

Study on Marketing Strategies and Impact of Consumer-Based Brand Equity on the Operational Performance on FMCG Companies in India

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ABSTRACT

Brand equity is a lot of brand resources and liabilities connected to a brand, its name and symbol that add to or subtract from the value given by an item or administration to a firm and additionally to that association's customers. In the present focused condition where the customer has huge decision for choosing brands, it is an exceptionally difficult undertaking for a marketer to draw in new and hold the old customer. To achieve this target the marketer utilizes diverse kinds of marketing techniques to position their item in the mind system of the customer and set up their brand picture in the market. This paper explores the effect of brand equity on the operational execution of organizations in the Indian FMCG industry. The examination consider embraces enlightening and exploratory methodologies. The outcomes demonstrate that there is connection between's brand equity and operational execution of business. In this paper we will study on marketing strategies and impact of consumer-based brand equity on the operational performance on fmcg companies in India.

1. Introduction

Marketing methodologies are a technique for using the marketing blend to fulfill and pull in consumers to make a benefit for the association. The marketer should discover what the consumers wish to buy and the amount they are happy to pay. The organization should then choose whether the ideal item can be created and sold at the value consumer will pay and at a benefit to the organization. Current marketing starts with the customer, not with generation, deals or mechanical headways and last with the customer fulfillment and social well-being. Under market-driven economy, purchaser or customer is the lord.

Presently multi day's FMCG goods are obtained from different retail stores. With the pattern of shopping moving to shopping centers, the store culture has risen as an imperative apparatus to pull in customers. Consumers want to visit a retail store where they can buy assortment of products under one rooftop, consumers as well as want to sell their products through different retail stores. Prior the products were sold through neighborhood stores or Kirana stores where the businessperson just gives those products which were asked by the consumer, yet the store culture allow them to examine all the different accessible alternatives which they can look at and after that select the best among the part.

Marketing experts and authority utilize numerous strategies to pull in and hold their customers. Deals Promotion procedures can enable make that positive customer to picture that prompts effective deals. Deals advancement spending plan covers practically 70% of the total customer bargains unique spending plan. It is moreover considered as a brand differentiator by various colossal players like Coca-Cola, Pepsi, Heinz and some more. For some business authorities and scholastics, bargains progression is seen as common advancing procedures that expansion the value of a thing with a particular true objective to achieve specific promoting targets.

2. FMCG

Fast Moving Consumer Goods (FMCG) are likewise well-known as consumer bundled goods (CPG) are products that are sold quickly and more often than not expended at an ongoing premise, as disparate to strong goods, for example, kitchen machines that are supplanted less much of the time. The FMCG business essentially incorporates the creation, dispersion and marketing activities of consumer bundled goods. Fast moving consumer goods are devoured by the consumers for their very own utilization and obtained more than once. Consumers get these products on regular interims in small quantity. The cost of such products per unit is low. The utilization of such products is high because of the consumer's need for Fast Moving Consumer Goods.

FMCGs normally allude to as non-strong products which are devoured in a limited ability to focus time, and are regularly expended every day Indian population is a colossal population more than 120 crore. A different part called FMCG segment is well settled in India. Fast Moving Consumer Goods (FMCG) are additionally well-known as consumer bundled goods (CPG) are products that are sold quickly and as a rule devoured at an ongoing premise, as unique to tough goods, for example, kitchen apparatuses that are supplanted less habitually. The FMCG business essentially incorporates the generation, appropriation and marketing tasks of consumer bundled goods. Fast moving consumer goods are devoured by the consumers for their very own utilization and obtained more than once. Consumers obtain these products on regular interims in small quantity. The cost of such products per unit is low. The utilization of such products is high because of the consumer's need for Fast Moving Consumer Goods. FMCGs as a rule allude to as non-solid products which are devoured in a limited capacity to focus time, and are regularly expended every day Indian population is a tremendous population more than 120 crore. A different division called FMCG segment is well settled in India.

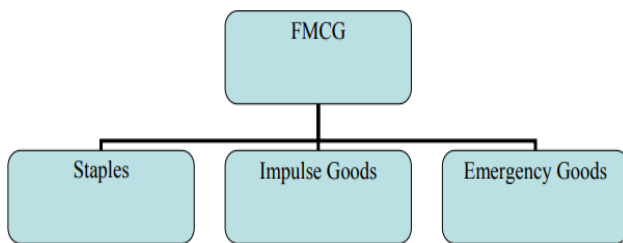


Figure 1: Types of Fast Moving Consumer Goods

2.1 Fmcg sector in India

India is the fourth largest in the economy and its FMCG Market measure is about '200,000 Crores (Cr) according to A.C. Nielson cover Economic Times (E.T.) on first Feb.2013. Indeed, even a small ascent in the discretionary cashflow of India's 350 mm solid center pay consumers will reinforce development. These center pay consumers frame a lion's share of contribute 40-45% to FMCG in India has a solid and aggressive MNC nearness. It is gauge that the FMCG Market will reach to '200,000 Cr by 2015. The primary item classes are - individual consideration (oral consideration, hair care, toiletries, cleansers, beautifiers and so on.) house hold care - (Scourer, texture was, mosquito anti-agents Aur care, floor and Toilet cleaners), branded bundled nourishment and refreshments (MFD, Soft Drink, Staple, grains, dairy products, bread shop and so forth.) and Tobacco and Alcohol and so on.

FMCG division is the most focused and developing area as customers require these products on regular premise and their interest for FMCG products continues expanding, therefore the companies need to advance their products with the goal that they seem unique and better from the contender's item. Indian companies have their region over the quality chain of FMCG fragment, directly from the supply of rough materials to packaged stock in the sustenance getting ready part. For example, Amul supplies drain and dairy things like cheddar, butter, and so on.

2.2 impact of the fmcg sector in India

Throughout recent years, nourishment things have been the most widely disseminated FMCG products in the nation. In any case, the situation is evolving. Indians are bound to discover a greater amount of individual consideration products in contrast with sustenance in a shop nowadays which is the consequence of consumer goods companies pushing the conveyance of a whole accumulation of their products in the hand of careful consumer. Most recent information from market investigate firm Nielsen uncovers that on the rundown of the main five FMCG item classifications, just a single nourishment item for example biscuits discovers put. The class with the greatest infiltration is shampoos at 79%, followed intently by biscuits at 78%.

For example, in utensil cleaners and palatable oils attack has enhanced to 36% from 33% and 21% to 17% from 2012 to 2014, individually. "Prior, individuals would visit at shops with jugs to purchase mustard oil. That is changing with rising opulence levels and lower bundling costs. In coming future, increasingly unbranded to branded utilization in non-developop classifications, for example, hair oils and hair conditioners will be seen," says Vijay Udasi, official chief, Nielsen India.

3. Marketing Strategies

Marketing strategies fill in as the basic support of marketing designs framed to fill market needs and achieve by and large targets of the organization. Plans and targets are commonly tried for measurable outcomes. Usually, marketing strategies are framed for a time of a year, with a conscious arrangement specifying explicit activities to be cultivated around the same time. Timeframe included by the marketing plan fluctuate by organization, by industry, and by country, be that as it may, time ranges are getting shorter as the speed of progress in the business condition increments. Marketing strategies are dynamic and open. A most critical target of any marketing strategy for the different item classifications is to persuade consumers to repurchase the brand on account of enjoying or relationship with the brand. Buy expectation is simply the inferred guarantee to one's to buy the item over again at whatever point one makes next trek to the store.

All marketing strategies are framed based on division, focusing on and situating. An organization finds diverse needs and gatherings in a chose market, focuses on those requirements and gatherings that it can fulfill superiorly and after that positions its item with the goal that the focused on crowd distinguishes the organization's particular offering and image.

3.1 Types of Marketing Strategies

Image strategy: The thought in the consumer's brain of a brand's complete identity, image is produced after some time through promoting effort which has a steady subject, and is validated through the consumers' immediate experience. Notwithstanding raising the view of the proficiency of a brand, this strategy likewise improves the distinction of the brand. For instance, a star or a well known competitor can be a reasonable representer; a big name can give customers a chance to see the brand the individual in question employments. Dabour has made a brand image and an enormous item following by partner uber names like genius Amitabh Bachchan, Rani Mukhurjee, Vivek Oberoi, and Mandira Bedi. Dabur has contributed Rs. 150 crore just on the promoting of it item Real Fruit Juice and Real Active.

Promotion strategy: It is a blend of all the promotional exercises, for example, a publicizing effort, expanded PR movement, a battle offering free-example, unconditional presents or exchanging stamps, orchestrating showings or displays, setting up different street appears with alluring prizes, value decreases on impermanent premise, way to-entryway calling, telemarketing, and different techniques, for example, sending individual letters to the organization. Each brand needs a point by point marketing correspondence or promotion.

Media marketing strategy: It alludes to the utilization of suitable media blend to accomplish ideal outcomes from a promoting effort. Other than simply giving customers a chance to get the primary thought of a brand, distinctive methods for presentation can be utilized to show up of the brand which may top their interest. Concerning the general population who definitely know the brand, they might be given further chances to see progressively about the brand. This strategy likewise improves the buy expectation of first time consumers, just as repurchases ones, allowing customers to plainly know the data of a brand and its related products.

4. Brand Image

Brands are the most vital resource for any business association. A brand is a perceiving name as well as image, (for instance, logo, trademark, or package plot) wanted to recognize the stock or organizations of it is possible that one merchant or a get-together of sellers, and to isolate those products or organizations from those of contenders. A brand thusly flags to the customer the wellspring of the thing, and guarantees both the customer and the creator from contenders who may Endeavor to give things that appear, apparently, to be indistinct.

Brand image has been concentrated widely since the twentieth century because of its significance in building brand equity. In the inflexibly forceful world business focus, associations require a progressively profound learning into buyer direct and teach customers about the brand with a particular ultimate objective to make practical advancing techniques.

5. Aim of the study

The targets of this investigation are:

1. To recognize the different segments of brand equity of FMCG companies.
2. To survey the impact of brand equity on the operational execution of FMCG companies.

6. Methodology

6.1 Research design

The investigation utilizes a mix of descriptive and exploratory strategies. The descriptive methodology secured the portrayal of marvels or qualities related with FMCG consumers, a depiction of the subject population, and the disclosure of relationship between brand equity and its variables. The objective of the descriptive examination was to assess the diverse brand equity measurements of mindfulness, faithfulness, impression of quality and relationship concerning distinctive FMCG brands.

The principle target of exploratory research is to investigate an issue so as to give more bits of knowledge and comprehension about the predetermined issue. This investigation embraced the exploratory research technique to dissect the optional data subjectively. The research utilized record examination, under subjective investigation, where contemporary private reports, open reports, government archives, and suppositions were assessed to think about the execution of various FMCG companies. The exploratory investigation helped in taking shape the research issue, conceptualizing the system of the examination and operationalising the reliant and autonomous variables.

6.2 Data

Optional data for this research were gathered on operational business execution of six brands having a place with four companies. The data were gathered on various brands of can cleanser, texture wash, and tea from market pioneers of FMCG brands. The essential data for the examination identified with the variables distinguished for examination in the research. In this research, the frame of mind and suppositions of individuals towards brands were estimated. An overview design was utilized for the research, which gave a quantitative depiction of patterns, frames of mind, and assessments of the FMCG consumers. Data gathering from the

respondents was so designed as to empower the discoveries to be summed up to the population

6.3 Research tool

Respondents were directed with a survey comprising of things identified with their conduct, expectations, frames of mind, mindfulness, inspirations, and demographic attributes. Based on the things utilized in the writing and the definition set up in the investigation, a pool of measures was created. Three item classifications were picked where two brands were assessed inside every classification of FMCG products. The item classifications were: individual wash, texture wash, and bundled tea. The survey contained two sections. Part I included demographic data identified with sexual orientation, age, training, conjugal status, profession, salary, and place of living arrangement. Part II comprised of inquiries explicit to various item classifications and brands. The data were caught through things of the ordinal scale, which is one of the similar scales. Inquiries in Part II were numerous decision questions and identified with brand equity.

6.4 Sampling design

The examination required sampling from two viewpoints: initial, an example of brands (improvements) to be chosen from the whole arrangement of FMCG brands and second, an example of FMCG consumers. Safety measure was taken to dodge any sampling and non-sampling errors. The boosts were chosen from every one of the three classifications of the FMCG business. So as to meet the criteria of development of the business and contrasts required by various item classifications as expressed this research utilized judgment sampling strategy under non-likelihood sampling to draw the FMCG products and brands. The products with most elevated entrance in every class were chosen utilizing judgment sampling. Texture wash, individual wash (latrine cleanser), and tea are high infiltration classes. Two brands were distinguished for every one of the three products. The brands of the market heads and those of their rivals were considered for the investigation. The customer-based brand equity of these six brands was assessed. The sampling of FMCG consumers was attempted in two phases. At first, the states from which the FMCG consumers were to be drawn were chosen. In the following stage, respondents were chosen from these states. This research utilized a mix of likelihood sampling (proportionate stratified sampling) and non-likelihood sampling (accommodation sampling) strategies. The complete example estimate required for the investigation was 820 which was determined utilizing the standard recipe. From the three strata distinguished dependent on the FMCG spend, test states were drawn haphazardly. From the low strata, Madhya Pradesh and West Bengal were chosen. From the medium strata, Gujarat, and from the high strata, Karnataka and Punjab were chosen. Further, to choose the example respondents from these states, comfort sampling under non-likelihood sampling was utilized.

7. Results

The results of the investigation, and the legitimacy and unwavering quality of scales utilized, are itemized in the following segment. Legitimacy and unwavering quality of scales In request to test the dependability of the general brand equity scale and every one of the brand equity measurements,

Cronbach's alpha was determined. The alpha meets the prescribed dimensions of 0.71 for every one of the measures. The Cronbach's alpha coefficient for brand equity measurements showed great inside consistency and dependability among the things inside each measurement. The build legitimacy of the instrument is advocated in light of the fact that the measures were produced from a hypothetical structure that was gotten from a broad writing audit. Descriptive insights giving data with respect to mean and standard deviation for brand equity variables for the FMCG products demonstrate that there is no solid reaction inclination for any of the variables. The level of variety was not high for the three unique types of FMCG products—latrine cleanser, texture wash, and tea—considered for the examination. The investigation was additionally spread crosswise over five distinct conditions of India. As far as the mean scores, the "brand acknowledgment" measurement had the most astounding mean score (3.80), while the "not purchase different brands" had the lowest mean score (3.11). Descriptive measurements giving data with respect to mean and standard deviation for every one of the brand equity segments brand mindfulness, brand dependability, saw quality, and brand affiliation, and generally brand equity for the FMCG products are given in Table 2.

Table 1: Reliability of brand equity variables

Dimensions	Cronbach's alpha
Brand awareness	0.755
Brand loyalty	0.934
Perceived quality	0.863
Brand association	0.912
Perceived value	0.817
Brand personality	0.793
Organisational association	0.880
Overall brand equity	0.903

Table 2: Descriptive statistics of brand equity dimensions and overall brand equity

Variables	Mean	Std. deviation
Brand awareness	7.5328	1.44878
Brand loyalty	19.9420	5.24171
Perceived quality	13.8669	2.70743
Brand association	34.6417	6.22605
Overall brand equity	13.2253	3.16691

7.1 Relationship between brand equity and its dimensions

Pearson's item minute correlation coefficient (r) was determined to distinguish the relationship, heading, and quality of the relationship between brand equity and its dimensions. Correlation examination showed the noteworthy relationship between generally speaking brand equity and brand equity

dimensions (Table 3). High, huge, and positive correlation was found between brand loyalty (r = 0.718, p < 0.002) and generally brand equity in the FMCG industry. Thus, there is a relationship between brand loyalty and brand equity in the FMCG industry. Brand loyalty is the profoundly held promise to repurchase a FMCG reliably later on. This dedication impacts the brand equity. The results affirm that when individuals repurchase the equivalent FMCG brand without changing to another brand, the equity of the FMCG brand moves forward. Brand loyalty was viewed as a standout amongst the most imperative determinants of brand equity.

Fundamentally high correlation was additionally found between seen quality (r = 0.704, p < 0.001) and generally brand equity. Seen quality has a huge constructive outcome on brand equity in the FMCG industry in India. As saw quality lessens apparent hazard, this was an imperative measurement particularly for administrations. Shockingly, the correlation coefficient uncovered that apparent quality is an imperative measurement in the brand equity of FMCG companies also. The idea of saw hazard was not viewed as significant in FMCGs. Be that as it may, it was discovered that the consumer needed to see quality in the item so as to buy FMCGs. The significance of saw quality was reliable with the reason shown by the consumers for buying the FMCGs. Moderate correlation was found between brand mindfulness (r = 0.407, p < 0.001) and by and large brand equity leading to the finding that there is a relationship between brand mindfulness and brand equity in the FMCG industry in India. The correlation coefficient demonstrates that the impact of brand mindfulness on brand equity was low presuming that achievement in the Indian FMCG market can't be guaranteed through brand name alone. Where the discoveries did not recognize any immediate impact of brand mindfulness on brand equity the results bring up that brand acknowledgment is vital for new brands and review and best of psyche are increasingly touchy and significant for well-known brands. However, this by itself can't prompt high brand equity. Brand affiliation (r = 0.750, p < 0.001) likewise was exceptionally and altogether corresponded with generally brand equity affirming that there is a huge relationship between brand affiliation and brand equity in the FMCG industry in India. The discoveries legitimize Keller's explanation that "customer-based brand equity happens when the consumer knows about the brand and holds some good, solid, and exceptional brand relationship in memory". The affiliations frame the beginning stage of the consumer's impressions and suppositions of a brand and for the decisions consumers make about purchasing and utilizing distinctive brands this legitimizes the most grounded impact of brand relationship on the general brand equity.

Table 3: Pearson correlation matrix of brand equity dimensions

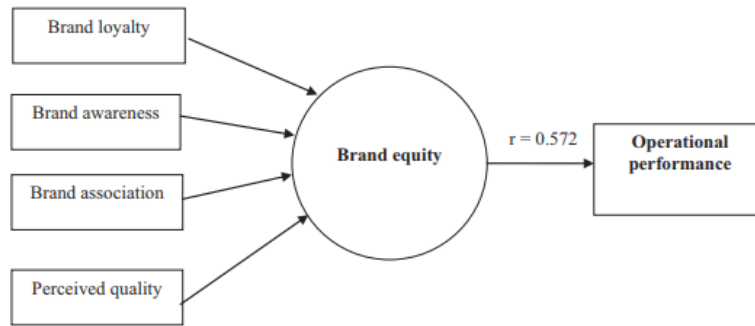
Brand equity and dimensions		Brand awareness	Brand loyalty	Perceived quality	Brand association
Overall brand equity	r	0.408	0.718	0.7045	0.751
	p	0.000	0.000	0.000	0.000

Table 4: Model summary

Model	R	R square	Adjusted R square	Std. error of estimate
1	.802	.643	.641	1.89784

Table 5: Beta coefficients of brand equity dimensions

Model	Unstandardised coefficients		Standardised coefficients	t	Sig	Collinearity statistic	
	B	Std. error	Beta			Tolerance	VIF
(Constant)	.602	.407		1.481	.139		
Brand awareness	.091	.059	.118	2.393	.000	.605	1.654
Brand loyalty	.205	.020	.339	10.374	.000	.409	2.446
Perceived quality	.151	.048	.129	3.154	.002	.260	3.850
Brand association	.151	.048	.476	12.246	.000	.288	3.474



Note: r = Pearson correlation coefficient

Figure 2: Measurement model of brand equity and operational performance

7.2 Relationship between brand equity and operational performance

For the FMCG industry in India, brand equity was observed to be essentially related with operational execution of the business ($r = 0.572, p < 0.049$) (Fig. 1). Brand equity clarified 32.7 percent of the absolute variety in the operational execution for the FMCG companies. It is obvious from the results that there are factors other than brand equity that impact the operational execution. Brand equity is a critical indicator of operational execution, yet different factors may likewise impact execution.

So as to additionally affirm the impact of brand equity on operational execution, box plot and Independent Samples t-Test was embraced, wherein the brand equity of the distinctive FMCG brands was looked at. The results uncovered higher brand equity for FMCG brands (on account of latrine cleanser, $t = 2.511, p < 0.01$, for texture wash, $t = 2.628, p < 0.01$, and for tea, $t = 5.051, p < 0.001$) with higher operational execution.

8. Conclusions

All marketing strategies are shaped based on division, focusing on and situating. An organization finds diverse needs and gatherings in a chose market, focuses on those necessities and gatherings that it can fulfill superiorly and after that positions its item with the goal that the focused on group of onlookers recognizes the organization's particular offering and image

The impact of a brand's equity on the operational execution (market share) is significant. The brands with more elevated amounts of brand equity yielded significantly more noteworthy market share. The evidence that the brand equity dimensions impact diversely on brand equity may enable marketers to designate assets all the more viably. The results from the investigation give vital bits of knowledge to brand managers to legitimize the assets spent on building brand equity. Further, the examination likewise gives some understanding on the fittingness of the brand equity demonstrate in clarifying future operational execution.

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