressed as a sum of brand awareness and brand image. Each of the parameters (i.e. brand recall/strength of brand associations/attitudes/user image) can be measured on 1 to 10 scales^{xvi}. In this study brand recall was given highest point as 10, brand recognition as 6 and unawareness as 2 points for the calculation of brand awareness. First respondents were asked to recall brands from each product category, if he/she answers any of the selected brand (for e.g. Lux and Santoor in toilet soap category) it was treated as highest awareness level and ten points were given. If the respondent could not recall selected brands then aided questions were asked on the basis of positioning aspect (for Lux brand), color of the product (Santoor), color and content (Wheel, Rin, Nirma), packaging (Parle, Fair & lovely) and advertising (Tata tea). If the respondent recalls the brand then 6 points were given (Aided brand recall) if he or she didn't answer, then 2 points were given (No recognition). Brand preference questions were asked to each respondent for each product category.

Findings and Discussion

Following table shows the cross tabulation between brand awareness category and preference:

Table 1 Cross tabulation between brand awareness and brand preference categories

Brand (Brand awareness)	Avg. Awareness	Brand Preference (Number of respondents)			Brand (Brand awareness)	Avg. Awareness	Brand Preference (Number of respondents)		
		No preference	Prefer ence	Total			No preference	Preference	Total
1.Lux (Awareness= 6)	High	34	196	230	2.Santoor (Awareness s = 7.59)	High	73	389	462
	Average	408	70	478		Average	324	64	388
	Low	191	39	230		Low	75	13	88
Total		633	305	938	Total		472	466	938
3.Wheel Flake (Awareness = 8.14)	High	90	470	560	4. Rin (Awareness s = 6.08)	High	51	235	286
	Average	265	57	322		Average	338	47	385
	Low	45	11	56		Low	221	46	267
Total		400	538	938	Total		610	328	938
5.Nirma (Awareness = 7.52)	High	87	314	401	6.Wheel Powder (Awareness s = 6.26)	High	55	192	247
	Average	383	111	494		Average	397	106	503
	Low	26	17	43		Low	161	27	188
Total		496	442	938	Total		613	325	938
7. Parachute (Awareness =8.74)	High	58	648	706	8.Navratn a (Awareness s =5.43)	High	352	49	401
	Average	95	74	169		Average	448	46	494
	Low	48	15	63		Low	41	2	43
Total		201	737	938	Total		841	97	938
9. Fair & Lovely (Awareness =8.44)	High	98	586	684	10.Fair & Handsom e (Awareness s =4.55)	High	12	40	52
	Average	91	54	145		Average	436	60	496
	Low	70	39	109		Low	356	34	390
Total		259	679	938	Total		804	134	938

11. Colgate (Awareness =8.36)	High	93	567	660	12. Close up (Awareness =4.86)	High	25	70	95
	Average	133	39	172		Average	403	79	482
	Low	71	35	106		Low	347	14	361
Total		297	641	938	Total		775	163	938
13. Parle-G (Awareness =8.66)	High	131	549	680	14. Good day (Awareness =5.59)	High	20	116	136
	Average	162	40	202		Average	454	116	570
	Low	45	11	56		Low	187	45	232
Total		338	600	938	Total		661	277	938
15. Broke bond (Awareness =4.38)	High	67	92	159	16. Tata (Awareness =5.88)	High	62	214	276
	Average	210	32	242		Average	251	107	358
	Low	463	74	537		Low	257	47	304
Total		740	198	938	Total		570	368	938

The major findings of the study are as follows:

- In toilet soap category, the average brand awareness of Santoor (7.59) is more than Lux (6). Also, brand recall is higher for Santoor soap than Lux. Out of the total 938 respondents, 305 preferred Lux brand whereas 460 preferred Santoor brand.
- The average brand awareness of Wheel flake (8.14) is more than Rin (6.08). Wheel brand was preferred by 538 respondents whereas Rin was preferred by 328 respondents.
- The average brand awareness of Nirma (7.52) is more than Wheel (6.26). Nirma brand is preferred by 442 respondents and Wheel by 325.
- The average brand awareness of Parchute (8.74) brand is more than Navratna (5.43). Out of 938 respondents, 737 preferred Parchute brand whereas only 97 respondents shown preference for Navratna brand.
- The average brand awareness for the Fair & lovely brand is 8.44 which is almost double of Fair & handsome average awareness (4.55). In fairness cream category consumer brand preference was more for Fair & lovely (Fair & lovely - 679 respondents and Fair & Handsome- 134).

- The average brand awareness for Colgate is 8.36 whereas for Close up it is 4.86. The brand preference is more for Colgate (641 respondents) than Close up (163).
- The average awareness for Parle-G is 8.46 and for Good day it is 5.59. The brand preference is more for Parle-G than Good day, 600 respondents preferred Parle-G whereas 277 preferred Good day.
- The average brand awareness for Tata tea (5.88) is marginally more than Broke bond (4.38). Out of 938 respondents, 368 preferred Tata tea whereas 198 preferred Broke bond brand.
- In all product categories, the brand having high awareness is more preferred. Also, in most of the cases the relative percentage of people who prefer the brand decreases with decreasing awareness level .i.e consumer brand preference is found more in higher brand awareness category than average and lower awareness categories.

Chi-square test results between brand awareness category (High, Average & low brand awareness) and Brand preference status for all sixteen brands is given in the following table:

Table no.2 Chi square test between brand awareness and brand preference

SN	Brand	Pearson Chi-Square	Significance value (2- sided)	Null hypothesis Accepted/ Rejected	Result
1	Lux	3.861E2a	.000	Rejected	Relation between Brand awareness & preference
2	Santoor	4.340E2a	.000	Rejected	Relation between Brand awareness & preference
3	Wheel Flake	4.012E2a	.000	Rejected	Relation between Brand awareness & preference
4	Rin	4.048E2a	.000	Rejected	Relation between Brand awareness & preference
5	Nirma	2.780E2a	.000	Rejected	Relation between Brand awareness & preference
6	Wheel powder	2.778E2a	.000	Rejected	Relation between Brand awareness & preference

7	Parachute	3.069E2a	.000	Rejected	Relation between Brand awareness & preference
8	Navratna	3.592a	.166	Rejected	Relation between Brand awareness & preference
9	Fair & Lovely	2.288E2a	.000	Rejected	Relation between Brand awareness & preference
10	Fair & Handsome	1.799E2a	.000	Rejected	Relation between Brand awareness & preference
11	Colgate	3.210E2a	.000	Rejected	Relation between Brand awareness & preference
12	Close up	2.559E2a	.000	Rejected	Relation between Brand awareness & preference
13	Parle	3.016E2a	.000	Rejected	Relation between Brand awareness & preference
14	Good day	2.377E2a	.000	Rejected	Relation between Brand awareness & preference
15	Brooke Bond	1.553E2a	.000	Rejected	Relation between Brand awareness & preference
16	Tata	2.550E2a	.000	Rejected	Relation between Brand awareness & preference

The relation between brand awareness and brand preference is tested by applying Chi square test at 5% significance level. The null hypothesis is rejected in all cases, i.e. alternate hypothesis is accepted. It means there is a relation between brand awareness and brand preference.

Conclusion

For all sixteen brands, a positive relation between brand awareness and brand preference is observed. It means the brand which has high awareness is more preferred or vice versa i.e. the brand which is more preferred has high brand awareness.

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