

Brand Awareness and Preference in Rural Markets

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Winds of change are sweeping the Indian marketplace. The “sellers market” is increasingly getting transformed into “buyers markets”. Intensity of competition and high levels of penetration in urban markets have made corporates to take the rural markets more seriously. Consistent growth of disposable income amongst rural households and the reach of television have fuelled consumption to new levels (Rao, 2001).

Superior distribution has helped in mopping up sales in the initial years of the rural drive. However, presence in the shelf does not get automatically translated to the presence in the mind of customers. This has necessitated intense brand building approaches being adopted in rural markets. This paper is an attempt to understand the impact of superior brand building exercises in case of rural markets on brand preference and behavioral intention. However, in absence of any previous study attempt is exploratory in nature and intends to propose a model for future research as well as suggest directions for future research.

Review of literature

The core of brand equity lies in the construct of brand awareness. Brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds some strong, favourable and unique associations in memory. 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 (Hoyer and Brown, 1990).

The two important measures of brand awareness are brand recognition and recall. Brand recognition is the ability of customers to confirm that they have previously been exposed to a brand and brand recall reflects the ability of consumers to name a brand when given the product category, category needed or some other similar cue.

Top of mind awareness is critical as it captures the “consideration set” in a given purchase situation. Each type of awareness has a different purpose and specific implications (Kapferer, 1988).

Unaided awareness measures the brand’s impact i.e. to what extent it is spontaneously associated with a given product category. The purpose of aided awareness is to reassure the brand has already been heard of. Unaided awareness is very important for low value, fast moving products. The pursuit of a particular type of awareness depends on the way in which buyers of a product make their decisions and the level of involvement. When three brands on the market are strongly rated in unaided awareness, scarcely any other brand has a chance of even getting quoted (Laurent, Kapferer and Roussel, 1995).

The different brand elements have varying roles in reinforcing the value of the brand and its relevance to the customer groups. Visual messages appeal the most to rural audiences. Study on recall of pictorial advertisements as compared to non-pictorial advertisements indicate how much

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more effective they are with rural consumers as compared to urban consumers (Velayudhan, 2002).

Research Objective

The focus of the study is to understand the relationship of brand awareness on perceived quality and its consequent impact on selection of the brand in a rural purchase situation. The relationship between top-of-mind recall and liking is examined and also the relationship between liking and usage or patronization of the brand.

The study aims to test the following hypothesis:

H1A: There is positive association between brand recall and brand liking

H1B: There is positive association between brand recall and favorable brand quality perception.

H1C: There is positive association between brand recall and behavioral intention to purchase the brand

H1D: There is positive association between brand liking and favorable brand quality perception

H1E: There is positive association between brand liking and behavioral intention to purchase the brand.

H1F: There is positive association between brand quality perception and behavioral intention to purchase the brand.

Research Methodology

To understand the brand consciousness and its impact on the purchase intention among the rural consumers it was important to select certain product categories, since this will reduce the complexity of the study and will help focus on products in which brand recall has a substantial impact on the purchase behavior. Keeping this goal in mind preliminary investigations were carried out by visiting few rural shops in and around the city of Jamshedpur. Observations were made with regard to goods being sold by brand names in the rural market as well as product categories having large variety of goods. Two product categories chosen after first round of observations for the study were bathing soap and tea. However, before initiating the study need was felt to reexamine the decision to take two product categories and its relevance. To validate the decision, shops were visited again as well as discussions were held with the retailers with regard to the purchase pattern of the consumers.

It was observed that on an average 6-7 bathing soap brands were available in the rural shops visited, most of which were national brands well advertised through both electronic and print media. However, in the case of tea it was observed that on an average 2-3 brands were available in the rural shops but most of the visiting customers preferred local mix/retailer brand over and above national/regional brands. Further, it was also observed that price played an important role in purchase of local tea mixtures, over and above the brand recall, which goes against the basic purpose of this study. Hence, it was decided to restrict the study to bathing soaps and at the same time it was decided if need is felt study can be repeated for other products as well in future. Further since the objective of this study was exploratory, the decision to restrict the study to one product category sounded more relevant. It further restricted the complexity of the study by restricting extraneous variables like product categories into the model, yet leaving a chance to examine the results once the basic model is proved for one product category.

With this objective a preliminary questionnaire was designed to check for brand recall, brand liking and purchase intention. Since the nature of the study was exploratory it was felt important to gather real factual data without bringing researchers biasness into the study. Hence it was decided to ask respondents for free recall of soap brands, their brand liking and purchase intention along with an input for the current soap being used in the family and reasons for liking and usage.

Thus most of this data was ranked data. For actual usage questionnaire was translated in Hindi (local language) and was back translated as well to ensure the appropriateness of the words being used in communicating their meanings. Pre-testing of this Hindi version of the questionnaire was done on the staff members of XLRI itself keeping convenience in kind. After small modifications and corrections in language questionnaire was ready to be use don the large sample.

Study being exploratory in nature was carried out in the villages near by Jamshedpur. However, care was taken that these villages are a true representation of rural India that is are neither too affluent not too poor in terms of the income of the population, land holdings, infrastructure etc. Out of these 2 villages considered sample was chosen on convenience. However to remove any kind of biasness on the part of researcher attempts were made to catch people as and when they come to shop for groceries. Efforts were made to collect information from all such people. In all 106 people were interviewed, however only 76 could respond adequately to the questions being asked for the study. Care was taken that the final sample had respondents from all the income groups considered, of various occupation, varied education level and gender.

Analysis

Data thus collected by the methodology explained above was encoded and entered in SPSS 15 version for estimating associations between brand recall, brand liking and purchase intention. For open ended questions like reasons to buy, reasons for liking etc, brands purchased and used in past data was entered in Microsoft Excel and was content analyzed to arrive at any kind of conclusion. Results obtained are as follows:

Top of the Mind Recall

For this question respondents were asked to asked to recall the name of a soap brand which comes to their mind first. Results have been shown in Picture 1.1. It can be seen from the picture that Lifebuoy was highest in top of the mind recall followed by Neema and Lux. Others primarily comprise brands like Cinthol, Liril, Hamam, Dettol and some local brands. They were all clubbed together since the number of such incidences was low and for further analysis and establishing associations it was important to have reasonable sample size in each cell. Thus were clubbed into one category called 'others'.

Soap Brands: Unaided recall

In this question respondents were asked to recall minimum of four brands without giving them any cue. The responses obtained were ranked as 1-4 depending upon the position at which the brand was recalled. The results obtained have been shown in Chart 1.2. It can be seen from the chart that Lux was recalled the most followed by Lifebuoy and Neema. Others which comprises of brands like Dettol, Cinthol etc were also recalled significantly. Out of all the brands recalled Lux was recalled by most of the people at first place, followed by Lifebuouy. This clearly means that Lux as a brand have been successful in terms of registering itself in the minds of the sample population, however what is the impact in terms of liking and behavioral intention has to be seen.

Overall Liking towards various soap Brands

In this question respondents were asked to name the brand they like the most. Results are shown in Chart 1.3. From the graph it can be seen that in terms of liking, Lux was liked more than Lifebuoy inspite of the fact that in terms of top of the mind recall Lifebuoy was recalled more than Lux. Further analyzing the data, graph was also plotted with regard to liking and top of the mind recall.

Liking : Top of the Mind Recall

Respondents were asked to mention the brand most liked by them (this was an affective component towards overall preference of soap brands). The results obtained are shown in Chart 1.4. From the graph it can be seen that in more than 50% of the cases, soap which is liked most also tend to be the brand recalled in the first place. If not recalled first it was there in the evoked set recalled without any aid or was recalled by showing some cue. In all the cases brand which has been liked the most was also recalled by the respondent either without any aid or with an aid. This indicates towards some kind of association between overall awareness measured as top of the mind recall and the brand liking.

In order to establish this association, cross tabulation was carried out between the responses being given in top of the mind recall and the responses given to brand being liked the most. Results show that the brand recalled the most falls in the category liked the most. These results were significant (value of χ^2 - chi square) at 99.9% level of significance. So we reject the Null Hypothesis H₀ that there is no association between brand recall and brand liking.

(Note: Yates correction was applied to the analysis of Chi-square since certain cells in the matrix did not have frequency more than 5)

Reasons for Choosing Soap

Further respondents were asked to give reasons behind their liking towards particular brand. The results obtained are shown in Chart 1.5. From the bar chart it can be seen that soaps were primarily chosen for scent but were followed by low price. This explains the higher recall for brands like lifebuoy and Neema, which are low priced brands as compared to other higher price brands. Higher recall for Lux can be associated with the greater preference for scent as a factor in choice of soap.

Best Soap or Brand Quality Perception

Respondents were asked to recall the brand which as per them is the best quality brand. The results obtained are shown in Chart 1.6. From the graph shown it can be seen that in term of overall quality perception, Lux stands out in comparison to Lifebuoy and Neema. However, at the same time other important variation is significant percentage of people rating others as better quality soap. This covered brands like Cinthol, Liril and Dettol primarily. Neema was perceived lowest in terms of quality. From this we can derive the fact that though people recall Lux and Lifebuoy and Neema easily they perceive other brands to be of better quality. To check if there is any association between top of the mind recall and quality perception of various brands cross tabulations was carried out along with an estimation of Chi-square.

Results show that inspite of the differences in results for overall quality perception of different brands the association was still found to be positive, however the value for correlation was lower (0.4). Thus we can derive that a fairly large section of population tend to rate the easily recalled brands to be of better quality. However, section of population which is more knowledgeable or belongs to higher income group can have differences with regard to quality perception. To have better understanding into this cross tabulation between age, income class, occupation and education can be carried out with regard to quality perception towards various brands.

However the results of cross tabulation makes us to accept the null hypothesis that there is no association between any of the demographics (age, income, occupation and education level) and the quality perception of various brands.

This supports the initial hypothesis that there is some kind of association between brand recall and overall quality perception of various brands.

Brand Usage

Respondents were asked to recall the brand being currently used in their family. The results obtained are shown in Chart 1.7. From the graph it can be seen that Lifebuoy is being used by most of the respondents, followed by Lux and Neema. Others are distant far, to all these brands. To find out any association between top of the mind brand recall and product usage, cross tabulation was carried out once again along with an estimation for chi square.

Results were significant (value of χ^2 - chi square) at 99.99% level of significance. So we reject the Null Hypothesis that there is no association between brand recall and product usage. In fact people who recalled the lifebuoy first were also found using it. Similar were the results fro other brands as well.

(Note: Yates correction was applied to the analysis of Chi-square since certain cells in the matrix did not have frequency more than 5)

Further when people were asked with regard to their brand loyalty, in form of the duration of usage for the current brand. It was found that most of the people have been using the currently used brand for more than a year (Chart 1.8). However, there was large sample population as well which has changed its brand in less than six months.

Further on asking what other brands they have purchased/used in last one year, most of them (67.2%) took the same names as in the initial evoked set. However, a substantial percentage of population (42%) was also sure that if not available in this shop their preferred soap will be available in another shop. This speaks about the brand loyalty in rural market with regard to soap. However, the current study fails to comment about the reasons/determining factors behind this brand loyalty.

Association between Brand Liking and Brand Quality Perception;

Results of Cross tabulation along with a value of chi-square show that two are highly associated. The results were significant at 99.995% level of significance showing that we can reject the null hypothesis that brand liking and brand quality perception are not associated. The value of the Spearman rank correlation was 0.721 and was significant at 99.995% level of significance.

Association between Brand Liking and Product Usage;

Results of Cross tabulation along with a value of chi-square show that two are highly associated. The results were significant at 99.995% level of significance showing that we can reject the null hypothesis that brand liking and product usage are not associated. However, the value of the Spearman rank correlation was lower at 0.593 but was significant at 99.995% level of significance. The correlation is not close to 1 as many who like the brand don't seem to be getting the desired value .(Zeithmal,1988).

Association between Brand Quality perception and Product Usage;

Results of Cross tabulation along with a value of chi-square show that two are highly associated. The results were significant at 99.995% level of significance showing that we can reject the null hypothesis that brand quality perception and product usage are not associated. However, the value of the Spearman rank correlation was lower at 0.449 but was significant at 99.995% level of significance.

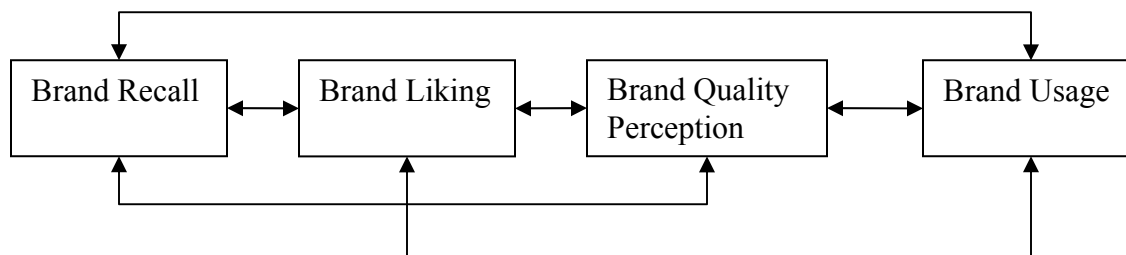
Discussion

Thus all the hypothesis (H1A-H1F) are accepted clearly revealing that there is association between brand recall, brand liking, brand quality perception and brand usage.

S.No	Association	Value of Spearman Correlation
1	Brand Recall –Brand Liking	0.628***
2	Brand Recall –Brand Quality Perception	0.400***
3	Brand Recall –Brand Usage	0.749***
4	Brand Liking- Brand Quality Perception	0.729***
5	Brand Liking-Brand Usage	0.593***
6	Brand Quality Perception-Brand Usage	0.449***

However, these associations can also be because of the fact that respondents might have presumed many of these to be same particularly brand liking and brand quality perception. Therefore before drawing any kind of conclusions or before putting this model before any kind of further analysis it is very important to check for multi-co linearity and to check for the value of correlations using larger sample size.

However, as an outcome of this study we can propose the following model for future research. This model needs to be tested on larger sample size before any kind of generalization and needs to be verified using higher order statistical techniques often used for modeling purposes.



This model projects that if marketers are able to create higher brand awareness they can influence brand liking and hence behavioral intention to purchase the product. However, at the same time it is also important to create positive quality perception which is an indicator of higher customer value perception which in turn is an antecedent of behavioral intention to purchase the product.

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ANNEXURE

Chart 1.1: Top of the Mind Recall

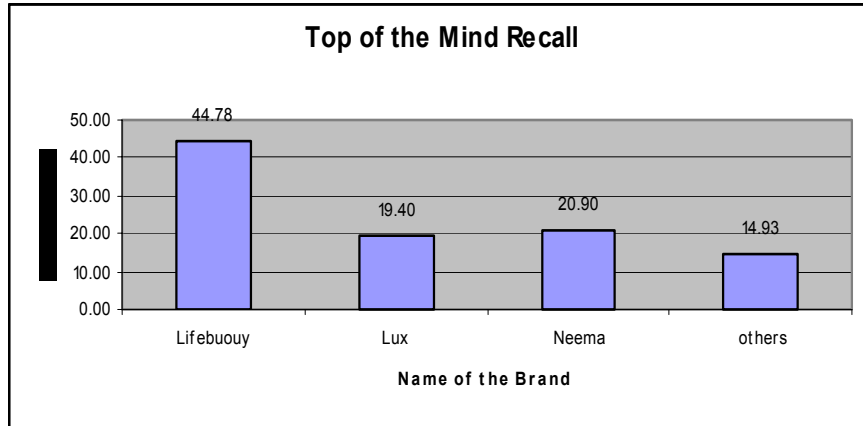


Chart 1.2: Percentages of Unaided recall for Different Ranks of Soap Brands

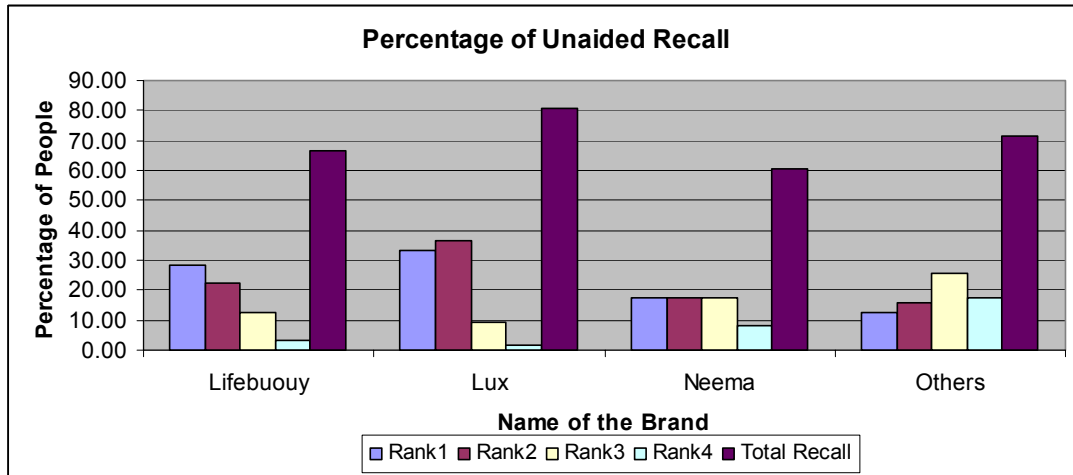


Chart 1.3: Overall Liking Towards various Soap Brands

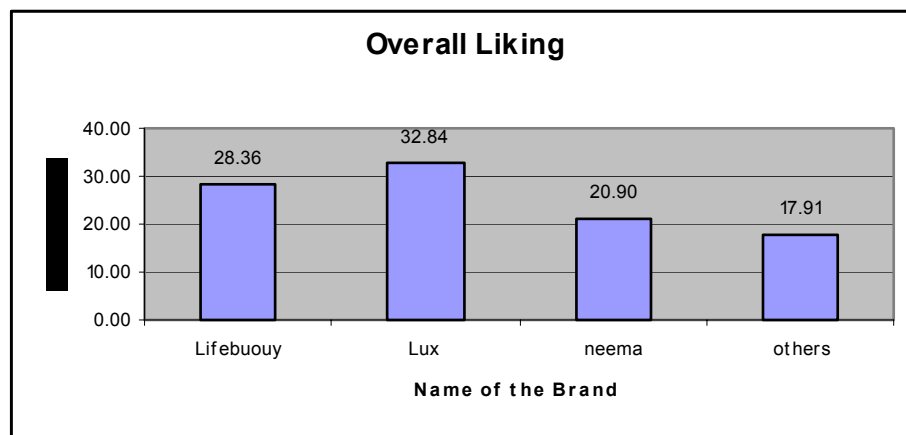


Chart 1.4: Association between Liking & Top of the Mind Recall

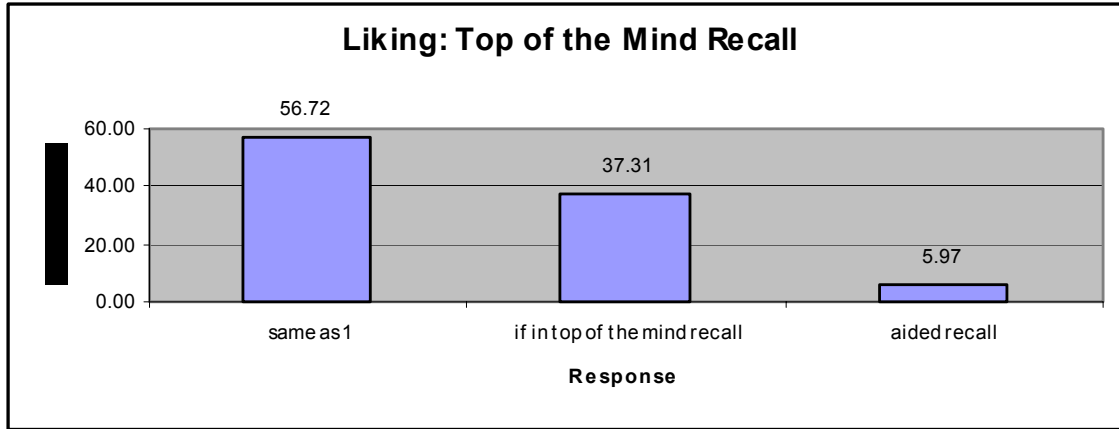


Chart 1.5: Reasons for Choosing Soap

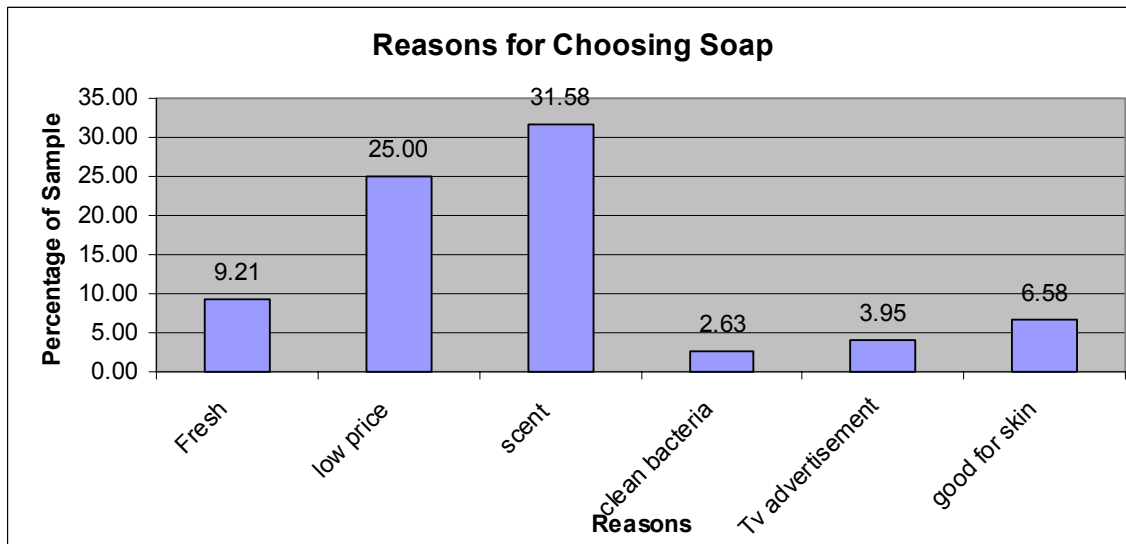


Chart 1.6: Best Soap Brand

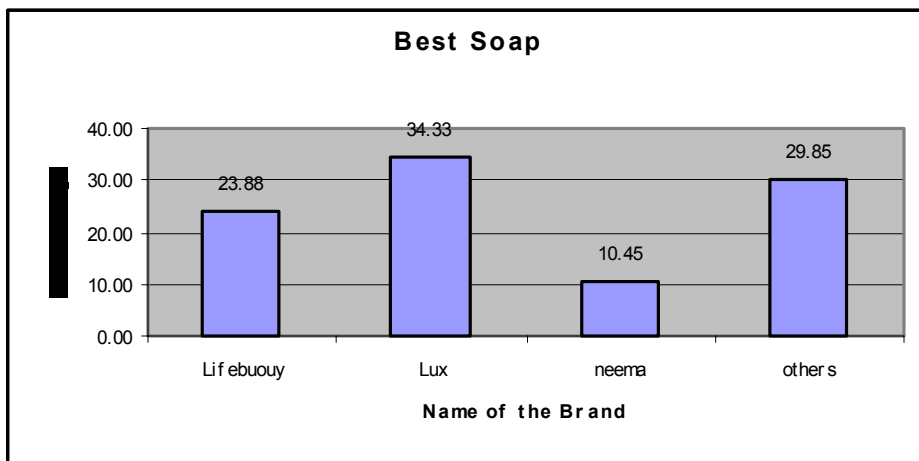


Chart 1.7: Soap being currently Used



Chart 1.8: Duration for Usage of the Present Brand

