

“Impact of Branding Strategies on Consumer Buying Behavior in FMCD Industry”

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Abstract: Consumer Buying Behaviour is of utmost importance with the increasing value being given to the consumers and their needs. Branding is one such aspect which also affects the consumers buying behavior thus also influencing the opinions and perceptions of the consumers. Marketing has become more of a customer oriented activity. This customer orientation has given rise to increased value being given to the brand strategies which would satisfy the consumers by providing the brand that they desire for

Brand is thus the link between the business and its consumers. A business might get the patent rights for the brand but the consumers are the one who will define the brand by experiencing it. Marketing problem enhancing from the consumers' behaviour has a greater degree of similarity behavioural problems relating to the consumer durables.

The consumer behaviour in relating to consumer durables is strongly affected by some economic, social, cultural and psychological factors; the present research has been selected for an intensive empirical survey of the various factors influencing the buyer's behaviour on consumer durables

Being the study explanatory as well as descriptive in nature, findings have been made through survey analysis which consisted of 200 consumers in the market. The questionnaire is designed to know about the Impact of Branding strategies on Consumer buying behavior as far as the FMCD industry is concerned.. Findings have also been made theoretical in to provide an in-depth analysis into the way different consumers' decision-making processes is affected by the branding strategies. It has been found that a n effective branding strategy leaves a lasting impression in the minds of the consumer and helping them to make the correct choice.

Keywords: Branding Strategies, Consumer buying behavior, Fast Moving Consumer Durables industry.

I. Introduction

Brand is a specific or unique idea ,any image or any specific name of any product or service with which the consumers can connect very easily .A strong brand is very relevant from the point of view of a company's growth.

Branding thus becomes a process of using that unique idea , name ,image to make your product distinct from others. It helps to identify ones' product or services .Thus in the minds of consumers ,a brand becomes a promise ,that promise which will fulfill the needs of the consumers. Thus branding from a company's or business' point of view is “what you are”

As the battle for consumer is intensifying day by day, creation of a branding strategy has become important to gain more consumer loyalty. This has been seen in the FMCD industry as well where the brand's name and the concerned company's growth is dependent on these branding strategies which influences the consumer .A branding strategy thus helps a product or service to get established in the market.

In order to select the best branding strategy, the owner of the business or the marketers have to study the consumer by understanding the following aspects:

- The psychology of the consumers and how they make decision between depending on their needs and brand awareness.
- The study of how the distributors make their decision to implement the best branding strategy for their product or service. (e.g., culture, family, signs, media)
- How the consumers' decision making is affected by various branding strategies.
- What is the extent of suitability of the branding strategy on the concerned product or service.
- How the marketer tries to reach out the consumer effectively.

The consumer durables sector is marked by stiff competition between market players to launch newer models and versions of products, discounts and schemes. The key players in the consumer durables sector are MNCs like LG, Samsung, Blue Star, Daikin, Hitachi, Sony, etc. LG and Samsung account for the largest shares of the market, and it is estimated that India's share in their global revenues will increase to a large extent.

The consumer durables market is divided into two segments – consumer electronics, also known as the brown goods (television, digital camera, audio-video systems, computers, electronic accessories, etc) and consumer appliances or the white goods (air conditioners, refrigerators, microwave ovens, other household appliances, etc.).

Objectives

- 1) To identify the various branding strategies and their impact on the consumers’ decision to purchase Fast Moving Consumer Durables.
- 2) To determine how consumer buying behavior gets influenced by various factors that influence their perception.
- 3) To study the post purchase behaviour of consumers of selected consumer durables

II. Literature Review

Marketers are the ones who try to satisfy their customers by providing them with the relevant and useful brands which can satisfy the consumers’ expectations and makes them happy

Researchers in marketing have studied most areas of consumer behavior and found out that we have a consumer driven society where the ultimate motive of the marketers is to satisfy the need of the consumers including the impact of how they make their decisions using keeping in mind the various factors or benefits that the brand can provide to them.. Therefore marketers focus on the basic constructs accepted today in the study of buying behavior.

Venkateshwar and Rao (2000) have focused on tracing and identifying the elements in consumer decision-making; the research has studied 200 urban workingwomen belonging to different occupation, educational and income groups. Study observed television as a major source of information, for 65.5% consumers. While group forces affects 50% respondents. Surprisingly 45%-employed women still feel radio as a source of information.

According to Schiffman & Kanuk, 2004, different views are considered for understanding consumer decision making process and behaviour. According to him first is ‘economic view’. According to this view point consumers are facing imperfect competition in the market and it is expected from the consumers that they have full knowledge about the products in the market and would make the decision rationally. They can rank the positivity and negativity about the different alternative in the market and select the best alternative out of all. ‘Passive View’. is totally opposite to economic view and according to this view consumers make irrational decision as they are very impatient and they easily get influenced by marketer promotional technique. Similarly according ‘Emotional View’ consumer make purchasing decision based on their emotional association or feeling about the products and services. And finally the most acknowledged view is ‘Cognitive View’ where consumers are ‘problem solver’ Consumer’s buying behaviour is based on information seeking and processing attributes usually directed by a goal.(Papers4you.com, 2006).

Despite all the above mentioned factors ,consumers are also very profound of what they are getting as brand and its value, popularly known as the brand value which unless and until can influence a consumer’s buying behaviour cannot carve a niche for itself in the present competitive era.

Batra & Kazmi (2004) asserts broader stages of a consumer’s decision making process that includes problem identification (feeling need of a new car), information search (on internet and showrooms), evaluation of alternatives (comparing brands, for instance’ on basis of repute and features), outlet selection and purchase (purchasing selected item) and post-purchase action (satisfaction or dissonance).

III. Research Methodology

Research methodology of this study consists of following procedures:

Research Design: Being the study descriptive as well as explanatory in nature, sampling, data collection, and its analysis has been done sequentially.

Source of Data: This study is mainly based on primary data collected through a survey using the questionnaire designed for this purpose to know about the Impact of Branding Strategies on Consumer buying behavior relating to the FMCD inustry. In addition to this secondary data has also been gathered from various sources like newspapers, journals, magazines,books and websites which would enhance and support the conclusions drawn..

Sampling:

Sample size: 200

Sampling unit: Individuals at different market places (consumers of consumer durable products)

Research Method: Study is based on sampling. Census method which could not be conducted due to the area constraint. Sampling would provide a generalized opinion of all the consumer groups on a whole

Consumer Buying Behavior and Branding

A branding strategy basically comprises of consistency, emotional connect, measurement and flexibility.

In its initial years, the sector relied greatly on media and advertising for consumer penetration. Liberalisation of markets in late 1990s saw the entry of global players like Samsung and LG and a shift in focus towards product innovation. Accessibility to high-end products was, however, low till mid 2000s. Last few years has seen high end and aspirational products like air conditioners and High Definition TVs gain stronghold in the market.

The industry size for consumer durables stands at approx Rs 350 billion . The sector rides and relies on the state of the country's economy. With household incomes in top 20 cities across India expected to grow at 10 percent annually over the next eight years, and concepts of easy loans, equated monthly instalment (EMI) charges, availability of credit, etc., become commonplace, the Indian consumer is likely to spend more on both utility and luxury consumer durable goods.

FMCD Industry –An Overview

The Consumer Durables industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines Instruments such as cellphones and kitchen appliances like microwave ovens are also included in this category. The sector has been witnessing significant growth in recent years, helped by several drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an overall increase in the level of affluence of a significant section of the population. The industry is represented by major international and local players such as BPL, Videocon, Voltas, Blue Star, MIRC Electronics, Titan, Whirlpool, etc.

Trends Favoring the Growth of the Consumer Durables Industry

The key trends that impact the Indian Consumer Durables Industry today can be a variety of multifaceted factors. These are discussed separately in the following sections. These trends, over time have gone through various changes but they do remain the key factors which determine the growth of any consumer durable.

Increasing Share of Organised Retail

The urban and rural markets in India are growing at an annual rate of 7 to 10 per cent and 25 per cent respectively. One of the key enablers of this growth has been the increasing penetration of organised retail. While there are established distribution networks in both rural and urban India, the presence of well-known brands and organized sector is increasing .At present around 96 percent of the more than 5 million retail premises of all types in India are smaller than 50 sq mtrs. This situation is, however, transforming. Shopping malls are becoming increasingly common in Indian cities, and based on plans announced by key developers, a proliferation of new malls is expected over the next three years. Although many of the new malls would be much smaller than their western counterparts, Indian consumers will have a far larger number of attractive, comfortable, brand-conscious outlets in which to shop. As a result, the organised retail industry is expected to cover a market share of 15 to 18 per cent by. This will have a positive impact on the consumer durables industry, as organised retailing would not only streamline the supply chain, but also facilitate increased demand, especially for high-end and branded products

Narrowed Price Gap and Increased Affordability of Products

Advanced technology and increasing competition is narrowing the price gap between products in this sector, which has driven demand and enabled high growth. Products that were once beyond the reach of the middle class Indian are now affordable to many. Growth in demand for products, once considered luxuries, such as air-conditioners, washing machines and high end CTVs, is a reflection of this phenomenon.

Entry of Large Players Increasing Competition

With potential heavyweight retail stores like Croma, E Zone and Reliance Digital, the high end segment has been exposed to a new form of purchase, allowing the consumer to feel/experience the product in a suitable ambience (significant in decision-making). Part of the growth momentum in high-end segments of consumer electronics could be attributed to the competitive evolution of organised retail, stimulating the demand through exposure to high end shopping experiences.

Rupee Appreciation

Raw material cost constitutes more than 75 per cent of expenditure incurred by consumer durable manufacturers in India. The rapid appreciation of rupee vis-à-vis the US dollar in the recent times is expected to ease raw materials costs for Indian manufacturers and benefit those addressing the domestic market.

Income Growth and Structural Changes

Apart from steady growth in income of consumers, consumer financing has become a major driver in the consumer durables industry. In the case of more expensive consumer goods, such as refrigerators, washing machines, colour televisions and personal computers, retailers are marketing their goods more aggressively by providing easy financing options to the consumers by partnering with banks. While this is aimed at the lower and middle income groups, the higher income groups are also being attracted by opportunity.

Critical Success Factors for Manufacturers in the Sector

All key segments of the Indian consumer durables industry are growing and the industry offers an attractive investment option. Success would require players to address a few key factors, based on the industry drivers and trends.

Distribution and Service Network

As the market spreads out from saturated urban regions to low penetration rural areas and tier II/III towns, distribution network and brand recognition will continue to play ever more significant roles in determining market share and profitability. The market for consumer durables is moving towards a stage where it could soon be defined “as broad as it can be reached”. The central government plans of making electricity available for all will also open up immense opportunities for the consumer durables segment.

Product Technology

While the market is continuously expanding, there are several concerns that will have to be addressed while moving the focus towards tier III towns and rural areas. Total cost of ownership would be a key factor that would drive purchase in these regions. From an organised industry’s perspective, success would be determined by superiority of product technology, which could provide added benefits to the customer, for example; low power consumption, low service requirement and low cost of operation.

Brands (International):

Samsung, Soni, Nokia, Hyundai, Honda, Procter and Gamble etc.

Brands (Indian):

Philips, Microtek, Maruti, Hero, Tata, Havels, Bajaj etc

Different Types of Branding Strategies

A branding strategy helps establish a product within the market and to build a brand that will grow and mature in a saturated marketplace. Making smart branding decisions up front crucial since a company may have to live with the decision for a long time. The following are commonly used branding strategies:

Individual Branding

Each brand has a separate name, putting it into a de facto competition against other brands from the same company. Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumers’ perception of what business the company is in or diluting higher quality products.

Attitude Branding and Iconic Brands

This is the choice to represent a larger feeling, which is not necessarily connected with the product or consumption of the product at all. Some of the companies using this strategy are Nike, Starbucks etc. Brands whose value to consumers come primarily from having identity value are said to be “identity brands”. Some brands have such a strong identity that they become iconic brands such as Apple, Harley Davidson etc

Derived Brands

Some suppliers of the key components may wish to guarantee its own position by promoting that component as a brand in its own right. For ex-Intel positions itself in the PC market with the slogan and sticker.

Brand Extension and Brand Dilution

The existing strong brand name can be used as a vehicle for new or modified products. For ex- many fashion and designer companies extended brands into fragrances, shoes, accessories, furnitures and hotels. Frequently, the product is no different that what is already on the market, except it has a brand name marking. The risk of over extension is brand dilution, which is when the brand loses its brand associations with a market segment, product area or quality, price or cachet.

No-Brand Branding

Recently a number of companies have successfully pursued “no brand” strategies by creating packaging that imitates generic brand simplicity. “No Brand” branding may be construed as a type of branding as the product is made conspicuous through the absence of a brand name. “yellow cap” in Venezuela during the 1980s is a prime example of no brand strategy. It was simply recognized by the colour of the cap of this cleaning products company.

Multibrand Strategy

Alternatively in a very saturated market, a supplier can deliberately launch totally new brands in apparent competition with its own existing strong brand and often with identical product characteristics to soak up some of the share of the market. The rationale is that having 4 out of 10 brands in such a market will give a greater overall share than having one out of 10, Procter & Gamble is one of the leading example.

Private Labels.

Also called own brands, or store brands, these have become increasingly popular. Where the retailer has a particularly strong identity this own brand may be able to compete against even the strongest brand leaders, and may outperform those products which are doing well in the market. Individual and Organisational Brands These are types of branding that treat individuals and organizations as the products to be branded. Personal branding treats persons and their career as brands. Faith branding treats religious figures and organizations as brands.

Crowdsourcing Branding

These are the brands that are created by the people for the business, which is opposite to the traditional method where the business creates a brand. This type of method minimizes the risk of brand failure, since the people that might reject the brand in the traditional method are the ones who are participating in the branding process.

Nation Branding

This is a field of theory and practice which aims to measure, build and manage the reputation of countries. This strategy helps in maximizing the sales of the product or the service nationwide and also helps in promotion of the same.

The Product Brand Strategy

This strategy involves the assignment of a particular name to one and only one product as well as one exclusive positioning. This exclusive positioning helps the product or service to get an edge over the competitors and popularize the product.

The Line Brand Strategy

In this strategy the line responds to the concern of offering one coherent product under a single name by proposing many complimentary products. Many products use this branding strategy so as to make the entire product line popular and to leave a lasting impression on the minds of the consumers.

The Range Brand Strategy

Range brands bestow a single brand name and promote through a single promise a range of products belonging to the same area of performance. It promotes the entire range of a particular product or service and tries to create a brand image in the minds of the target consumers.

Umbrella Brand Strategy

The same brand supports several products in different markets. Each of them has its own advertising tools and develops its own communications. But all the products and service are covered under one umbrella like one roof with many variants of rooms.

Source Brand Strategy

This is identical to umbrella branding strategy except for one key point – the products are now named directly. Within the source brand strategy the family spirit dominates even if the offspring all have their own individual names and individual identities that can create a niche in the market.

Endorsing Brand Strategy

The endorsing brand gives its approval to a wide diversity of products grouped under product brands, line brands or range brands. This basically aims at the endorsement of the products or services by the marketer. The marketer can also get various celebrities to endorse the product which can give much popularity to the brand.

Multi manufacturer system

Multi brand name strategy is a system which utilizes numerous manufacturers for quite a few merchandise from the identical group. For example: Nokia generates smartphones with different brands like Nokia Lumia, Nokia N70, Nokia X3, etc. This method is generally utilized to give choices for purchasers who come from many backgrounds.

For anyone who is nevertheless confused of these methods, it can be much better so that you can request expert persons to locate the correct strategy to be executed within your business enterprise. A marketer never gives up applying these methods to seek out the most beneficial outcomes out of it.

All the above mentioned branding strategy are strengthening the process of making their brands quite popular among the target audience that they are looking forward to. These strategies are designed to target the audience of different age group and for different classes of the society.

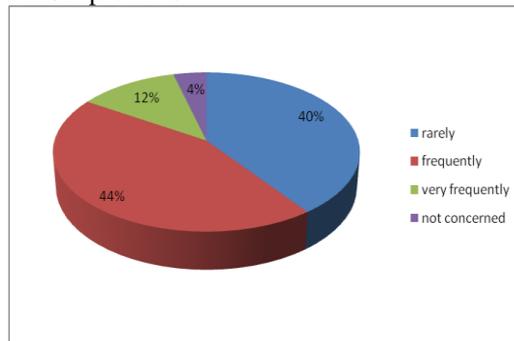
Various other strategies like Market Segmentation is also used in order to get a desired target market.

This is a marketing strategy that involves dividing a broad target market into subsets of consumers who have common needs and desires as well as common applications for the relevant goods and services.

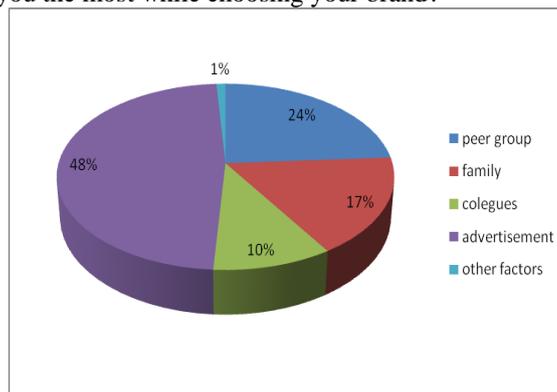
The different branding strategies are thus designed in order to develop a market segment and then use a concentrated targeting scheme to launch and sell their brands’ product and services and get desired outcomes.

Data Analysis and Interpretation

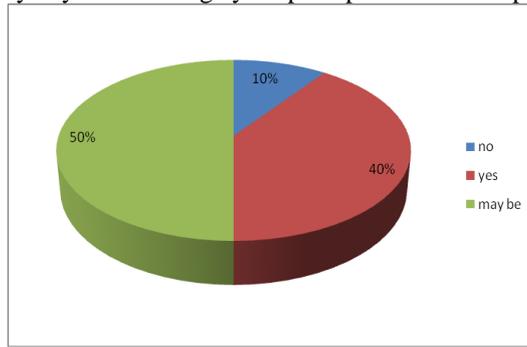
1) How often do you buy FMCD products?



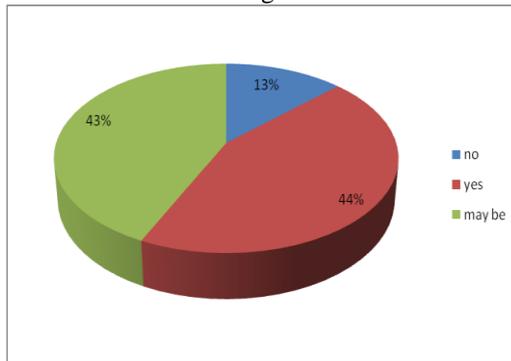
2) Which factor influences you the most while choosing your brand?



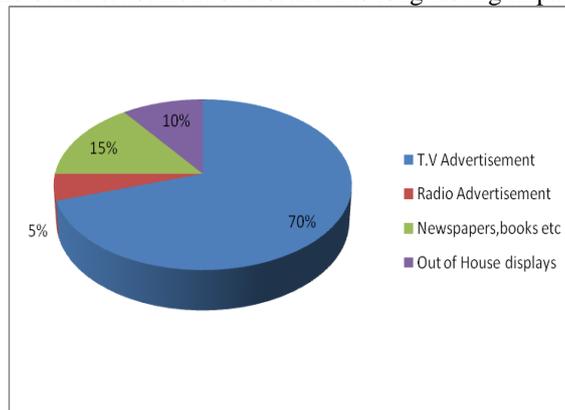
3. Do quality advertisements by any brand change your perception about the product?



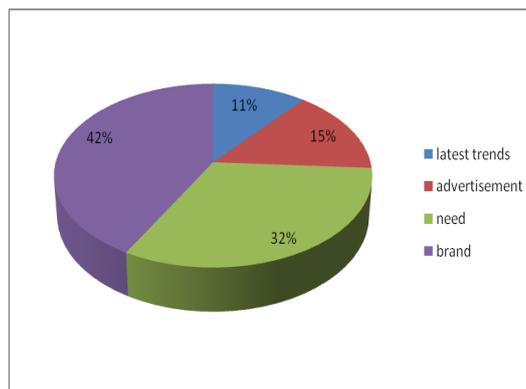
4. Do you buy any consumer durables after considering its brand?



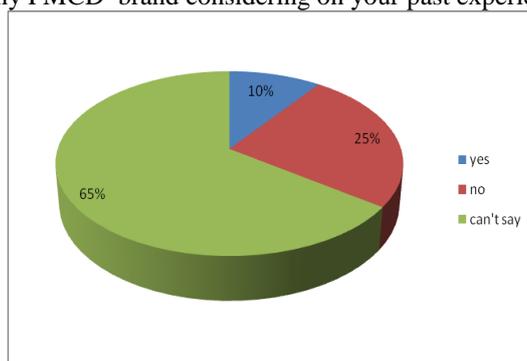
5. According to you what kind of advertisement of a brand has long lasting impact in terms of FMCD?



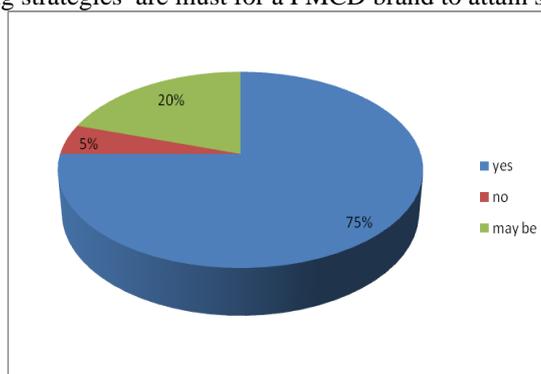
6. What determines your purchasing process in terms of durables?



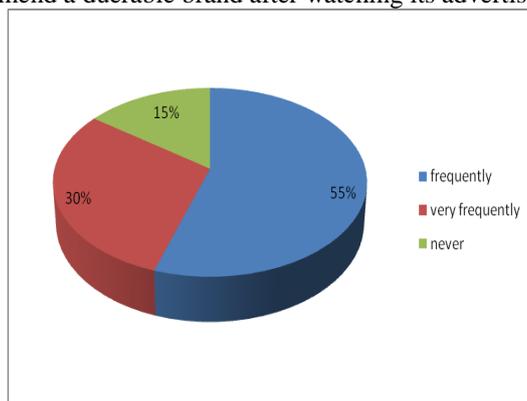
7. Do you recommend any FMCD brand considering on your past experience?



8. Do you think branding strategies are must for a FMCD brand to attain success?



9. How often you recommend a duerable brand after watching its advertisement?



IV. Conclusion

The consumer durables industry in India is set for sustained growth over the long term, fuelled by favourable consumer demographics, overall growth in services and industrial sectors and infrastructure development in suburban and rural areas. Several Indian and MNC players are looking to strengthen their presence in India to leverage this opportunity.

Success in the long-term will require firms to develop a wide and robust distribution network, differentiate their products in areas of relevance to the consumer and innovate in the areas of promotion, product financing, etc.

The product and approach to market need to be customised to suit the unique needs of the Indian market.

As per the analysis consumers tend to buy products of their trusted brand and affective branding do effect the consumers' purchasing tendencies. As we can see from the data analysis ,as far as the consumer durables industry is concerned, the branding strategy plays a vital role in their success and growth.

The study also provides an in depth knowledge about how frequently the consumers are into purchasing of Consumer Durables and different factors affect the consumers' behaviour to choose a particular brand.

Advertisements are the most important determinant for any consumer to decide amongst various brands. The findings also suggest that Television Advertisement play an important role as far as the decision to choose a brand and forming an opinion about its image is concerned as Television is the most easily available and understandable electronic media as far as the different parts of the country is concerned.

Also a word of mouth from various peer groups and family friends who can share their past experiences also result in deciding the best brands.

The sector is characterised by strong growth trends in all domains – from rise in affordability factor of Indian population, increased penetration and exponential growth of rural markets, policy support in terms of FDI, to large scale investment plans by corporate. The consumer durables sector is set for an upward graph with numerous opportunities for those involved in it.

Increased disposable incomes and greater accessibility to credit is growing the consumer base, especially in the middle and upper sections of the population.

Relaxation of tariffs and increased liberalisation amid a favourable FDI environment is leading to expansion in India, increased investments and greater R&D. Key players like Whirlpool, Hitachi, and Panasonic have also announced huge investment plans for India.

The usage of celebrity endorsements has been confirmed to result in more favorable advertisement ratings and positive product evolutions. Marketers have heavily relied on different forms of promotional activities like celebrity endorsement, because they believe in its positive impact of assisting in improvement of brand awareness, brand equity, and even financial returns. Besides returns on the financial aspect and brand awareness, using celebrities in advertisements can be a shortcut to assisting brands in gaining recognitions. All these efforts may be contributions in creating brand loyalty.

Market trends for the future

Estimates provided by Corporate Catalyst India (CCI) indicate that the consumer durables market is expected to double at 14.8 per cent to USD12.5 billion from USD6.3 billion. Further, demand from rural and semi-urban areas is expected to expand at a CAGR of 25 per cent to USD6.4 billion from USD2.1 billion in.

All major companies in this sector have elaborate expansion plans for the near future. Japan's Panasonic plans to invest USD208 million by 2014 by setting up manufacturing units and an advanced Research & Development centre. Samsung plans to invest USD94 million to expand capacity. Market leader LG has outlined around USD292 million for enhancing production capacity and strengthening its LG brand shop network by year end.

Recommendations

Consumer durables are characterized by high unit cost, long life and consequently low frequently of purchase. Hence, potential consumer is likely to seek more information and give more thought to the purchase of consumer durables than non durables where the risk is considerable less and decision does not entail much less even if a mistake is made.

Demand for consumer durables is more volatile since it moves rapidly or evaporates quickly in relation to business conditions. Marketers separate the current demand for durable goods in terms of replacement old products and expansion of the total stock demand for such goods.

Brand consciousness among the purchases of the consumer durables is an important trend found in the study. Consumers prefer high valued consumer durables of well established brands. The marketers and manufacturers of the consumer durables must try to convert the brand consciousness into brand loyalty for their well established brands. The consumer behavior in this direction should properly exploited by the manufacturers and dealers to maximize their sales

Regular checks and surveys should be made compulsory by the marketers in order to make their brands for consumer durables more consistent so that the consumers as well as the marketer can keep a track with the performance of the brand

Concessions in the price, price reductions, discounts sell, gifts, etc., have become common practices. These practices must be encouraged. The buyers of consumer durables should try to avail of these benefits, whenever they are available however, the buyers of such goods should not be lured mere by consciousness without considering the quality and performance aspects of these higher value products.

The buyers of the consumer durables should insist all the technical information on the use of durable products without any technical fault leading to frequent repairs, free servicing of the durables by dealers during the guarantee period insisted upon the buyers

Marketers of consumer durables must aim at building and maintaining consumer satisfaction, avoiding dissatisfaction. Post purchase evaluation no doubt is strictly concerning the buyers and the sellers. However other parties too get involved in case of the consumer decides to approach the outside intervention mechanism against product failure or dissatisfaction.

Improving product quality benefits can best be realized only when maintenance product quality is brought under marketing responsibilities. Therefore marketers should take steps to minimize the amount of consumer post purchase dissatisfaction, post purchase communications to buyers have been shown result in fewer product returns and order cancellations.

Innovation, creativity and generation of new ideas from time to time from the companys’ as well as marketers’ side for the brand should again be adopted so that the consumers can connect with them easily.

Another way in which the brand can create a positive impact on the consumer buying behavior is that the products (durables) can be under same brand internationally so the products can have equal brand value nationally and internationally as well.

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