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Measuring Customer Based brand equities of FMCGs in Indian Rural Markets-An Empirical Study

[1,]Mr. Jyoti Pradhan , [2,] Dr. Devi Prasad misra
[1,]Assistant Professor, Surana College, Bangalore, India
[2,]Professor, F.M. University, Vyasa vihar, Balasore, Odisha, India

ABSTRACT:

"If the businesses were split up, I would take the brands, trademarks, and goodwill, and you could have all the bricks and mortar and I would fare better than you".

–John Stuart[1]

Marketers of goods and services usually carry out market research on consumer's beliefs about attributes of competing brands in a product category. They mainly do the research to position the brand and to evaluate the efficiency and effectiveness of the marketing program. Brand equity is very important to marketers as this facilitates in the effectiveness of brand extensions and brand introductions. This is because consumers who trust and display loyalty toward a brand are willing to try to adopt brand extensions. While there have been methods to measure the financial value of brand equity, measurement of customer based brand equity was found to be in its nascent stage. Present research was conducted to measure customer based brand equity of FMCGs with emphasis on Soaps in Indian rural market. The customer based brand equity scale was developed based on the five underlying dimensions of brand experiences: brand awareness, brand recognition, brand trial, brand preference and brand loyalty. In this study researchers have considered brand trial to measure brand equity. The design of experiment selected was randomized block design and analyzed through technique of two-way ANOVA. It was found that with increase in prices of soaps the brand equity also increased with few exceptions.

KEYWORDS: *Brand, brand equity, CBBE, brand management*

I. INTRODUCTION

1.1 Brand, Brand elements and Branding

The American Marketing Association defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors." A brand is thus a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible-related to product performance of the brand. They may also be more symbolic, emotional or intangible-related to what the brand represents. Brands represent enormously valuable pieces of legal property, capable of influencing consumer behavior, being bought and sold, and providing the security of sustained future revenues to their owner. The value directly or indirectly accrued by these various benefits is often called brand equity (Kapferer, 2005; Keller, 2003).

Brand can be logically understood as follows:

Product + X= Brand

A brand is a product, which adds other dimensions that differentiate it in some way from other products designed to satisfy the same need (X).

1.1.1 Brand elements:

Brands typically are made up of various elements, such as, name, logo, tagline or catchphrase, graphics, shapes, colors, sounds, scents, tastes, movements, customer relationship management (www.wikipedia.org).

1.1.2 Branding

Branding is endowing the products and services with the power of a brand. Branding is all about creating differences. To brand a product it is necessary to teach consumers "who" the product is-by giving it a name and using other brand elements to help identify it- as well as "what" the product does and " why" consumers should care. Branding involve creating mental structure and helping the consumers organize their knowledge about the products and the services in a way that clarifies their decision making and, in the process,

[1] Former Chairman of Quaker Oats Ltd. (Dyson, Farr, Hollis 1996:9).

provides value to the firm. For branding strategies to be successful and brand value to be created, consumers must be convinced that there are meaningful differences among brands in the products or service categories. The key to branding is that consumers must not think that all brands in the category are the same (Kotler, Keller, Koshy, Jha 2007:255-56).

1.1.3 Brand management

Brand management is a communication function that includes analysis and planning on how that brand is positioned in the market, which target public the brand is targeted at, and maintaining a desired reputation of the brand. Developing a good relationship with target public is essential for brand management. Tangible elements of brand management include the product itself; look, price, the packaging, etc. The intangible elements are the experience that the consumer takes away from the brand, and also the relationship that they have with that brand.

1.2 Five stages of Brand Experience

Brand equity is typically the result of brand loyalty, and brand loyalty brings increased market share. In fact, there are five stages of brand experience that lead to positive brand equity:

1. Brand awareness: Consumers are aware of the brand.
2. Brand recognition: Consumers recognize the brand and know what it offers vis-à-vis competitors.
3. Brand trial: Consumers have tried the brand.
4. Brand preference: Consumers like the brand and become repeat purchasers. They begin to develop emotional connections with the brand.
5. Brand loyalty: Consumers demand the brand and will travel distances to find it. As loyalty increases so do emotional connections until there is no adequate substitute for the brand in the consumer's mind (Susan Gunelius).

1.3 Brand Equity-Concepts

"Brand equity is the value of a brand. From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use."

–American Marketing Association

"A set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers."

– David Aaker

"The tangible and intangible value that a brand provides positively or negatively to an organization, its products, its services, and it's bottom-line derived from consumer knowledge, perceptions, and experiences with the brand."

– Susan Gunelius

From the above definitions following elements of brand equity could be understood.

[1] Tangible and intangible value: Brand equity can be tangible value such as revenues and price premiums or intangible value such as awareness and goodwill.

[2] Positive or negative effects: The organization, products, services, and bottom line can benefit or suffer from brand equity.

[3] Consumer catalysts: Brands are built by consumers, not companies. Therefore, brand equity is built by consumers.

Brand equity is one of the most valuable assets that a firm can have, and brand equity measurement and management continue to be important areas of research in both academia and industry. Most of the extant research on brand equity has looked at the issue from the perspective of either the consumer or the firm. Brand equity research from a consumer's perspective usually involves collecting data on consumer mindset, measures of brand equity from the consumer through surveys or experiments, and using the data to assess the consumer's perceptions, feelings, and attitudes towards the brand. On the other hand, brand equity research from a firm's perspective generally involves the use of observed market data to assess the brand's financial value to the firm.

1.4 Need for building Brand Equity

The study of brands has been an active area of study for marketing researchers for many years, but the 1990s saw a shift towards how strong brands can be formed and cultivated (Fairdoth, Capella and Alford 2001). A strong brand helps the organization connect with customers and elicits a differential response from them. When customers develop a positive attitude towards a brand it leads to brand equity (Farquhar 1989). It is also possible that customers develop a negative attitude towards a brand; such a brand then leads to a decrease in the value endowed on a product. A brand that has a negative equity will not only fail but also hamper the option of brand extensions. This highlights the importance of managing brands to build a positive equity and providing leverage to the product with the brand name. Research also shows that brand equity, along with trust, consistently appears as the most influential factor in cultivating both behavioural and attitudinal loyalty (Taylor, Celuch, and Goodwin 2004). 'More and more companies are realizing that brand equity is one of their most valuable intangible assets (Liaogang, Chongyan, and Zi'an 2007). The benefits of building strong brand equity are as follows:

[1] Brand equity has a positive influence on market power (Farquhar 1989).
[2] It positively impacts consumers' willingness to pay price premiums (Keller 1993).
[3] It leads to 'higher efficiency and effectiveness of their marketing programs' (Bernick2005, Keller 2001).
[4] It positively impacts the company's market share (Baldauf et. al. 2003).
[5] It results in improved future profits and long-term cash flow (Srivastava and Shocker 1991, cited in Zeugner-Roth et. al. 2008).
[6] It can build brand loyalty, which in turn reduces marketing costs (Kayamanand Arsali 2007).
[7] It can deliver emotional safety, prestige, or other benefits that are important to consumers (Raggio and Leone 2007).
[8] It reduces the anticipated risk, enhances anticipated confidence in the brand purchase decision, and increases satisfaction with the brand (Broyles et. al. 2009).
[9] It leads to a sustainable competitive advantage (Bharadwaj et. al. 1993).
[10] It ultimately leads to marketing success for the brand (Ching and Ellis 2006).
[11] Strong brand equity can help in achieving success for new products launched as brand extensions (Pitta and Katsanis 1995).
[12] An understanding of brand equity and the sources of brand equity is a must for marketers, so that they can enhance their brand equity against competitor's brands (Myers 2003).

1.5 Brand Equity Models

A number of methods exist for measuring brand equity at the customer level including Advertising agency Young and Rubicam’s (Y&R) Brand Asset Valuator (BAV), Millward-Brown's Brand Z, Aaker’s Model, Brand Resonance model of Keller. For a better insight towards brand equity a brief discussion on Aaker and Keller’s model are discussed hereunder.

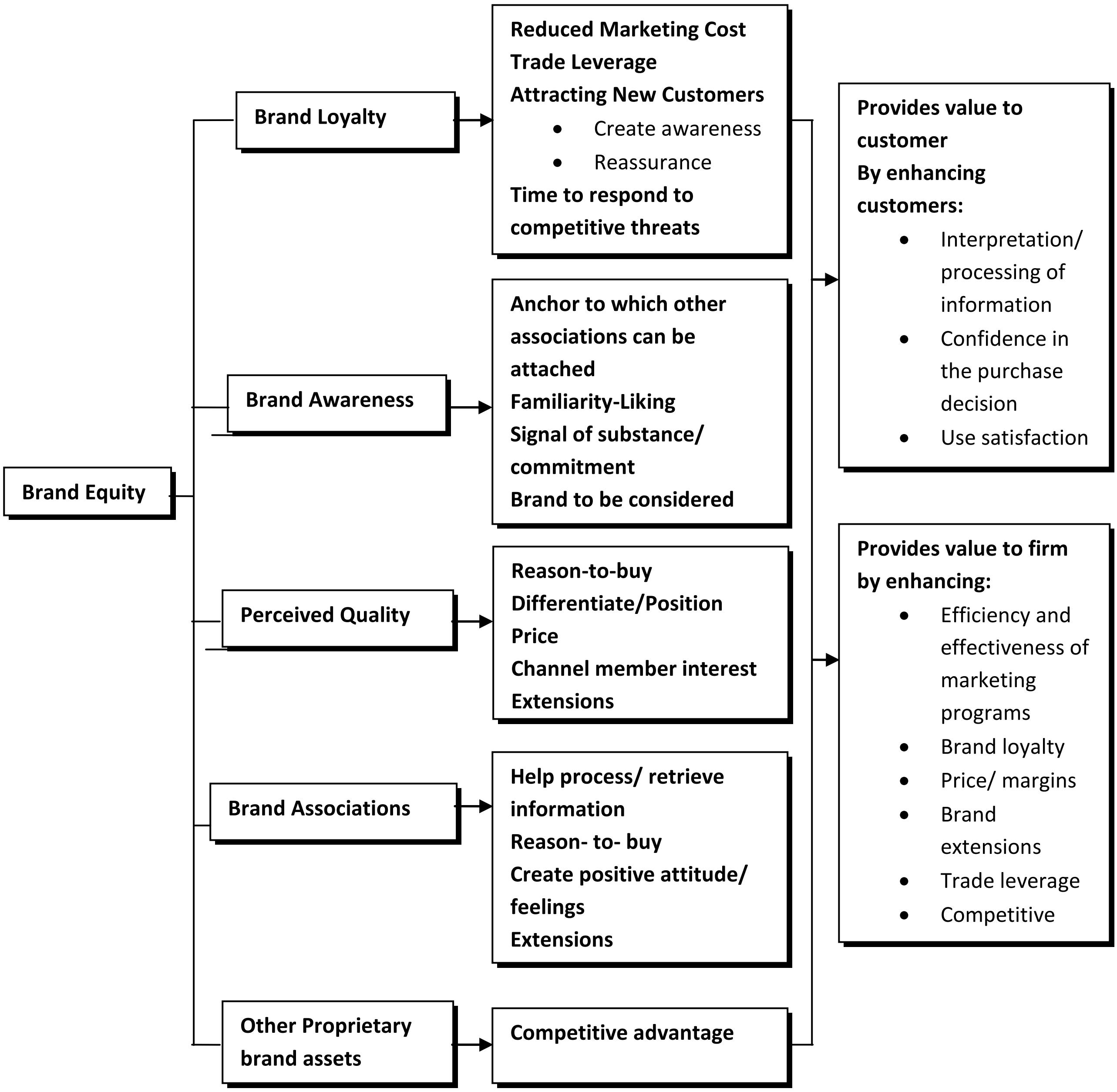
1.5.1 Aaker’s model.

Former UC-Berkeley marketing professor David Aaker (1996) views brand equity as a set of five categories of brand assets and liabilities linked to a brand that add to or subtract from the value provided by a product or service to a firm and/ or to that firm's customers. These categories of brand assets are: (1) brand loyalty, (2) brand awareness, (3) perceived quality (4) brand associations, and (5) other proprietary assets such as patents, trademarks and channel relationships (Kotler 2007).

[1] Brand loyalty. The strongest measure of a brand's value is the loyalty (repeat buying; word of mouth) that engenders among customers. Sometimes the loyalty is circumstantial: Repeat buying comes from a lack of reasonable alternatives. Circumstantial loyalty includes what is called proprietary assets (e.g., patents, copyrights, trademarks, control of an airport) that give a firm at least a temporary monopoly position (the impact of generic drugs when an ethical drug comes off patent suggests that much of the advantage is in fact circumstantial and hence temporary). In other situations, loyalty reflects an efficiency motive. The brand is good, so we automatically select it to minimize effort. Notice that an important special case of efficiency loyalty occurs when a customer relies on an "expert" (e.g., a dealer) to make the choice for her or him and the expert has a preferred alternative. In this case, loyalty is really channel-created loyalty.The strongest form of loyalty is attachment. In this case, the customer doggedly seeks out a product, often out of deference to its role in a previous situation (e.g., "they were there when I needed them") and sometimes in an almost ritualistic manner (e.g., stopping at a certain ice cream store as a rite of summer). This level of loyalty insulates a brand from competitive pressures such as advertising and price promotion and leads to higher margins and profits.
[2] Brand awareness. The simplest form of brand equity is familiarity. A familiar brand gives the customer a feeling of confidence (risk reduction), and hence it is more likely to be both considered and chosen. There is also convincing evidence that, on average, customers prefer brands with which they are familiar. Finally, choosing a known brand gives the customer a justification for the decision, an explanation for his or her actions. This justification also serves a social role, indicating that the person has bought something of value.
[3] Perceived quality. A known brand often conveys an aura of quality (good or bad). A quality association can be of the general halo type; e.g., Levi Strauss has an outstanding reputation both for its products and as a place to work. Associations can also be attribute or category specific: Gillette makes fine-quality razors; Apple produces user-friendly products, and Samsonite products last forever. In some cases, a brand becomes synonymous with a category (e.g., Xerox, Kleenex, FedEx). Further, a brand often has strong price associations

that influence quality perceptions (e.g., a K mart brand product is expected to be low in price and probably low in quality as well). Thus, strong quality associations exist for many products and brands.

Figure-1.1: Aaker's Model of Brand Equity



Source: David A. Aaker, 1996

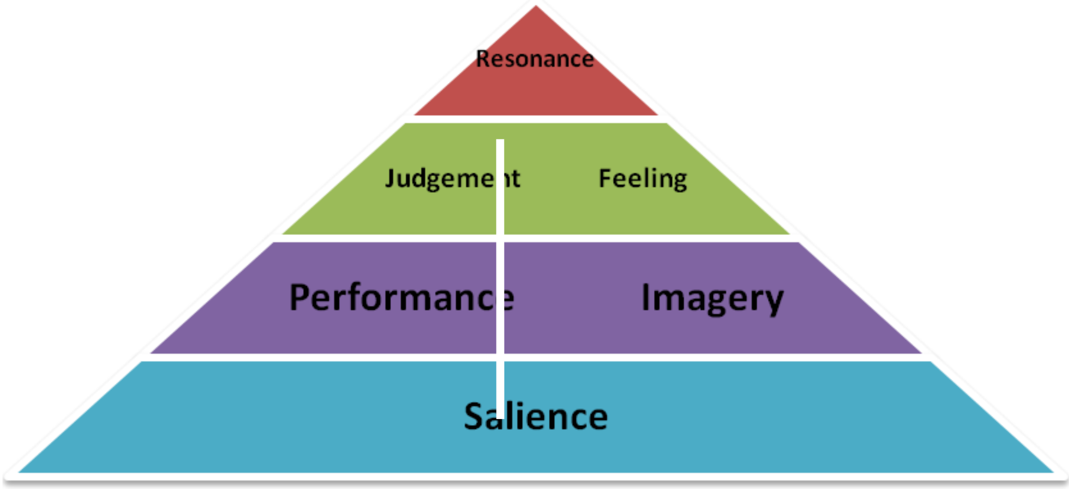
[4] Brand associations. While quality associations are very important, other, more subjective and emotional associations are also an important part of brand value. These include personal association; other associations are more emotional, relating to such lifestyle or personality characteristics as stability. Some strong associations may be with the customer or user of the product (e.g., white shirts and bald heads with business executives) or geographic region (e.g, country of origin for Japanese cars, Swiss watches). Taken together, these associations form a brand personality in that situations for which a brand is (and is not) suitable (Aaker, 1997).

[5] Other brand assets. Other assets, such as patents and trademarks, are clearly valuable. However, we exclude these from brand equity since they are tied to physical product or process and not to the brand per se (Lehmann and Winer, 2002:255-56).

1.5.2 Brand Resonance Model

The brand resonance model developed by Keller (2001) also views brand building as an ascending, sequential series of steps, from bottom to top: (1) ensuring identification of brand with customers and an association of the brand in customers' minds with a specific class or customer need; (2) firmly establishing the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations. (3) Eliciting the proper customer responses in terms of brand- related judgment and feelings, and (4) converting brand response to create an intense, active loyalty relationship between customers and the brand. According to this model, enacting the four steps involves establishing six "brand building blocks" with customers. These brand building blocks can be assembled in terms of a brand pyramid.

Figure-1.2: Brand Resonance Pyramid



Source: Kotler, Keller, Koshy, Jha 2007:261

The creation of significant brand equity involves reaching the top or pinnacle of the brand pyramid, and will occur only if the right building blocks are put into place.

a. Brand salience relates to how often and easily the brand is evoked under various purchase or consumption situations.
b. Brand performance relates to how the product or service meets customers' functional needs.
c. Brand imagery deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers' psychological or social needs.
d. Brand judgments focus on customers' own personal opinions and evaluations.
e. Brand feelings are customers' emotional responses and reactions with respect to the brand.
f. Brand resonance refers to the nature of the relationship that customers have with the brand and the extent to which customers feel that they are "in sync" with the brand.
Resonance is characterized in terms of the intensity or depth of the psychological bond customers have with the brand, as well as the level of activity engendered by this loyalty. Examples of brands with high resonance include Harley-Davidson, Apple, and eBay (Kotler, 2007: 260-61).

1.6 Measuring Brand Equity

Brand equity consists of two components- brand strength and brand value and to have an understanding how customers evaluate brand equity, we need to have an understanding of both these components (Lassar, Mittal, and Sharma 1995). We can measure brand equity in the following ways (Lassar et al. 1995; Ashill, and Gazley 2008):Brand value or financial performance: Brand value is the financial game accrued as a result of leveraging brand strength. The financial performance is calculated to see how profitable the company is. This includes the sector and regional analysis and the profitability of all its business units. Sector analysis includes the sector of which the brand is a part, for example, the retail sector, FMCG sector, etc. The regional analysis include the performance of the product category in a particular region. Both these parameters provide an understanding of the relative performance of the brand. That is the performance of the brand vis-à-vis the growth rate of the sectors and the regions.Brand Strength or customers based measures: Brand strength is the brand association in the minds of the customers. This analysis helps understanding what customers think about the brand in relation to competitor’s brand. As the study of the strength of the brand is done from the point of view of the customers, it can also be termed as customers based measure (Dutta 2012).

1.6.1 Customer Based Brand Equity (CBBE): CBBE as a method to calculate brand equity can be defined as the differential effect that brand knowledge has on consumer response to the marketing of that brand[2]. A brand is said to have positive Consumer based Brand equity when consumers react more favorably to a product and the way it is marketed when a brand is identified as compared to when it is not. A brand is said to have negative Consumer based Brand equity if consumers react less favorably to marketing activity for the brand under the same circumstances.There are three key ingredients of this definition. First, brand equity arises from differences in consumer's response. If no difference occurs, then the brand/product can essentially be classified as a commodity or generic version of the product. Competition would then probably be based on price. Second, the difference in response is a result of consumer's knowledge about the brand. Brand knowledge consists of all the thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brands. In particular, brands must create strong, favorable, and unique brand associations with customers, as has been the case with Volvo (safety), Hallmark (Caring), Harly-Davidson (Adventure). Third, the differential response by consumers that makes up brand equity is reflected in perceptions, preferences, and behavior related to all aspects of the marketing of a brand.

II. REVIEW OF LITERATURE

2.1 The Role of Brands

Brands identify the source or maker of a product and allow consumers-either individuals or organizations-to assign responsibility to a particular manufacturer or distributor. Consumers may evaluate the identical product differently depending on how it is branded. Consumers learn about brands through past experience with the product and its marketing program. They find out which brands satisfy their needs and which ones do not. As consumers' lives become more complicated, rushed, and time-starved, the ability of a brand to simplify decision making and reduce risk is invaluable. Brands also perform valuable functions for firms. First, they simplify product handling or tracing. Brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the products. The brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset. Brands can signal a certain level of quality so that satisfied buyers can easily choose the product again. Brand loyalty provides predictability and security of demand for the firm and creates barrier to entry that make it difficult for other firms to enter the market. Loyalty also can translate into willingness to pay a higher price, often 20 to 25 percent more. Although competitors may easily duplicate manufacturing processes and product designs, they cannot easily match lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience, in this sense branding can be seen as a powerful tool to secure a competitive advantage. To firms, brands thus represent enormously valuable piece of legal property that can influence consumer behavior, be bought and sold, and provide the security of sustained future revenues to their owner.

2.2 Components of Brand equity

The value of a brand and its equity is ultimately derived in the market place from the words and actions of consumers. Consumers decide with their purchases, based on whatever factors they deem important, which brands have more equity than other brands. Although the details of different approaches to conceptualize brand equity differ, they tend to share a common core. All definitions typically either implicitly or explicitly rely on brand knowledge structures in the minds of consumers, individuals or organizations as the source or foundation of brand equity. In other words, the real power of a brand is in the thoughts, feelings, images, beliefs, attitudes, experiences and so on that exist in the minds of consumers. This brand knowledge affects how consumers respond to products, prices, communications, channels and other marketing activity increasing or decreasing brand value in the process. Along these lines, formally, customer-based brand equity has been defined as the differential effect that consumer brand knowledge has on their response to brand marketing activity (Keller, 2003).Brand knowledge is not the facts about the brand, it is all the thoughts, feelings, perceptions, images, experiences, and so on that becomes linked to the brand in the minds of consumers. All of these types of information can be thought of in terms of a set of associations to the brand in consumer memory. Accordingly, brand knowledge can be viewed in terms of an associative network memory model as a network of nodes and links where the brand can be thought of as being a node in memory with a variety of different types of associations potentially linked to it although (Janiszewski & van Osselaer, 2000).

Two important components of brand knowledge are brand awareness and brand image. Brand awareness is related to the strength of the brand node or trace in memory as reflected by consumers' ability to recall or recognize the brand under different conditions. Brand awareness can be characterized by depth and breadth. The

[2] London, UK, Keller, *Strategic Brand Management*

depth of brand awareness relates to the likelihood that the brand can be recognized or recalled. The breadth of brand awareness relates to the variety of purchase and consumption situations in which the brand comes to mind.Brand image is defined as consumer perceptions of and preferences for a brand, as reflected by the various types of brand associations held in consumers' memory. These associations range along a number of different dimensions, such as their strength, positivity, uniqueness, and abstractness. Strong, favorable and unique brand associations are essential as sources of brand equity to drive consumer behavior.To capture differences in brand knowledge structures, a number of hierarchy of effects models have been put forth by consumer researchers through the years (e.g., AIDA, for Awareness-Interest-Desire-Action). Customer mindset or knowledge can be largely captured by five dimensions that have emerged from prior research that form a hierarchy or chain, from bottom to top as follows:

i. Brand awareness: The extent and ease to which customers recall and recognize the brand and can identify the products and services with which it is associated.

ii. Brand associations: The strength, favorability, and uniqueness of perceived attributes and benefits for the brand, encompassing tangible and intangible product or service considerations.

iii. Brand attitudes: Overall evaluation of the brand in terms of its quality and the satisfaction it generates.

iv. Brand attachment and loyalty: How loyal the customer feels toward the brand.

v. Brand activity: The extent to which customers purchase and use the brand, talk to others about the brand, seek out brand information, promotions, and events, and so on.

There is an obvious hierarchy in the dimensions of value: Awareness supports associations, which drives attitudes that lead to attachment and activity. Brand value is created at this stage when customers have: 1) a high level of awareness; 2) strong, favorable, and unique brand associations; 3) positive brand attitudes; 4) intense brand attachment and loyalty; and 5) a high degree of brand activity (Keller 2003).

2.3 Brand Equity Measurement

Since the concept of brand equity gained widespread attention in the 1980s, many different methods of defining and measuring brand equity were advocated, however, many of which lack a common ground. This phenomenon is not surprising, because depending on the nature of the product and the market, firms may have different brand management objectives, and no single method of conceptualizing and measuring brand equity may be applicable to all brands. There is a general agreement, however, that brand equity can be defined and measured in terms of the marketing effects or outcomes that can be uniquely attributed to a brand relative to the effects or outcomes for the same product had it not been identified by that brand (Keller 2003). Other than a few notable exceptions (e.g. Srinivasan, Park, and Chang 2004; Kim et al. 2003), the extant literature on brand equity measurement typically approach the problem exclusively from either the perspective of the consumer or the firm. Keller and Lehmann (2003) divide brand equity measures into three categories: customer mindset, product market outcome, and financial outcome measures.

2.3.1 Brand Equity from the Perspective of the Firm

Studies that measure brand equity from the perspective of the firm consider brand equity as the value of the brand to the firm and encompass most of the product market outcome and financial outcome measures of brand equity categorized by Keller and Lehmann (2003). Product outcome measures consist of market place performance indicators such as revenue, profit, or price premium, and they are usually calculated from observed market data (e.g. Holbrook 1992; Ailawadi, Lehmann, and Neslin 2003). When calculated as a premium measure, they are computed with respect to a base brand that can be a generic or private label brand, the industry average, or a competing national brand with a lower equity relative to the other brands in the market. Financial outcome measures consider the value that shareholders and firms place on the brand as a financial asset, and may include various performance indicators of the brand's or firm's value observed in financial markets. Important studies with this approach include Simon and Sullivan (1993) who use financial market data to calculate brand equity as a component of the residual market value of a firm after accounting for the firm's tangible assets, and Mahajan, Rao and Srivastava (1994), who assess the importance of brand equity under acquisition decisions.

2.3.2 Brand Equity from the Perspective of the Consumer

Customer mindset measures as defined by Keller and Lehmann (2003) include "everything that exists in the minds of customers with respect to a brand (e.g. thoughts, feelings, experiences, images, perceptions, beliefs, and attitudes)" and encompass a wide variety of both quantitative and qualitative measures of brand equity. Such measures of consumer-based brand equity have received considerable attention in both academia (e.g. Aaker 1991, 1996; Keller 1993, 2003; Erdem and Swait 1998; Swait, Erdem, Louviere, and Dubelaar 1993) as well as industry (e.g. Young and Rubicam's 'Brand Asset Valuator'; Total Research Corporation's 'Equitrend'; Landor Associates' 'Image Power'). For example, Keller (2003) and Keller and Lehmann (2003) suggest that customer mindset measures can be summarized by five key dimensions that include brand awareness, associations, attitudes, attachment, and activity. Aaker (1991) proposes a brand equity model which consists of the five mindset measures, they are: brand loyalty, brand awareness, perceived quality, brand associations and other proprietary brand assets (e.g. trademarks, patents, and channel relationships). In an empirical study that compares various consumer-mindset measures of brand equity, Agarwal and Rao (1996) find that most of the common measures (with the exception of unaided recall) as conceptualized by Aaker (1991) and Keller (1993) have convergent validity and are hence appropriate measures of the brand equity construct.

According to a customer-based brand equity perspective, the indirect approach to measuring brand equity attempts to assess potential sources for brand equity by measuring consumer mindset or brand knowledge. The indirect approach is useful in identifying what aspects of the brand knowledge may potentially cause the differential response that creates brand equity in the market place. Because any one measure typically only captures one particular aspect of brand knowledge, multiple measures need to be employed to account for the multi-dimensional nature of brand knowledge: Brand awareness can be assessed through a variety of aided and unaided memory measures that can be applied to test brand recall and recognition; brand image can be assessed through a variety of qualitative and quantitative techniques.

III. RATIONALE OF THE STUDY

A brand is essentially a marketer’s promise to deliver predictable product or service performance. Understanding consumer brand knowledge is of paramount importance because it is the foundation of brand equity. Measuring brand equity of FMCGs in rural markets will certainly help the marketers upgrading their marketing program and other elements of branding to finally have better market share. This is the major drive for the present research. Fast Moving Consumer Goods (FMCGs) or consumables comprise all non-durable goods like toiletries, cosmetics, foods and beverages, footwear etc. These products are consumed quickly and purchased frequently. These products have a quick turnover and relatively low cost. FMCG products are those that get replaced within a year. According to NCAER survey, the rural market accounted for 53% of total consumption in the country in 1998-99. Francis Kanoi in 2002 puts the rural market size at Rs. 650 billion.

FMCG is a big industry in rural markets and it is an integral part of most of the households. This was the drive for choosing FMCG industry as a research area.

IV. OBJECTIVES OF THE STUDY

[1] To understand the concepts of brand, branding and brand equity.
[2] To measure the CBBE of FMCGs (soaps) in Indian rural markets.
[3]

V. HYPOTHESES

Hypotheses in respect of soap:
H0: The mean rating of soap is same for all nineteen soaps.
H1: The mean rating of soap is different for all nineteen soaps.
Hypotheses in respect of sub-division (location):
H0: The subdivision (location) of respondent has no effect on mean ratings for the soap.
H1: The subdivision (location) of respondent has effect on mean ratings for the soap.

VI. RESEARCH METHODOLOGY

The present research work is empirical in nature. It is based on primary data as well as secondary data. The secondary data was collected from several text books, journals, research papers, magazine, internet etc. The primary data was collected from one of the rural district Keonjhar of Odisha, India. Interview was used as data collection method.

6.1 Description of Sampling Region

The district of Keonjhar is the northernmost district of Odisha which borders Jharkhand. It is a rural a rural district, rich in mineral resources and about 30 percent of total area is covered with tracts of dense forests. But the district, in spite of its rich mineral and forest wealth, still remains economically backward. Most of the rural consumers rely on agriculture and allied activities for their livelihood. Even in the era of satellites, many a villagers are deprived of news papers, televisions and other sources of communications. Purchasing decisions for FMCGs are made mostly on reference group and information provided by retailers.

6.2 Sampling Plan

Administrative set-up of Keonjhar district consists of three subdivisions namely Keonjhar, Anandpur and Champua.The sample size for this investigation consisted of 285 (95 consumers from each subdivision). The non- random convenient sampling technique was used to select the sample for this investigation. To arrive at the list of nineteen soaps (refer annexure-1) two retailers each from three subdivisions (Keonnjhar, Anandpur and Champua) of Keonjhar district were chosen. An exhaustive list of available soaps was prepared to measure the brand equity. The consumer were asked to rate the soaps on a 10 point scale (1-Not liked the soap at all, and 10-Most preferred soap).

6.3 Data analysis Techniques

Brand trial is one of the important stages of brand experience. The beliefs and feelings of the consumers about the brand after using it influence brand rating. The same rating was used as indicator of brand equity in present research. In the study, descriptive and statistical tools were used to analyze the data. Two hypotheses were tested by doing two-way ANOVA with randomized block design. For this purpose researchers have taken the variable ‘rating’ as dependent variable and ‘Soap’ as factor (independent variable), the subdivision (location) as block. SPSS version 20.0 was used for data analysis.

6.4 Limitations of the Study

The present research is confined to only one rural district of Odisha. Only soaps were taken for the study but not the other FMCGs. The reference period for the study was from August, 2013 to November, 2013. The results of research were derived from the analysis of response and personal observation of respondents.

VII. DATA ANALYSIS AND INTERPRETATION

Estimated Marginal means

Table-7.1: Estimated marginal means of soaps

Sl. No.	Soap Brands	Mean	Std. Error	95% Confidence Interval	
				Lower Bound	Upper Bound
1	Breeze	2.933	.251	2.439	3.428
2	Nima	4.600	.251	4.106	5.094
3	Godrej No. 1	3.000	.251	2.506	3.494
4	Superia	5.600	.251	5.106	6.094
5	Lifebuoy	5.867	.251	5.372	6.361
6	Vivel	5.667	.251	5.172	6.161
7	Rexona	6.200	.251	5.706	6.694
8	Lux	6.933	.251	6.439	7.428
9	Hamam	6.867	.251	6.372	7.361
10	Santoor	5.867	.251	5.372	6.361
11	Margo	8.533	.251	8.039	9.028
12	Medimix	7.533	.251	7.039	8.028
13	Fiama Di Wills	7.733	.251	7.239	8.228
14	Dettol	8.800	.251	8.306	9.294
15	Cinthol	8.733	.251	8.239	9.228
16	Liril	8.733	.251	8.239	9.228
17	Mysore Sandal	6.400	.251	5.906	6.894
18	Pears	9.600	.251	9.106	10.094
19	Dove	8.467	.251	7.972	8.961

- An increasing mean rating for soaps could be seen with increasing in prices with few exceptions.
- ‘Pears’ of HUL was found to have highest mean rating.
- ‘Breeze’ of HUL was found to have lowest mean ratings.

Hypotheses testing

Table-7.2: ANOVA test for different soap brands and different sub-division on brand equity

Tests of Between-Subjects Effects

Dependent Variable: Rating

Source		Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	Hypothesis	12948.214	1	12948.214	10138.025	.000
	Error	2.554	2	1.277[a]		
Soap	Hypothesis	985.186	18	54.733	200.127	.000
	Error	9.846	36	.273[b]		
Subdivision	Hypothesis	2.554	2	1.277	4.670	.016
	Error	9.846	36	.273[b]		
Soap * Subdivision	Hypothesis	9.846	36	.273	.290	1.000
	Error	215.200	228	.944[c]		

a. MS(Subdivision)
b. MS(Soap * Subdivision)
c. MS(Error)

- The significance of F-test for soaps was found to be 0.000 which is less than 0.05, so the first null hypothesis was rejected. This indicated that at a confidence level of 95 % mean rating given for nineteen brands of soaps are significantly different.
- The significance of F-test for subdivision (location) was found to be 0.260 which is more than 0.05, so the second null hypothesis is accepted. This indicated that at a confidence level of 95 % the subdivision (location) of respondent has no significant effect on mean ratings for the soap.

VIII. FINDINGS

[1] According to the study the mean rating of soap brands were found different for all nineteen soap brands.
[2] The subdivision (location) of respondent has no effect on mean ratings of the soap brand.
[3] 'Pears' brand of Hindustan Unilever Limited (HUL) was found to have highest brand equity.
[4] Breeze' of HUL was found to have lowest mean ratings or brand equity.
[5] 'Dove' was highest in the price table of selected soaps but had lesser brand equity than 'Pears' which ranks second in price list next to Dove.
[6] 'Mysore sandal' has unexpectedly lesser brand equity in rural markets.

Other Observations:

[1] Superia soap brand of ITC Ltd. was known to most of the people in the sampling region.
[2] Lifebuoy, Lux of HUL, Superia of ITC Ltd.,and Nima of Nirma are among selling soap brands.

IX. CONCLUSION

Brand equity can be measured indirectly, by measuring the potential sources of brand equity in terms of consumer brand knowledge, and directly, by measuring the different possible outcomes or manifestations of brand equity in terms of differential effects of marketing activity. Measuring sources of brand equity involves profiling consumer knowledge structures. There are many different ways to assess consumer knowledge and thus potential sources of brand equity. Although it is particularly important to capture the breadth and depth of awareness; the strength, favorability, and uniqueness of brand associations; the favorability of consumer responses; and the intensity and activity of consumer loyalty, other qualitative and quantitative measures should be employed. The brand equity measured in terms of rating of the soaps is an important input for marketers. Brand management requires a keen understanding of exactly how consumers think, feel, and act towards brands, for its success.

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ANNEXURE-1: List of the soap brands