Study of Relationship between Brand Perception and Purchase Behavior of Consumer : A Case of Paint Industry

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ABSTRACT

Paint companies are performing at their best this time and touching the horizon of success gradually. The present study is to analyze the various influencing factors which make the consumer's intent into purchase decision. While the paint manufacturing companies are putting all efforts to hold the greater market share, it is imperative to analyze the brand perception of consumers and their final purchase. The study reveals that the consumers are important but at the same time surrogate consumers also influence the decision making process of purchase. The paint industry dealers also play a vital role as a channel partner in the success of paint companies.

Key words- Brand perception, Brand awareness, Surrogate consumer

Introduction

While companies in mature economies face the challenge of even maintaining sales throughout the ongoing financial crisis, continued growth in India is likely to lead to an additional demand of million tonnes of coatings. By 2013, total Indian paint market will be in the region of 2.7 million tonnes. Total paint and coatings demand in India, in 2008, amounted to 1.64 million tonnes, of which decorative coatings represented 79% or 1.3 million tonnes. The industrial coatings market in India still remains relatively small at about 340,000 tonnes, and this itself is dominated by structural and infrastructural applications associated with the protective coatings market. Although industry figures expect some modest abatement in growth in the Indian paint and coatings market, particularly in the short term, the prevailing economic climate of infrastructure investment and renewal holds the key to most of the growth in the Indian coatings market. Other opportunities in India are pegged to the transport sector. However, it is in the decorative coatings market that the greatest volume growth can be expected.

Almost another 900,000 tonnes of decorative paints may well be in use by 2013, prompted by a whole breadth of different applications, ranging from the construction of housing and apartment blocks to civil and tourist amenities. The structure of the decorative paint market in terms of quality is changing very slowly with growth in the premium and economy sectors squeezing the intermediate quality segment to about 35-40% of demand. Other habits are changing too: the formal entry of Sherwin Williams, Jotun and Nippon Paint into the Indian decorative sector has started to bring a much greater international dimension and much bigger budgets to the Indian decorative paint market. Although the arrival of these companies in the segment has not had a major impact on the market yet, Indian consumers are becoming more experimental and adventurous in their use of paint and as a result many traditional ideas are being given up in favour of trying something different, especially as the Indian population is a relatively young one.

The demand for paints is relatively price-elastic but is linked to the industrial and economical growth. The per capita consumption of paints in India is very low at 0.5 kg per annum if compared with 4 kgs in the South East Asian nations and 22 kgs in developed countries. The global average per capita consumption is 15 kg per annum. In India, the organized sector controls 70 percent of the total market with the remaining 30 percent being in the hands of nearly 2000 small-scale units. further the industrial paint segment accounts for 30 percent of the paint market while the decorative

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paint segment accounts for 70 per cent of paints sold in India. In most developed countries, the ratio of decorative paints vis-à-vis industrial paints is around 50:50. This industry's major players have a vast dealership network and are required to maintain high inventory levels.

Market Profile-

The leaders in the organized paint industry are Asian Paints (India) Ltd. (APIL), Kansai Nerolac Paints Ltd. (GNPL), Berger Paints, Jenson & Nicholson Ltd. (J&N) and ICI (India) Ltd. Asian paint is the industry leader with an overall market share of 37 per cent in the organized paint market. It has the largest distribution network among the players and its aggressive marketing has earned it strong brand equity. The market can be further split into decorative paints and industrial paints. The demand for decorative paints is highly price-sensitive and also cyclical. Monsoon is a slack season while the peak business period is "Diwali festival time", when most people repaint their houses. The industrial paints segment, on the other hand, is a high volume-low margin business. In the decorative segment, it is the distribution network that counts while in the industrial segment the deciding factor are technological superiority and tie-up with automobile manufacturers for assured business.

The share of industrial paints in the total paint consumption of the nation is very low as compared to global standards. It accounts for 30 per cent of the paint market with 70 per cent of paints sold in India for decorative purposes. In most developed countries, the ratio of decorative paints vis-à-vis industrial paints is around 50:50. But, with the decorative segment bottoming out, companies are increasingly focusing on industrial paints. The future of industrial paints is bright. In the next few years, its share would go up to 50 per cent, in line with the global trend.

Objective of the Study

? To study the relationship between purchase intent and purchase behavior of consumers with respect to paint.

? To find the factors influencing purchase of decorative paint

? To study the relationship between brand satisfaction and purchase behavior

? To identify the impact of promotion on purchase intent.

Research Methodology

The survey has been carried out by interviewing the Consumers and Dealers from various parts of Srinagar (Garhwal) city and nearby areas of Garhwal region. The research study has been conducted with the help of structured questionnaire containing both close-ended as well as open-ended questions. And for collecting the primary information, interviews of consumers & dealers have been conducted. Data collected from a sample of 40 consumers and 5 dealers, which included both males and females. Garhwal region of Uttarakhand. Secondary data has been obtained from Internet, Magazines, Journals and Company's information brochures. The study is based on Srinagar city and nearby areas of Garhwal region only. Information obtained from the respondents has been analyzed and interpreted with the help of MS Excel and SPSS Software.

Data Analysis and Interpretation

Table 1 : Gender of the Respondent

	Frequency	Percent	Valid Percent	Cumulative%
Male	31	77.5	77.5	77.5
Female	9	22.5	22.5	100.0
Total	40	100.0	100.0	

Out of the total respondent 77.5% were male & 22.5% were female.

Table 2 : Annual Household Income

Income	Frequency	Percent	Valid Percent	Cumulative %
Above 90000 (middle high)	26	65.0	65.0	65.0
45001-90000 (lower middle)	9	22.5	22.5	87.5
Below 45000 (lower)	5	12.5	12.5	100.0
Total	40	100.0	100.0	

Out of total respondent 65% are of the income group of above 90000 p.a. (middle high), 22.5% are of the income group of between 45001-90000(lower middle) and the remaining 12.5% are of the income group of below 45000(low). (Income groups as referred by NCAER).

Table 3 : Age of the Respondents

Age (Years)	Fre-quency	Percent Valid	Percent	Cumu-lative %
20-30	18	45.0	45.0	45.0
30-40	11	27.5	27.5	72.5
40-50	7	17.5	17.5	90.0
Above 50	4	10.0	10.0	100.0
Total	40	100.0	100.0	

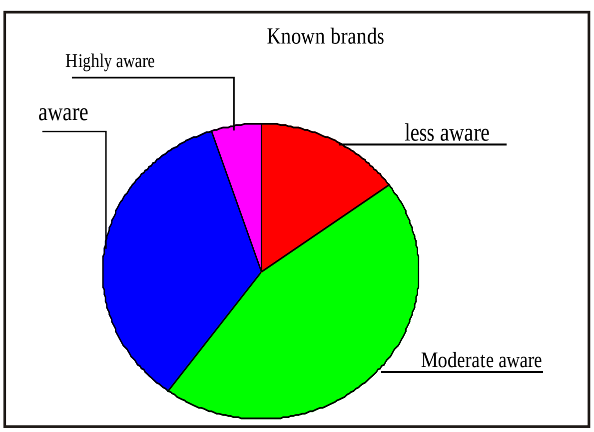
Research result reveals that out of 40 respondents, 45% were of the age group of 20-30 years, whereas 27.5% of them are of the age group of 30-40 years17.5% between 40-50 year & remaining 4% are of the age group of above 50 years.

Table 4 : Brand Awareness among the Respondents

Awareness Level	Fre-quency	Percent	Valid Percent	Cumu-lative %
Less aware	6	15.0	15.0	15.0
Moderate aware	18	45.0	45.0	60.0
Aware	14	35.0	35.0	95.0
Highly Aware	2	5.0	5.0	100.0
Total	40	100.0	100.0	

(Less aware knows 0-2 brands, moderate aware knows 2-4, aware knows 4-6 and highly aware knows 6 and above)

The chart of above data is as follows:

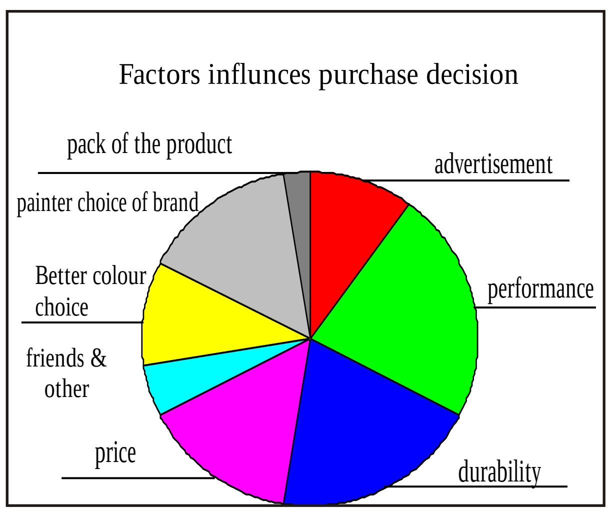


The above chart shows that out of 40 respondents, most of the respondents are moderately aware about the various brands available in the market.

Table 5 : Factors Influencing Purchase Decision of Consumers

Factors	fre-quency	Percent	Valid percent	Cumulative%
Advertise-ment	4	10.0	10.0	10.0
Performance	9	22.5	22.5	32.5
Durability	8	20.0	20.0	52.5
Price	6	15.0	15.0	67.5
Friends & other	2	5.0	5.0	72.5
Better color choice	4	10.0	10.0	82.5
Painters choice of brand	6	15.0	15.0	97.5
Pack of product(like bucket)	1	2.5	2.5	100.0
Total	40	100.0	100.0	

The chart of above data is as follows:



On revealing the importance of factors influencing purchase decision of consumers it was found that performance and durability are the most important factors followed by painter's choice of brand and price.

Table 6 :According to Respondents Best Brand Means

Best Brand Perception	Frequency	Percent	Valid percent	Cumulative%
Good quality	13	32.5	32.5	32.5
Most popular brand	12	30.0	30.0	62.5
Cheap and best	10	25.0	25.0	87.5
Mostly used by others	5	12.5	12.5	100.0
Total	40	100.0	100.0	

From the above data it is clear that out of 40 respondents, 62.5% say that the best brand means good quality and most popular brand but there are also 37.5% respondents who say that best brand means cheap and best and mostly used by others.

Table 7 : Most Important Factor Affecting Buying Behavior

Influencing factor	Frequency	Percent	Valid Percent	Cumulative%
Company Name	10	25.0	25.0	25.0
Price	6	15.0	15.0	40.0
Quality	20	50.0	50.0	90.0
Sales offer	2	5.0	5.0	95.0
Availability	2	5.0	5.0	100.0
Total	40	100.0	100.0	

Out of 40 respondents, 50% says that quality is the main factor affecting the buying behavior and 25% says company name.

Hypothesis 1

Ho-There is significant relationship between income and perception of best Brand.

Ha-There is no significant relationship between income and perception of best Brand.

Table 8 : Best brand and Annual household income

		Annual income Above 90,000 (middle high)	45001-90000 (lower middle)	Below 45000 (low)	Total
Best Brand	Always	9			9
	Some time	16	7	5	28
	Never	1	2		3
Total		26	9	5	40

In Table no 8, the relationship between Best brand and annual household income has been observed .The table value of Chi-square is 9.49 at 5% level of significance and the observed value is 9.27 which is less than the table value hence the hypothesis is accepted. It shows that there is significant relationship between income and perception of best brand.

Hypothesis 2

Ho-There is significant relationship between brand satisfaction and purchase behavior

Ha-There is no significant relationship between brand satisfaction and purchase behavior

Table 9 : Satisfaction Level And Most Important Factor Affecting Buying Behavior

	Most Important factor in purchase					**Total**
	Company Name	**Price**	**Quality**	**Sales offer**	**Availability**	
Highly satisfied	1		1			2
Satisfied	3	1	8	1	1	14
Somewhat satisfied	4	5	9	1	1	20
Not satisfied	2		2			4
	10	6	20	2	2	40

According to Table no 9, The relationship between satisfaction level and most important factor affecting buying behavior has been observed .The table value of Chi-square is 21.0 at 5% level of significance and the observed value is 5.681 which is less than the table value hence the hypothesis is accepted. It shows that there is significant relationship between brand satisfaction and purchase behavior.

Hypothesis 3

Ho-There is significant relationship between purchase intent and sales promotion

Ha-There is no significant relationship between purchase intent and sales promotion

Table 10 : Meaning of Best Brand and Most Important Factor Affecting Buying Behavior

		Most ImportantFactor					Total
		Company Name	Price	Quality	Sales offer	Availability	
	Good Quality	5		8			13
Best	Popular Brand	4	2	6			12
Brand	Cheap and Best	1	4	3	1	1	10
Means	Mostly used by others			3	1	1	5
Total		10	6	20	2	2	40

According to Table 10, The relationship between purchase intent and sales promotion has been observed .The table value of Chi-square is 21.0 at 5% level of significance and the observed value is 19.561 which is less than the table value, hence the hypothesis is accepted. It shows that there is significant relationship between purchase intent of the consumers and the sales promotion tools used by the companies. It shows that the promotional strategy to infer about the quality directly influence the consumers perception as well as the purchase decision.

Findings

? It is inferred from the finding that quality and performance are the most important factors influencing consumer buying behaviour.

? Customer demand is the most important factor for the dealers while giving order to a company.

? It is also inferred that only higher age and middle high income group people are highly aware about the brands.

? It is also inferred from the research that consumers do not consider price while purchasing the paint. They want durability and performance in the product.

? It is inferred from the finding that 70% consumers consider searching for best brand of paint while purchasing. According to 62.5% of consumers “Best Brand” means good quality and most popular brand but there are also 37.5% respondents who say “Best Brand” means cheap and best and mostly used by others.

? Survey reveals that Asian paints hold the first place among Nerolac paints, Berger paints and others in case of consumers' perception.

Conclusion

It is not a matter of importance, how successful you are, the business and its future lie in the ability to capture the emotions of the consumers by making emotional branding strategies. It was found that maximum numbers of dealers were multi paint dealers. According to dealers and customers, Asian paint is the best company followed by Nerolac paints and Berger paints. There is a cut throat competition among the paint companies. The maximum number of dealers deal in Asian Paints and Berger paints followed by Nerolac Paints, ICI paints and Shalimar paints respectively and Asian paint holds the strongest perception in the minds of consumers and dealers. But Performance and quality is the most influencing factors for the customer while choosing paint.

Suggestions

? There is lot of untapped market potential for the companies operating in the field of paint manufacturing. Companies should try to improve the services rendered to the dealers. They should emphasize on providing more margins to the dealers, so that they may also like to promote it towards its final user.

? Companies should try to use the word of mouth communication effectively. The painters are one of the most important influencing factor in decision making during the purchase of paint because they are surrogate consumers in the market.

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