

Impact of Brand Name and Own Price of Product on Consumer Purchasing Intention: An Analysis

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Abstract

Purpose: The purpose of this study is to examine the factors that influence consumer purchasing intention for new brands in the fast-moving consumer goods (FMCG) segment, such as brand name and own price.

Design/Methodology/ Approach: This study is based on a primary survey conducted in all supermarkets and malls under Asansol Municipal Corporation, which measures the level of acceptability, recognition and brand promotion of new FMCG brands. This is an empirical study that tests hypothesis statistically using IBM SPSS.

Findings: The findings suggest that brand name is the best possible indicator of consumer purchasing intention, and that new FMCG brands should focus on creating a strong and distinctive brand name to get better feedback from the market.

Practical Implication: This study provides in-depth insights into the purchasing intention of the consumers of Asansol towards brand building in the FMCG segment. It also explores the various factors that affect consumer purchasing intention in the FMCG segment, and offers some practical implications for marketers and managers.

Value: This study demonstrates that both brand name and own price are valuable concepts that can help attract potential customers. It also highlights the importance of constant innovation for the FMCG sector to maintain its fast-track growth.

Keywords: Brand name, Own price, FMCG, Marketing Strategy, Primary Marketing Strategies.

Paper Type: Research Paper

Introduction

Fast-moving consumer goods (FMCG) are products that are sold quickly at a low cost. Examples of FMCG include beverages, grocery items and personal care products. FMCG can be divided into four segments: food and beverages, personal care, home care and health care. In the Indian market, there are four types of FMCG companies: national companies, multinational corporations (MNCs), regional companies, and local companies. Some of the prominent names in the FMCG sector are Johnson and Johnson, Procter and Gamble, Hindustan Unilever Limited, Tata Consumer Products, Himalaya, Patanjali, Red Cow, Morish, Balaji etc. This study shows that sellers have adopted various strategies to attract their customers. Customers who leave the store may not return due to some unavoidable circumstances. However, we have observed that brand name and price are the best ways to retain the customer base. Contemporary advertisement and quality can create a positive image among the customers. FMCG are evolving every day and it is the decision of the owner and/or the sales representative to create a pleasant environment for their consumers.

Review of Literature

This review of literature summarizes the previous studies that are relevant for the research topic of consumer purchasing intention for new brands in the FMCG segment. The review covers the aspects which are the effect of country of origin on consumer perception, the case study of Procter & Gamble in China, the marketing strategy of Patanjali, the role of FMCG companies in India's economic development, the use of social media for communication and the evolution of brand meaning over time.

Khadka (2023) stated that the country of origin of a product is a significant factor that influences consumer willingness to buy. The study showed that consumers who are more aware of the production location tend to perceive foreign products as inferior and low-quality and prefer domestic products. The study suggested that FMCG companies should consider the country-of-origin effect when launching new products in different markets.

Wang (2022) analysed the business performance of Procter & Gamble, one of the leading FMCG companies in the world, in China. The study used PEST and SWOT analysis to evaluate the external and internal factors that affect the company's operations in China. The study found that Procter & Gamble has successfully adapted to the Chinese market by offering a wide range of products, implementing effective marketing strategies and establishing strong distribution channels.

Shukla and Sanghvi (2017) examined the marketing strategy of Patanjali, an Indian FMCG company that has gained popularity and market share in recent years. The study explored how Patanjali has differentiated itself from other competitors by emphasizing its natural, herbal and ayurvedic products and by adopting a low-price strategy. The study also highlighted the challenges and opportunities that Patanjali has faced in the competitive FMCG market.

Kumar and Gogoi (2013) focused on the role of FMCG companies in India's economic development. The study showed that FMCG products have become indispensable for improving the quality of life of the Indian consumers over the past five decades. The study also revealed that the growth of the FMCG industry is higher in rural areas than in urban areas, due to the increase in income and demand for new products. The study cited international research institutes that have proven that rural consumers have more purchasing power and willingness to buy FMCG products.

Johansson (2010) viewed social media as one of the means of communication that can help companies communicate with customers easily and effectively. The study compared social media with other communication channels and found that social media has the advantages of low cost, high reach, and high engagement. The study also suggested that companies should provide more information on social media to attract and retain customers.

Moore and Reid (2008) stated that brand meaning has been changing over time. The study traced the history of brands and branding from the Indus Valley Civilization to the present day. The study argued that brands and branding are complex and dynamic concepts that require information-based management. The study also emphasized that consumers are the key source of brand meaning, as they have the knowledge and experience of using the products.

Research Gap

FMCG industries capturing market in India, mainly focus on customer-based brand equity and business performance household care, personal care and food & beverages. They did not focus on own piece (**Mohan & Sequeira, 2012**). Another study has pointed out that FMCG companies have been using various marketing strategies for product branding. It is also important for B2B customer as competitive positioning. Here, empirical study was not provided (**Afreen, 2018**). Other study attempted to bring attention that Indian companies are coping strategies from MNC, not emphasising on ground reality. (**Chandok & G, 2007**)

Objectives of the Study

The main objectives of the study are as follows:

1. To gain knowledge about how brand name and own price affect consumer purchasing intention in Asansol area, which is a part of Paschim Bardhaman district and a major business hub in the state.
2. To explore the variables of brand name and own price and justify the consumer preferences based on these two factors.
3. To highlight the managerial implications for the entrepreneurs and managers who want to leverage these variables for their business success.

Methodology used for the Study

The researchers initially adopted an exploratory research approach to identify the research variables with the help of the review of the literature. Both reliability and validity tests were conducted to finalize the variables.

Factors affecting Purchasing Behaviour of the Consumers towards FMCG Products

Hypothesis 1

H1a: There is no significant association between brand name and consumer purchasing intentions.

H1b: There is a significant association between brand name and consumer purchasing intentions.

Hypothesis 2

H2a: There is no significant association between own price of the brand and consumer purchasing intentions.

H2b: There is a significant association between own price of the brand and consumer purchasing intentions.

Questionnaire Design

A questionnaire is one of the most efficient ways to collect information from the people you are trying to reach, so you should ask them to fill one out. Before we have additional information about the context, it is impossible to predict whether a questionnaire will result in the discovery of meaningful information. A close-ended, pre-designed questionnaire is the method of choice for quantitative research that has clearly outlined objectives. The identified variables are captured in the form of statements to measure the perception of the respondents using a Likert Scale. A 5-point Likert Scale is used for this purpose. In this scale 1 means strongly disagree, 2 means disagree, 3 means neutral, 4 means agree and 5 means strongly agree. Each respondent is restricted to give the response on a scale of 1 to 5 only once.

Data Analysis and Findings

Item total statistics related to Objective

The item total statistics table in the analysis section have been used to measure the intended objectives. Item discrimination has been calculated by correlating the item scores with the total scores or by comparing the item scores of the upper and lower groups of test-takers. Item discrimination can range from -1 to 1, with higher values indicating better items. The researchers

have used Cronbach's alpha to estimate item reliability, which can range from 0 to 1, with higher values indicating more reliable items (**McCowan & McCowan, 1999**).

Table1: Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Variable 1	35.69	17.128	0.764	0.785
Variable 2	35.76	16.098	0.743	0.785

Source: Survey Data

Table 2: Rotated Component Matrix

	Component	
	1	2
Variable 1	0.909	
Variable 2	0.915	

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.^a

Source: Survey Data

These two variables with the highest communalities are retained since there is no cross-loading between them. Construct validity is likewise satisfied by this.

Table 3(a): Response related to Hypothesis 1 and Brand Name as an Influencing Factor

Count		Brand Name as an Influencing Factor					Total
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Yes	Count	2	8	23	140	92	265
	Expected Count	1.3	11.8	22.9	132.8	96.2	265.0
	% within Response related to Hypothesis 1	0.8%	3.0%	8.7%	52.8%	34.7%	100.0%

No	Count	0	10	12	63	55	140
	Expected Count	0.7	6.2	12.1	70.2	50.8	140.0
	% within Response related to Hypothesis 1	0.0%	7.1%	8.6%	45.0%	39.3%	100.0%

Source: Survey Data

Table 3(b): Chi-Square Test Result

Parameters	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.211 ^a	4	0.004
Likelihood Ratio	6.659	4	0.005
Linear-by-Linear Association	6.546	1	0.000
N of Valid Cases	405		

Source: Survey Data

Observation: Table 3(b) shows the Chi-Square test result related to hypothesis 1. As the Pearson Chi-Square value is less than 5% level of significance, the null hypothesis is rejected and it can be concluded that a significant association exists between brand name and consumer purchasing intentions. Hence, brand name affects the purchasing intentions of the respondents in the study area. Table 3(a) also shows that the majority of the respondents are in favour of the statement.

Table 4(a): Response related to Hypothesis 2 and Own Price as an Influencing Factor

Count		Own Price as an Influencing Factor					Total
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Yes	Count	2	8	27	94	79	210
	Expected Count	1.6	13	30.1	95.9	69.5	210
	% within Response related to Hypothesis 2	1.00%	3.80%	12.90%	44.80%	37.60%	100.00%
No	Count	1	17	31	91	55	195
	Expected Count	1.4	12	27.9	89.1	64.5	195
	% within Response related to Hypothesis 2	0.50%	8.70%	15.90%	46.70%	28.20%	100.00%

Source: Survey Data

Table 4(b): Chi-Square Test Result

Chi-Square Tests			
Parameters	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.651 ^a	4	0.105
Likelihood Ratio	7.745	4	0.101
Linear-by-Linear Association	5.634	1	0.018
N of Valid Cases	405		

Source: Survey Data

Observation: Table 4(b) shows the Chi-Square test result related to hypothesis 2. As the Pearson Chi-Square value is more than 5% level of significance, the null hypothesis is accepted and it can be concluded that no significant association exists between the own price of the brand and consumer purchasing intentions. Hence, the own price does not affect the purchasing intentions of the respondents in the study area. Table 4(a) also shows that there are no biases in favour of the statement.

Findings

Statement	Status of the Hypothesis	Impact on Purchasing Intention of the Consumers
<p><i>Hypothesis 1</i></p> <p>H1a: There is no significant association between brand name and consumer purchasing intentions.</p> <p>H1b: There is a significant association between brand name and consumer purchasing intentions.</p>	H1a Rejected	Brand name affects purchasing intention of the consumers.
<p><i>Hypothesis 2</i></p> <p>H2a: There is no significant association between own price of the brand and consumer purchasing intentions.</p> <p>H2b: There is a significant association between own price of the brand and consumer purchasing intentions.</p>	H2a Accept	Own price does not affect purchasing intention of the consumers.

Conclusion and Directions for Future Research

This study has examined the impact of brand name and own price on consumer purchasing intention for new brands in the FMCG segment, based on an extensive market survey in Asansol. The existing literature suggests that these two variables are relevant for marketing research, but not sufficient to capture the real preferences of the consumers in this area. The empirical study has

focused on the new brands launched in the market and their pricing strategies. **Joshi & Yadav 2016** have shown how brand extension can create a reciprocal effect on brand equity. The study has also collected the opinions of different age groups regarding brand name and own price and observed some variations and rejections among them. Some sellers have also indicated their preferences towards own price.

The study has justified the use of the selected variables by comparing them with other studies in the field. The study has also identified some potential areas for future research, such as exploring other factors that may influence consumer purchasing intention, conducting cross-cultural research in this diverse area and extending the scope of the study to other retail formats, such as Kirana shops.

Managerial Implications

Brand name is a crucial component of brand equity and it can be a useful topic for students and researchers who are interested in marketing management. This study can provide them with a clear direction and a comprehensive explanation of the brand phenomena in the FMCG segment. The study can also offer some practical implications for entrepreneurs and managers who want to enter or expand in this market, such as:

- How to create a strong and distinctive brand name that can attract potential customers and increase their purchasing intention.
- How to set an optimal own price that can balance the trade-off between profitability and competitiveness.
- How to use two-way tables and other statistical tools to analyse the data and derive meaningful insights.
- How to understand the preferences and behaviours of different segments of consumers and sellers in this area.

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