

Brand Awareness and Brand Loyalty of Rural Consumers for FMCG Products: A Case Study of Hindustan Unilever Limited in Selected Rural Markets of Jaipur and Alwar District

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Abstract

The Fast Moving Consumer Goods (FMCG) sector is a corner stone of Indian economy. FMCG products are consumed frequently by every section of the society, rural as well as urban. Nowadays, rural consumers are also using branded products in almost all product categories. This paper emphasizes on the investigation of the impact of Brand awareness and Brand loyalty on purchase of FMCG products based on customer survey. The author also looks at the degree of brand awareness and brand preference of rural consumers for FMCG products of HUL and different factors that play an important role during buying decision and brand selection with special reference to HUL in rural market.

Keywords: Marketing Strategy, Rural Marketing, Brand Loyalty, Fast Moving Consumable Goods (FMCG), Brand Awareness, Knowledge.

Introduction

Gone are the days when a rural consumer went to a nearby city to buy 'branded products and services'. Trends indicate that the rural markets are coming up in a big way and growing twice as fast as the urban, witnessing a rise in sales of hitherto typical durable goods and consumer goods as well. According to a National Council for Applied Economic Research (NCAER) study, there are as many 'middle income and above' households in the rural areas as there are in the urban areas. There are almost twice as many 'lower middle income' households in rural areas as in the urban areas.

In India, Rural consumer profile has been changed in terms of education, income, occupation, and reference group and media habits since past few years. There is a paradigm shift in consumer brand preference for FMCG products for the past decade with the influx of information technology. It is also facilitated by the easy availability of finance and prevalence of nuclear families. Increasing in demand for branded products in the market, the fall in prices as Indian consumers are continue to attach a high degree of importance to value for money. The consumer is brand-conscious, but not necessarily brand-loyal, and might even pick up a reliable private label if it offers good price and quality values. Accordingly Geometry Global Encompass network surveyed more than 6K rural consumers in 8 states and covered more than 20 popular categories from FMCG to BFSI. The report said that the rural consumers exhibit a lack of brand Fidelity attitudinally and behaviorally.

HUL: Moves the Battle to the Rural

HUL has embarked upon an aggressive coverage expansion project for its rural and urban businesses. HUL realized from the onset that its sales and distribution network gave it an edge over the competition, but that rivals would try to match it over time. The product portfolio of the company includes many personal care, home care and food & beverages product products like soaps, detergents, shampoos, skin care products,



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fabric care products, deodorants and fragrances, tea, coffee and food products. Few brands of HUL emerged as market leader in many product categories like tea, processed coffee, branded wheat flour, tomato products, ice cream, jams and squashes etc.

In consumer marketing, brands often provide the primary points of differentiation between competitive offerings, and as such they can be critical to the success of companies. Hence, it is important that the management of brands is approached strategically. This Study focuses on brand awareness and brand loyalty of rural consumers for FMCG products of HUL in Alwar and Jaipur District of Rajasthan.

Review of the Literature

The concept of Brand Loyalty was initially taken as uni-dimensional construct. However in 1950, two different loyalties constructs evolved, one to measure attitude and one to measure behavior. This Model was reexamined and presented by Jacoby (1971) in his brand loyalty model which was further again presented by Jacoby and Chesnut (1978) which began the door for further more researches and became the one of the most researched topics and extended towards the service industry that has rapidly grown since 1990. From a customer-based brand equity perspective, marketing communications activities contribute to brand equity and drive sales in many ways (Keller 2007): by creating awareness of the brand; linking the right associations to the brand image; eliciting positive brand judgments or feelings; and/or facilitating a stronger consumer – brand connection.

David Aaker (1996) already stated that the most important effects of Brand Loyalty are reduced Marketing Costs, Trade leverage, and the attraction of the new customers through created brand awareness reflects the probability that a customer will switch to the Brand. In his Brand Equity model David Aaker identifies brand awareness and brand loyalty as two of the five important components to build brand equity. On the other hand **Ganesamurthy (2003)** in his study "A Survey of Selected Consumer Products in Rural Market Areas," examined the brand loyalty, awareness and influence of mass media on rural consumers. He concluded that now day's products are flowing from rural to urban areas and urban to rural areas. Even premium brands are gaining wide acceptance in the rural bastions. Increasing awareness has led to significant changes in buying behavior and consumption habits.

Nandagopal and Chinnaiyan (2003) in his study "Brand Preference of Soft Drinks in Rural Tamil Nadu," identified the popular brands of soft drinks and the factors that contribute to the purchase of soft drinks in the rural area of Tamil Nadu. Pollachi Taluk of Coimbatore district in Tamil Nadu was purposively selected for the study. He concluded that the level of awareness among the rural consumers about the brand of soft drinks is high which was indicated by the mode of purchase of the soft drinks by "Brand Name." Major source of brand awareness is the word of mouth followed by advertisement. A factor that influences the purchases of a brand of soft drinks is

product quality i.e. quality perception in the mind of the consumer.

Naidu (2004) evaluated the consumer awareness in rural markets with a view of studying the awareness of the consumers regarding consumer movement and to study the awareness of the consumers towards cosmetics, shampoos and toothpaste. The study was an empirical research based on survey method. Ranga Reddy district in Andhra Pradesh was chosen for the study. He concluded that awareness of the rural consumers about the consumers movements are qualitative in character and cannot be measured directly in quantitative terms. There is no fixed value or scale which will help to measure the awareness. But the awareness has been studied with the help of their responses to various questions. Little wonder then that success has eluded most corporate in rural markets but with urban markets getting saturated and fiercely competitive, they have to look at rural markets due to the emerging potentiality in these markets.

Oza (2004) in his study "Where the FMCG market is sizzling- A Study of Rural Markets," examined the rural consumer's psyche for FMCG products. The survey was conducted with a sample size of 200 in villages of Baroda. Convenience sampling was used. He concluded that using easily available technology, strong local area knowledge, a short supply chain and quality raw material regional players are giving big brands a run for their money. The regional brands are making their aggressive presence in smaller towns by participation in melas and exhibitions. They are giving distributors and retailers better margins in rural areas.

The focus of literature, mainly written in the post liberalization period, is on consumer loyalty on FMCG products. These researches were conducted mostly by aiming specific geographical area. The literature has uncritically borrowed theories, framework and concept from the mainstream marketing discipline, which has shifted the growth of the subject as an independent field of academic investigation. A lot of researches have been conducted on rural consumers but a very few were focused on brand awareness and brand loyalty of rural consumers especially in Alwar and Jaipur District of state of Rajasthan.

Research Objective

1. To study the brand awareness and brand loyalty of rural consumers for FMCG Products of HUL in Alwar and Jaipur District.
2. To analyze the reasons of brand switching for FMCG Products among rural consumers of Alwar and Jaipur District.
3. To critically analyze various factors playing critical role during buying decision and brand selection in rural market of Alwar and Jaipur District.

Need of the Study

The study will be beneficial for the rural consumer of selected rural areas of Rajasthan state. The study may also be beneficial for the H.U.L. to know about the expectation of rural consumers in the selected areas of Rajasthan state. H.U.L. can decide their marketing strategies, product strategies,

promotional schemes, pricing policies, and advertising policy for brand building at the time of taking crucial decisions to enhance their business at mass level. On academic point of view it is helpful for researcher and academicians to take it as a reference material for further studies on and around this topic at regional, national and global level.

Research Methodology

The study is empirical and analytical in nature and is based on both primary and secondary sources of data. Multistage random sampling is adopted, for selecting the strategy of HUL in rural market of state of Rajasthan. Sample size is 200, out of that 100 from both districts viz. Jaipur and Alwar. Jaipur and Alwar Districts are divided in 13 and 14 panchayat Samitis respectively. 5 villages from each district have been randomly selected. The selection of villages was done on random basis keeping this thing in mind that it should represent the true picture of the rural India i.e. villages nearby the city may not represent the true picture of rural India as the persons

resides over there may be purchasing their necessity goods from the city itself. After collection of the Primary data, 10 questionnaires were rejected due to various reasons so researcher analyzed only 190 respondents. For the purpose of the study, the secondary data was taken from various sources like: Books, Periodicals, Magazines, and Journals, Research articles, Online Journals, Annual Reports of HUL and Internet websites. The research was conducted during March 2019 to February 2020.

Results and Discussion

To understand the brand awareness and brand loyalty of the consumers towards FMCG products in rural markets of Alwar and Jaipur District, the demographic profile of the respondents were studied. Table 1 clearly shows that out of total 190 respondents, the majority of the respondents were male (67% were male) with age group of less than 45 years (77% are less than 45 years old) who heavily depend on agriculture income and live in pakka houses.

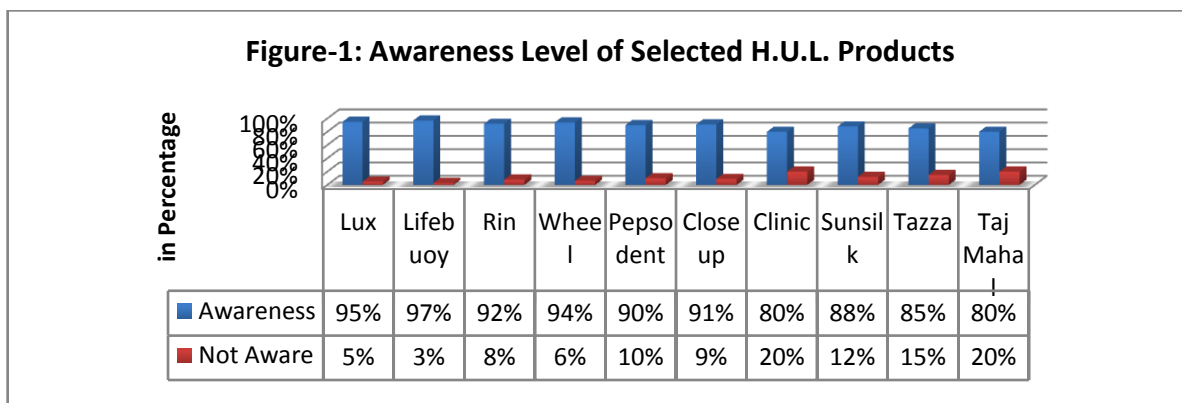
Table:1 : Demographic Profile of the Respondents

		Frequency	Percentage
Gender	Male	128	67
	Female	62	33
Age (in Years)	Below 25	40	21
	25-35	60	32
	35-45	46	24
	45-55	20	11
	55 and Above	24	13
Qualification	Illiterate	18	9
	Primary	30	16
	Secondary	28	15
	Senior Secondary	24	13
	Graduation	60	32
	Post-Graduation	30	16
Occupation	Self-Employment in Agriculture	86	45
	Regular Salary /Wages	48	25
	Self-Employment in non- agriculture	40	21
	Unemployed	16	8
Monthly Income of Family	Below 5000	42	22
	5000-10k	26	14
	10k-20k	34	18
	20k-30k	46	24
	30k and above	42	22
Nature of Accommodation	Hut	22	12
	Kuccha House	46	24
	Pakka House	122	64

Brand Awareness

Brand awareness is “the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category”. Brand

awareness is essential for existing brand equity in any product or service¹. The brand awareness of the respondents in the FMCG category in Alwar and Jaipur district is presented in the below Figure-1.



Awareness level of selected H.U.L. products in to selected areas of Rajasthan state, is an important parameter to measure the Brand equity and study concludes that, for selected tea of H.U.L., that is Taaza and Taj Mahal have only awareness level of more than 75 percent of rural respondents, while in other all selected eight products the awareness level

is almost 90 percent. So it can be said that company has achieved satisfactory awareness level in the selected rural areas of Rajasthan state. (Refer Figure-1). Comparative low level of awareness of Taaza and Taj Mahal may be due to higher price which results in huge market share by loose tea in rural India.

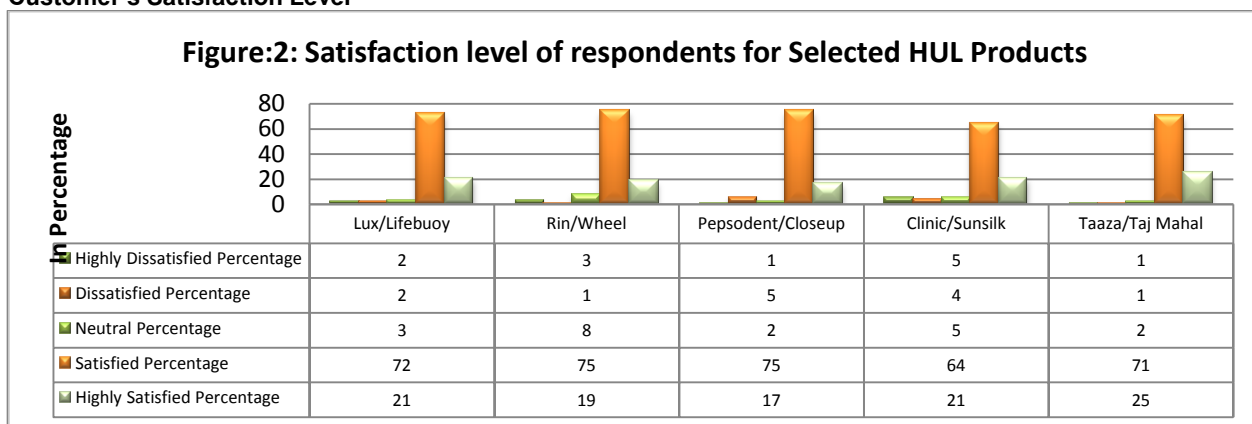
Table-2: Descriptive Statistics of the Brand Awareness

S. No	Statement	N	Mean	SD
1	The Brand of FMCG product always stays fixed in mind (Share of Mind)	190	3.86	1.23
2	I can easily differentiate HUL Products from other brands	190	3.99	0.91
3	Able to discriminate between brands, as I have prior knowledge about them	190	3.64	0.82
4	I am very much aware about other products of HUL	190	3.30	1.00
5	Good exposure to the brand plays an important role for Brand Recall	190	3.82	0.71
6	Brand recognition of the FMCGs products is due to its performance and availability	190	3.79	1.07

The descriptive statistics (Table-2) also show the consumers are able to distinguish one brand to other brand by its performance with mean score of 3.99, followed by the FMCG products constantly stay in the consumer mind with mean score of 3.86 and

the good exposure to the brand plays an important role for remembrance of the consumer with mean score of 3.82 towards the brand awareness of the consumers.

Customer's Satisfaction Level



It is very much evident from Figure-2 that more than 85% of the users are satisfied with the

brand of HUL as of now in all product category studied by the researcher.

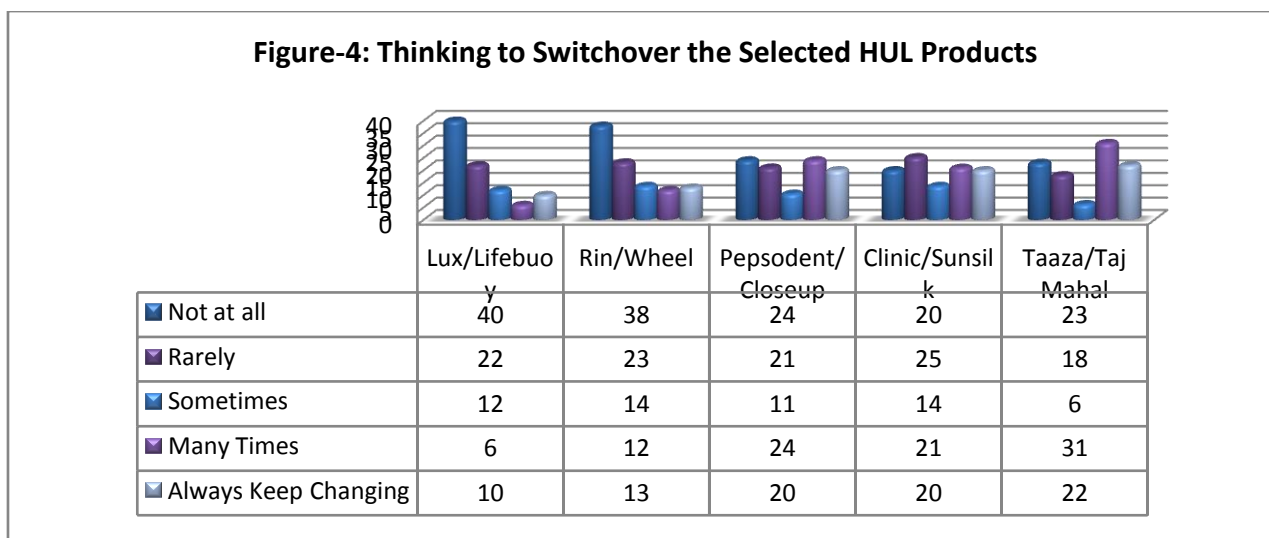
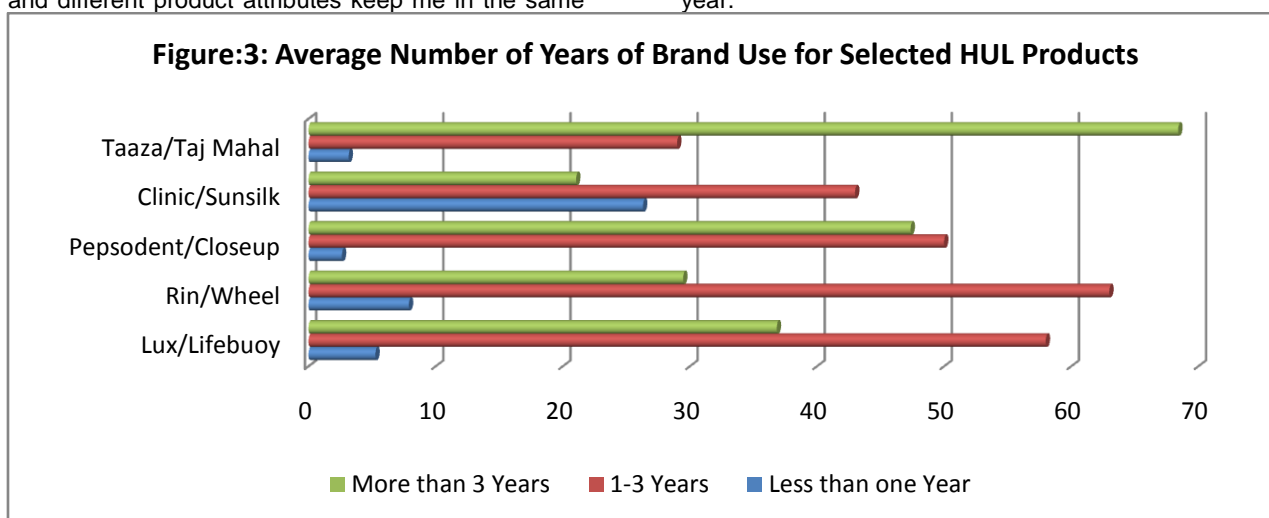
Table:3: Descriptive Statistics for Satisfaction of the Brand

S.No	Statement	N	Mean	SD
1	I am satisfied with HUL Products in the given product category	190	3.97	0.90
2	Continuous product Innovation is the reason why I always prefer the brand	190	3.69	0.80
3	I am satisfied but can switch to another brand if having better offering	190	3.26	1.21
4	I am highly dissatisfied with this brand I do not like to purchase the repeatedly	190	3.96	1.06
5	I am having no good reason to get dissatisfied with my current purchase	190	3.90	0.82

The descriptive statistics also indicates that they satisfied with the brand purchased the product with mean value of 3.97, followed by the consumers are dissatisfied about a particular brand they don't like to purchase the repeatedly with mean value of 3.96, they attain pleasure from the particular FMCG brands I am loyal towards the brand with mean value of 3.90 and different product attributes keep me in the same

brand with mean value of 3.69 towards the respondents in the satisfaction of brand loyalty.

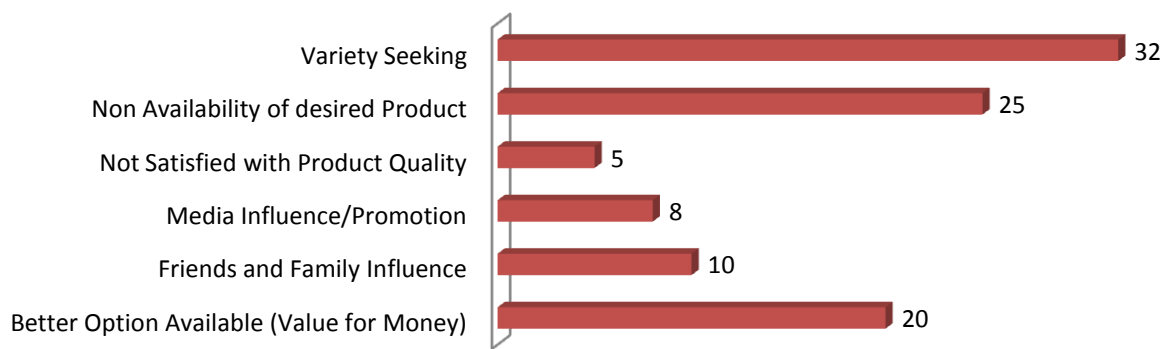
In figure 3, it can be inferred that in case of tea and toothpaste, more than 50% consumers are using the brand from more than 3 years. Except shampoo category, consumers are continuously using all other brands of HUL brands from more than one year.



In figure-4 it's shown that in case of bathing soap, tea and shampoo category, approx. 20% of the respondents are having variety seeking buying behavior (always keep changing) while more than 40% are showing habitual buying behaviours while in

bathing soap and fabric soap category, approx. 10 % consumers are depicting variety seeking buying behavior while approx. 60% of the respondents are showing habitual buying behaviours.

Figure:5: Reason of Brand Switching



Out of those consumers who shifted from HUL to another brand, 32 % shows variety seeking buying behaviours while 25% of the brand switchers are due to non-availability of the desired brand at the store. Only 5% respondents switch due to dissatisfaction of the HUL brand. So it is very much clear that in case of FMCG category, brand loyalty is very difficult especially in case of rural areas where people are more price conscious.

Brand Loyalty

Brand loyalty is the positive feelings towards a brand and dedication to purchase same product or service repeatedly now and in future from the same brand, regardless of a competitor's actions or changes in environment. Table 4 shows several critical factors playing important role during buying decision and brand selection of FMCG goods among rural consumers of Alwar and Jaipur district

Table-4: Factors Playing Important Role During Buying Decision and Brand Selection of Selected H.U.L. Products

S.No	Product Attribute	Lux/Lifebuoy		Rin/Wheel		Pepsodent/Close-up		Clinic/Sunsilk		Taaza/Taj Mahal	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Product Quality	178	94	168	88	158	83	156	82	168	88
2	Fragrance	82	43	56	29	50	26	70	37	56	29
3	Color	22	12	30	16	34	18	22	12	30	16
4	Brand Image	10	5	10	5	8	4	6	3	8	4
5	Affordable Price	164	86	156	82	80	42	146	77	134	71
6	Discounts	56	29	58	31	68	36	54	28	42	22
7	Advertisements	16	8	10	5	14	7	12	6	18	9
8	Availability	92	48	92	48	86	45	82	43	100	53
9	Design and Packaging	4	2	6	3	12	6	6	3	10	5
10	Brand Ambassador	4	2	2	1	8	4	12	6	2	1
11	Friends and family	24	13	28	15	12	6	6	3	26	14
12	Dealer's Opinion	92	48	58	31	50	26	54	28	134	71

Source: Compiled from questionnaire –SPSS Output

In the third research objective, an attempt has been made to identify, the critical factors that plays important role in buying decision towards selected H.U.L. products, and from Table 4, It can be concluded that, majority of rural respondents are looking for good/better quality of products at lower

price i.e value for money. Rural consumers are price conscious customers so they usually go for better quality product at average market price or lower price. Role of branding is also important factor as rural people prefer to purchase branded products in most of the product categories studied by the researcher.

As per the view of the retailers, most of the consumers prefer branded products which are available in small sized packaging and involved in regular sales promotion activities like extra quantity at

regular price or any free sachet along with regular product. Opinion of dealer and other reference group also have an impact on purchase decision of the rural consumer.

Table-5: Descriptive Statistics for Consumer Attitude towards the Brand Loyalty

S.No	Statement	N	Mean	SD
1	This Brand has good reputation among customers.	190	4.20	0.87
2	Stick to the same brand from more than last 3 years.	190	3.95	0.90
3	I always enjoy using this brand and I am very satisfied with my decision.	190	3.78	0.83
4	I always say positive things about my brand.	190	3.74	0.75
5	I always buy my choose my brand and never purchase another brand if not available	190	4.07	1.05
6	I am Hard Core Loyal to this brand.	190	3.97	0.87
7	I would recommend my main brand to other people.	190	2.97	1.07

Table-5 clearly shows that the main reason for the consumers to purchase the brand is its good reputation with highest mean value of 4.20, followed by the view that they prefer to go to another shop if their desired brand is not available with a particular store with mean value of 4.07, they stick with the same brand for more than 3 years with mean value of 3.95, they consider them Hard Core loyal with mean value of 3.97 and they enjoy using the brand with mean value of 3.78 towards the respondent attitude of brand loyalty. The consumer is brand-conscious, but not necessarily brand-loyal, and might even pick up a reliable private label if it offers good price and quality values (as trends depicts in case of tea where consumer in rural area prefer local brand/loose tea).

Major Findings of the Study

In toilet soap, washing Soap and tooth paste category more than 90% of the respondents are very well aware and satisfied with HUL products. In toilet soap category more than 65% of the respondents are using the brand Lux/Life-buoy from more than past 3 years while washing soap and tooth paste category mostly respondents are using current HUL Products from 1 to 3 years. Yet 50 % of the total respondents are not brand loyal as they may switch to another product if they get better value for money deal in all these three categories. Awareness level is little bit low in case of hair shampoo and tea category (approx. 80% are Aware) yet more than 90% of current users are very satisfied with the HUL product. More than 50% consumers show variety seeking buying behaviours in this category in Alwar and Jaipur District.

From the study it can also be concluded that rural consumers are aware with available brands and satisfied with their current purchase, yet seeking for a better value deal i.e. better quality at lower price.

Conclusion

The consumers' perception towards brand loyalty of the FMCG product is analyzed awareness, knowledge, attitude of the brand, satisfaction and brand trust of the consumers. The reasons for variation in the degree of brand loyalty are an important area of study in the vast understanding of consumer behavior. These differences in brand loyalty are affected by demographic factors and studying the significance of demographic factors in determining brand loyalty may help the marketers in redesigning the marketing strategy to increase brand loyalty for

their products which has several benefits to the marketers and the organizations. It is also evident that in case of FMCG products, rural customers are evolving towards a broader notion of value provided by the products that involves aspects of price with utility, aesthetics and characteristics, and not just low prices. FMCG brand like HUL try to address value requirements of the rural customers with an expectation to build a loyal customer base which can reap them above economic return in long run.

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Endnotes

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