Does Branding Matter: An Empirical Study of FMCG Products in Rural Haryana

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ABSTRACT

Marketing professionals emphasize on creating, maintaining, protecting, and enhancing brands (Kotler, 2002). Keller argued that a brand resides in the mind of the consumers. Does it all really matter when it comes to rural market? This research is an endeavor in the direction of finding how much brands matter in rural consumers' product purchase. Data has been collected from 415 respondents across the entire Haryana regarding four FMCG products namely detergent, washing soap, hair oil and tea. Data has been to know the awareness and consumption pattern of rural consumers and cross tabulation to identify the association between brand consumption and demographic variables, if any.

The results of the study reflect that though the awareness level of consumers for national brands of the products under study is very high, but the consumption pattern is all together different. They have been found using 'Nirma' detergent, locally made washing soap 'Nirol', local brands of 'Mustard Oil' and loose tea. They are using these brands irrespective of their age, income and education level. So, this paper contemplates the issue whether the branding matters in rural market or something else?

Introduction

Marketing professionals emphasize on creating, maintaining, protecting and enhancing brands (Kotler, 2002). American Marketing Association defines brand as a name, sign, symbol, or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. A brand is a mixture of attributes, tangible and intangible, symbolized in a trademark, which if managed properly, creates value and influence consumers (Brandchannel.com, 2003). Corporate houses spend millions of dollars and devote abundant time on brand building and promotion. The marketplace is flooded with brands (Srikant & Ghosh, 2006). Brand value appreciates with time as World top ten brands are averagely more than 80 years old. It takes years to a company to build a valuable brand. Advertising, word of mouth, media, sponsorship and customer experiences creates brand schema that result in brand heritage (Dehlen & Rosengren, 2006). Brand positioning is the mantra for success (Agarwal & Tripathi, 2007) and in the era of urbanization and modernity the marketers' shift has moved towards building brand belongingness rather than just positioning (Lodaya, 2005).

Review of Literature

Multinational brands are making their place in Indian market. MNCs are localizing their products to meet the Indian consumers' taste, preferences and expectations through modifying product attributes, pricing, distribution and promotional strategies. Pepsi Blue, Masala Pizza, McDonald Paneer Tikka are the variants of multinational brands specially designed for Indian consumers, Low priced products and small sachets are introduced to enhance the acceptability of expensive brands, choosing Indian celebrities as brand ambassadors to make the global brands popular in Indian markets (Venkatesh & Balachandran, 2006).

Sandhu and Kaur(2005) reveal in their study that the customers are heterogeneous in their needs and expectations; so to serve them in a better way market segmentation strategy is adopted. Different brands are placed in different segments through

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positioning and repositioning strategies. The Fast Moving Consumer Goods (FMCG) companies are going for co-branding strategy to enhance their customer base, maximize the utilization of resources through creating synergy effect as one and one makes eleven. They can better fulfill the needs of target audience with their mutual strengths that they can not do alone (Srikant & Ghosh, 2006). Gupta and Mehra (2006) have gauged that FMCG companies are adopting the micro-branding strategy to boost up the sales by launching the small packaged sachets at low price to attract the price sensitive customers; it has enhanced the affordability for high-end products. Products like shampoos, ketchups, jams, snacks, soaps, hair oil, etc. daily use items are sold in sachets. They argue that the companies are selling lesser quantity in these low priced sachets as compared to larger quantity packs in most of the product categories.

Harish (2006) brings out that HUL, India's largest FMCG Company, subsidiary of the Anglo-Dutch consumer product giant, Unilever, offers 100 distinct brands under Home & Personal Care, Foods, Hindustan Unilever Networks, Exports and Water Purifier product category. Each brand focuses on the specific consumer segment. The company has developed 'House of Brands' model of brand architecture focusing on 30 core strategic brands while developing the others also. It is how the companies are offering the variety of brands to capture the market.

Kashyap and Raut (2006) studied the brand awareness and consumption is increasing in rural India. Their research reveals that National, regional or local brands which entered rural market for the first time are well recognized brands i.e. Lifebuoy, Clinic Plus, Surf, etc. They had also achieved the taste of success in this market and made goodwill. The rural tend to identify brands by naming those through colours (red soap, red tooth powder), numbers (502 Pataka Tea, 302 Pataka Bidi, and 555 detergent bar), their price (five rupee tea, two rupee shampoo) and symbols (Ghari detergent, Rath Vanaspati) etc. as brand identification becomes easier for them (Bhatia, 2008).

The available literature gives an insight of companies' endless efforts in the direction of establishing a brand name in the marketplace. But does it all matters in rural market? Do the rural consumers pay attention to the brand while purchasing products of daily use and is their brand choice is associated with the demographic variables? This research is an attempt to find out the solution for above said intricacies.

Research objectives

The main objective of this research is to study whether in rural areas branding of products matter, with reference to selected FMCG products. To achieve the main objective, the following sub objectives of the study have been formed:

1. To study the brand awareness of rural consumers.
2. To identify the consumption pattern of rural consumers.
3. To measure an association between demographic variables and brand choice.

Research Methodology

The present research being exploratory-cum-descriptive in nature mainly depends upon primary sources of information, which have been collected with the help of a structured questionnaire. The study has been conducted in all four administrative divisions of Haryana as divided by Government of Haryana. Two districts from each division have been selected at random and further two villages have been chosen randomly from each of the district and from each village 5-10% of households have been surveyed. In the entire survey, 16 villages have been covered from 8 districts of 4 administrative divisions. A total of 500 questionnaires were administered among the respondents. Out of these collected questionnaires, 415 questionnaires were considered fit for analysis. The results have been obtained primarily with the help of frequency and percentage techniques. The cross tabulation has also been applied to observe the association between certain demographic variables and products used and in certain cases chi-square has also been applied.

Results and Discussion

Brand Awareness and Usage

Table 1 shows that even the respondents' awareness level for Nirma, Arial, Wheel, Tide, Fena and Rin brands is very high though majority respondents have been found using Nirma and a meager number of respondents are using Surf Excel, Rin, Wheel etc.

Table 2 explains that in case of washing soaps, respondents are adequately aware about the leading brands but as far as usage is concerned, locally made Nirol has been found as the sole leader in this market. It is pertinent to mention here that various local brands of Nirol are available in the market and also being sold in loose form. The few respondents have also been found using some leading national brands like Rin, Nirma and Rin Surf Excel.

Table 3 reflects that respondents have significant awareness level about almost all the leading national hair oil brands but the Dabur Amla is consumed most by the rural consumers followed by the mustard oil which is locally made and is available with many local brand names. Parachute, Keo Karpin and Vatika are the other brands which are also consumed by the few respondents.

Table 4 depicts that awareness level for Tata tea, Tata Agni, Taj Mahal, Lipton, etc. is moderately high though the consumption pattern tells a different story. Three fourth of respondents have been found consuming loose tea i.e. tea sold in loose form without any brand name and very few respondents have been found using Tata tea and other well-known brands.

Association of brand consumption and demographic variables

It can be observed from the table 5 that Nirma is the sole leader in all the income categories in comparison to the other brands of detergents. But in case of sophisticated brands like Surf Excel, Ariel and Tide, the usage increases as the income level increases.

Table 6 gauges the association between education level and brand consumption of detergents, Nirma is the only brand which is consumed by the all illiterate respondents. However, as the education level of respondent increases, the trend is downward in case of Nirma whereas consumption of sophisticated brands like Wheel, Rin and Surf Excel show an increasing trend.

The table 7 discloses that Nirol soap with a local brand name is the most utilized washing soap among all income categories. However, the figures reflect the decreasing trend with the increasing income level. The values of chi Square highlight that respondents were found using sophisticated brands with the increasing income level.

Table 8 shows that Nirol is being used by the majority of illiterate respondents and its use is decreasing with the increasing education level. But, Nirma and Rin reflect an increasing trend as the education level increases. Hence, the figures reveal that as the education level of respondents goes up, they tend to use more sophisticated national brands. The chi square values exhibit significant association between the variables under study.

In case of hair oil (table 9), it is the Dabur Amla followed by mustard oil which are most consumed brands among all age groups. But a significant number of respondents belonging to the age category of 15 to 25 years also use Parachute. The table reflects clearly that old age people are stick to two brands (Dabur Amla and locally produced mustard oil) only whereas the youth also go for experiencing newer and latest brands of the hair oil. The association between the variables is also supported by the chi square values.

Although Dabur Amla and local brands of mustard oil are being used heavily by both the genders, but Parachute is also used by a considerable number of female respondents, this association is also confirmed by the chi-square values (Table 10).

Table 11 reflects that majority respondents have been consuming loose tea irrespective of their income level though Tata tea brands- Tata Tea and Tata Agni are consumed by middle income categories whereas HUL brands-Lipton, Red Label, and Taj Mahal are consumed by higher income groups. The consumption of loose tea is decreasing with the increasing income levels and vice-versa in case of Tata and HUL tea brands.

Table 12 highlights that majority of respondents have been found consuming loose tea though the consumption is decreasing as the education level is increasing and consumption of Tata and HUL tea brands is increasing with increasing education level.

Findings

The overall analysis of brand awareness, brand usage and its association with the certain demographic variables has helped in reaching certain conclusions. The following are the main findings thereof:

? In rural Haryana, consumers have been found using Nirma and few leading national brands in case of detergents, but in case of washing soaps, the trend has been different as the locally produced soaps named as Nirol has been the front runner. Dabur Amla and local brands of mustard oil are predominately used by the rural consumers in case of hair oil whereas they have been found consuming tea in loose form.

? When it comes to the brand awareness level of the rural consumers, it has been found that they are highly aware of the leading brands irrespective of any product category.

? The study highlights some very interesting aspects that whatever is the leading brand in all the products, that remains leading irrespective of any demographic variables. But with the increasing income and education level, the consumers were found using other sophisticated brands in that product category. The younger rural consumers have been found more variety seeking whereas the old aged consumers are stick to two or three brands.

Implications of the Study

The study provides some very interesting revelations about the rural market in Haryana. It divulges that companies like HUL and P&G have been able to make the rural consumer aware about their brands in case of detergents and washing soaps may be because of larger media campaigns but they have not been able to convert that awareness level into consumption as Nirma (in case of detergent) and Nirol (a local brand) have been found the most consumed brands. It may be due to the other dimensions like price or availability of the product or the retailers' influence. The similar sort of trend has also been observed in case of Tea and hair oil where majority of respondents was found using loose tea and mustard oil (with local brand names) despite high awareness level for national brands. All such issues indicate that making the consumers aware and converting them to use the same brand is a different story. Brand awareness in itself, is not converting into purchase. Hence, there is something else than the awareness that is responsible for sales and this is to be addressed by the marketers through proper understanding of the rural market for establishing the brand in the mind of consumers.

Future research direction

Present research is an attempt to study the branding issue in rural market through knowing the brand awareness and consumption pattern of consumers towards select FMCG products. This study is conducted only in the state of Haryana in India. For comprehensive and detailed understanding of rural market in India, studies should be conducted at national level by taking larger sample size. Such researches can be conducted for durables to recognize the significance of branding in respective product category. Further the reasons for such behavior should be looked into for proper understanding of rural markets.

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Table 1 Awareness and usage regarding detergent brands

Detergents	Awareness		Usage	
	Frequency	Percentage	Frequency	Percentage
Ariel	310	74.7	17	4.1
Nirma	334	80.5	227	54.7
Wheel	257	61.9	36	8.7
Rin	222	53.5	37	8.9
Surf Excel	107	25.9	50	12.0
Tide	251	60.5	14	3.4
Fena	225	54.2	0	0
Mr. White	49	11.8	0	0
Henko	61	14.7	0	0
Ghari	181	43.6	0	0
Any other	-	-	12	2.9
Non users	-	-	22	5.3
Total	**-**	**-**	**415**	**100**

Source: Primary data
*Frequencies regarding awareness are more than the actual no. of respondents because of multiple responses.

Table 2 Awareness and usage regarding washing soap brands

Washing Soaps	Awareness		Usage	
	Frequency	Percentage	Frequency	Percentage
Nirma	300	72.3	36	8.7
Rin	320	77.1	48	11.6
Wheel	281	67.7	8	1.9
Henko	78	18.8	13	3.1
Rin Surf Excel	172	41.4	42	10.1
Tide	200	48.2	8	1.9
Ariel	229	55.2	0	0
Fena	242	58.3	0	0
Nirol	-	-	256	61.7
Any other	04	1.0	4	1.0
Total	**-**	**-**	**415**	**100.0**

Source: Primary data
*Frequencies regarding awareness are more than the actual no. of respondents because of multiple responses.

Table 3 Awareness and usage regarding hair oil brands

Hair Oil	Awareness		Usage	
	Frequency	Percentage	Frequency	Percentage
Vatika	313	75.4	20	4.8
Dabur Amla	322	77.6	149	35.9
Almond Drops	143	34.5	13	3.1
Clinic All Clear	268	64.6	20	4.8
Navratan	284	68.4	14	3.4
Parachute	247	59.5	47	11.3
Keo Karpin	146	35.2	33	8.0
Hair & Care	134	32.3	9	2.2
Mustard Oil	-	-	106	25.5
Any other	32	7.7	4	1.0
Total	**--**	**--**	**415**	**100.0**

Source: Primary data
*Frequencies regarding awareness are more than the actual no. of respondents because of multiple responses.

Table 4 Awareness and usage regarding tea brands

Washing Soaps	Awareness		Usage	
	Frequency	Percentage	Frequency	Percentage
Nirma	300	72.3	36	8.7
Rin	320	77.1	48	11.6
Wheel	281	67.7	8	1.9
Henko	78	18.8	13	3.1
Rin Surf Excel	172	41.4	42	10.1
Tide	200	48.2	8	1.9
Ariel	229	55.2	0	0
Fena	242	58.3	0	0
Nirol	-	-	256	61.7
Any other	04	1.0	4	1.0
Total	**-**	**-**	**415**	**100.0**

Source: Primary data
*Frequencies regarding awareness are more than the actual no. of respondents because of multiple responses.

Table 5 Income wise detergents' brand consumption

Detergent Monthly Income	Nirma	Wheel	Rin	Rin Surf Excel	Any other	Total
below 5000	32(57.1)	12(21.4)	4(7.1)	4(7.1)	4(7.1)	**56(100.0)**
5001-10000	133(76.0)	4(2.3)	4(2.3)	21(12.0)	13(7.4)	**175(100.0)**
10001-15000	29(27.6)	12(11.4)	21(20.0)	25(23.8)	18(17.1)	**105(100.0)**
above 15000	33(57.9)	8(14.0)	8(14.0)	0(0)	8(14.0)	**57(100.0)**
Total	**227(57.8)**	**36(9.2)**	**37(9.4)**	**50(12.7)**	**43(10.9)**	**393(100.0)**

Source: Primary data
Figures in parenthesis denote percentage
*Any other also includes Ariel & Tide

Table 6 Education level wise detergents' brand consumption

Detergent Monthly Income	Nirma	Wheel	Rin	Rin Surf Excel	Any other	Total
below 5000	32(57.1)	12(21.4)	4(7.1)	4(7.1)	4(7.1)	**56(100.0)**
5001-10000	133(76.0)	4(2.3)	4(2.3)	21(12.0)	13(7.4)	**175(100.0)**
10001-15000	29(27.6)	12(11.4)	21(20.0)	25(23.8)	18(17.1)	**105(100.0)**
above 15000	33(57.9)	8(14.0)	8(14.0)	0(0)	8(14.0)	**57(100.0)**
Total	**227(57.8)**	**36(9.2)**	**37(9.4)**	**50(12.7)**	**43(10.9)**	**393(100.0)**

Source: Primary data
Figures in parenthesis denote percentage

Table 7 Income wise washing soaps' brand consumption

Washing Soap Monthly Income	Nirma	Rin	Nirol	Any other	Total
below 5000	8(11.6)	8(11.6)	45(65.2)	8(11.6)	**69(100.0)**
5001-10000	16(9.1)	12(6.9)	121(69.1)	26(14.9)	**175(100.0)**
10001-15000	8(7.0)	15(13.2)	58(50.9)	33(28.9)	**114(100.0)**
above 15000	4(7.0)	13(22.0)	32(56.1)	8(14.0)	**57(100.0)**
Total	**36(8.7)**	**48(11.6)**	**256(61.7)**	**75(18.1)**	**415(100.0)**

Source: Primary data
Chi-square value 25.833, significant at 5% level
Figures in parenthesis denote percentage
*Any other also includes Wheel, Tide, Henko and Rin Surf Excel.

Table 8 Education level wise washing soaps' brand consumption

Washing Soap Education level	Nirma	Rin	Nirol	Any other	Total
Illiterate	4(10.8)	9(24.3)	24(64.9)	0(0)	**37(100.0)**
Upto 12th	20(7.2)	21(7.6)	181(65.3)	55(19.9)	**277(100.0)**
Graduate/ P.G	12(11.9)	18(17.8)	51(50.5)	20(19.8)	**101(100.0)**
Total	**36(8.7)**	**48(11.6)**	**256(61.7)**	**75(18.1)**	**415(100.0)**

Source: Primary data
Chi-square value 24.547, significant at 5% level
Figures in parenthesis denote percentage

Table 9 Age wise hair oils' brand consumption

Hair Oil Age	Dabur Amla	Parachute	Mustard Oil	Any other	Total
15-25	39(33.9)	30(26.1)	21(18.3)	25(21.7)	**115(100.0)**
26-35	62(31.0)	9(4.5)	65(32.5)	64(32.0)	**200(100.0)**
36-50	32(42.1)	4(5.3)	16(21.1)	24(31.6)	**76(100.0)**
above 50	16(66.7)	4(16.7)	4(16.7)	0(0)	**24(100.0)**
Total	**149(35.9)**	**47(11.3)**	**106(25.5)**	**113(27.2)**	**415(100.0)**

Source: Primary data
Chi-square value 59.556, significant at 5% level
Figures in parenthesis denote percentage
*Any other also includes Almond Drops, Navratan, Hair & Care, Vatika, Clinic All Clear and Keo Karpin

Table 10 Gender wise hair oils' brand consumption

Hair Oil Gender	Dabur Amla	Parachute	Mustard Oil	Any other	Total
Male	116(40.0)	12(4.1)	86(29.7)	76(26.2)	**290(00.0)**
Female	33(26.4)	35(28.0)	20(16.0)	37(29.6)	**125(100.0)**
Total	**149(35.9)**	**47(11.3)**	**106(25.5)**	**113(27.2)**	**415(100.0)**

Source: Primary data
Chi-square value 55.162, significant at 5% level
Figures in parenthesis denote percentage

Table 11 Income wise Tea Brand consumption

Tea Monthly Income	Tata	HUL	Loose Tea	Any other	Total
below 5000	0(0)	0(0)	65(94.2)	4(5.8)	**69(100.0)**
5001-10000	24(13.7)	0(0)	139(79.4)	12(6.9)	**175(100.0)**
10001-15000	29(25.4)	8(7.0)	72(63.2)	5(4.4)	**114(100.0)**
above 15000	4(7.0)	12(21.1)	37(64.9)	4(7.0)	**57(100.0)**
Total	**57(13.7)**	**20(4.8)**	**313(75.4)**	**25(6.0)**	**415(100.0)**

Source: Primary data
Figures in parenthesis denote percentage
*Tata includes Tata Tea, Tata Agni, HUL includes Lipton, Taj Mahal &Red Label and any other also includes Marvel Tea.

Table 12 Education level wise Tea Brand Consumption

Tea Education level	Tata	HUL	Loose tea	Any other	Total
Illiterate	0(0)	0(0)	29(78.4)	8(21.6)	**37(100.0)**
Upto 12th	20(7.2)	8(2.9)	241(87.0)	8(2.9)	**277(100.0)**
Graduate/ P.G	37(36.6)	12(11.9)	43(42.6)	9(8.9)	**101(100.0)**
Total	**57(13.7)**	**20(4.8)**	**313(75.4)**	**25(6.0)**	**415(100.0)**

Source: Primary data
Figures in parenthesis denote percentage