A Comparative Study of Factors Influencing Brand Preferences of Grocery product – Consumer Perspective

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Abstract

India stands out as the fifth biggest retail industry in the globe. Grocery is the largest retail segments worldwide and it would be of academic as well as business interest to understand the buyer’s preference in the context of branded and unbranded grocery retail scenario. Brand management is essential for developing a best relationship with the target market. This study aim is to identify the factors influencing the consumer preferences towards local groceries and branded grocery retailing. The primary data was collected from over 300 respondents by using questionnaire based on simple random sampling method. The Primary data was collected and analyzed by using one way ANOVA and regression with the help of SPSS package. For the analysis of data, the factors considered were quality, price and satisfaction level of customer in products, service and other particular factors. The demographic profile of the consumer also influences the purchase, consumption, frequency of purchase and the like. The study results demonstrate the importance of price of the product, quantity differences, packaging, availability, convenience to the location and freshness. These consumers oriented marketing strategies need special managerial skills to draw the attention of all age group of consumers. The findings of the research shall be stated that the income, family size of the consumer and quality of the product influences the consumer’s purchasing behavior. Thus the study gives the opportunity to learn and make brief research about the grocery products in depth.

Key words: brand management, innovative products, consumer purchasing behaviour, marketing strategies.

INTRODUCTION

The Indian retail industry has progressed swiftly as one of the most developed segments due to the entry of many new competitors. The total expenditure on consumption is predicted to approach practically the mark of US$ 3,600 billion by 2020 from US$ 1,824 billion in 2017. It contributes nearly 10% of India’s gross domestic product (GDP) and about 8% of employment. India enjoys its position as the fifth largest destination in the retail market. The organized retail sector is rising at a very fast pace in India. The organized retail sector has to face the increasing tough competition day to day. The retail marketers find out various ways and methods to survive in today’s cut-throat competition. The consumer can buy the product directly from the retailer in majority of retail situations and not directly from the producer. However, manufacturers make their own arrangements through retail outlets in corporate channel. Retailers also act as resellers to offer many benefits to suppliers and consumers. The consumers are able to buy variety of products in small quantities at a reasonable price. Likewise, Suppliers get chance to attain their target market, create demand towards manufactured goods through promotional activity and feedback from the consumer. In earlier days, consumers purchase in small quantities of unbranded food items from retail...
market players. Brand management has become very essential to manage the marketing competitors. This ensure about obvious information about product differentiation, customer loyalty and consumer preference may show the greater market share. A brand, on the other hand, is "a name, symbol, design, or mark that enhances the value of a product beyond its functional value"."Generic / unbranded products are known to the consumers on the basis of their ingredients as they are plain packed". From customer point of view, brand explains the preference and chance to buy value of the products everyday and differentiate the producers’ brands.

**Statement of the Problem:**
The problem focuses and analyses the factor influencing the brand preference of grocery among different consumer varies according to their income level. The study is an attempt to find the buying preference of consumer for purchase of groceries across two different ways like in branded and unbranded groceries.

**Literature Review:**
The higher income group of consumers is preferred to select the global brands. Local brand items are accepted in terms of low income group of consumers. (Rajat Roy and Ryan Chau, (2011). The brand identity promotion is a beginning point in constituting a brand, so the companies should work as stated in general logic that brand equity forms. (Hongquan Li, Houzhong Jin and Guoying Yuan (2011). The research investigated about purchase attitude of consumers towards retailers in terms of categories items purchased, time spent on shopping, number of items bought, stores switching behaviour and store attribute. The study depicted that the present generation has more desire to visit organized retail outlets. (Ghosh and Tripathi (2010). The organized and unorganized retail market are compared from the point of consumers and the following factors are determining the unorganized retail features like price, quality, safety and space. (Gupta.M.K, 2011). The research shows that higher income group of consumers who have more brand awareness. (Verma, A.P. and Tiwari, K(2011) This research examines the buying alternatives in the direction of foreign and domestic recognized apparels. Above 50% of the respondents preferred foreign branded apparel. (Yin, H.S. and Susan, S.(2012). It was found that the most of the consumers prefer their convenience shopping at the market place. (Ali.J, 2010). This study had confirmed that the factors influencing the consumer behavior. The marketers help to identify and forecast the consumer buying behavior in the present scenario.(Anjali.B and Dr. Rajesh.k.Pandey (2017) This study aim is most of the retailers to improve their organic food products as a type which contains different variety of food items. (Dupupet, Valor and Labajo 2010). The result of this article explains that introduce the exchange offer and the purchaser will be eager to barter the product for hedonic purposes. (Park and Mowen 2007). This paper concluded that retailers should agree that how the marketing activities are done. The retailer personally contact with the consumers to market their products directly. (Boshoff.C, 2006). The researcher has concluded that equal quality is vital measure for consumers on purchasing both national brands and store brands (Veloutsou et al., 2004). “Price awareness is the measure by which consumers use price in its negative aspect as a decision-making criterion”. Consumers’ views of price are vital in the purchase attitude of consumers by the consumer contentment with store brand quality and performance is more important than contentment with a lesser price. (Miranda and Joshi, 2003). It has provided more evidence pointing and stating that value awareness is positively related to the preferences of consumers toward both store brands and national brands (Garretson et al., 2002). It has identified from consumers point of view, the consumer prefer their product quality above their expectations level (Sebastianelli and Tamimi, 2002). This research has concluded that, there is a positive correlation between
satisfaction and repeat-purchase. This concludes that contented consumers will be more faithful to the main store. The vital goal of almost every retailer is to have devoted and loyal consumers by (Szymanski and Henard, 2001). The eight factors of the product quality are performance, feature, reliability, conformance, durability, serviceability, aesthetics, and perceived quality (Burt, 2000).

Research Methodology:
The present research is descriptive in nature and Sample size of 300 respondents in and around kumbakonam area is considered for the study. Random sampling method was adopted and the primary data were collected through a standard Questionnaire from the consumers. Using SPSS version16.0, basic descriptive statistics along with reliability analysis, one way ANOVA and multiple regressions were used. The value of Cranach’s Alpha was found to be 0.810 for branded groceries and 0.813 for unbranded groceries which suggests that the data collected is reliable for further analysis.

H₀₁- There is no significant difference between demographic variables and preference of branded groceries.
H₀₂- There is no significant difference between demographic variables and preference of unbranded groceries.

Table 1
Relationship between demographic variables and the factors of consumer preference towards branded and unbranded groceries – One way ANOVA

<table>
<thead>
<tr>
<th>S.No</th>
<th>Demographic analysis</th>
<th>Preference of branded groceries</th>
<th>Preference of unbranded groceries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td>Sig 0.513</td>
<td>0.051</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>H₀ Accepted</td>
<td>H₀ Accepted</td>
</tr>
<tr>
<td>2</td>
<td>Occupation</td>
<td>Sig 0.103</td>
<td>0.050</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>H₀ Accepted</td>
<td>H₀ Accepted</td>
</tr>
<tr>
<td>3</td>
<td>Income</td>
<td>Sig 0.003</td>
<td>0.015</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>H₀ Rejected</td>
<td>H₀ Rejected</td>
</tr>
<tr>
<td>4</td>
<td>Amount spent for grocery purchase</td>
<td>Sig 0.045</td>
<td>0.026</td>
</tr>
<tr>
<td></td>
<td>Result</td>
<td>H₀ Rejected</td>
<td>H₀ Rejected</td>
</tr>
</tbody>
</table>

Source: primary data.

From the above table depicts that, the relationship between demographic variables and preference of branded and unbranded groceries. It is identified that there is no significant difference found in the demographic variables as age, occupation in both branded and unbranded groceries. There is significant difference between income and amount spent for grocery purchase of the respondents in both branded and unbranded groceries. The purchasing power of the consumers depends upon their income level. As well as income level change their consumer preferences or choice of purchase also changes, consumer with high income level prefer branded things more than consumers with low income level. The consumer with low or middle income level prefer only basic thing as branded but high income level consumer buy everything branded groceries.

In the gender classification, majority of them were female in both branded and unbranded groceries. In the age classification, 25% and 34% of the sample were from the age bracket of
30-39 years in both branded and unbranded groceries. In the marital status, it was observed that 71.3% and 65.3% of the respondents were female in both the branded and unbranded groceries. It is interesting to note that low level educational qualification of consumer preferred unbranded grocery and high level educational qualification of consumer preferred branded grocery. It was observed that most of the respondents in branded grocery (32%) were engaged in professional jobs and 34% of the respondents in unbranded grocery were engaged in homemaker. 28% of the respondents were belonging to the income group of Rs.40000-50000 in branded grocery and 38.7% of the respondents were belonging to the income group of Rs.10000-20000 in unbranded grocery. It was observed that 54.7% of the sample comprised of family size up to 3 members in branded grocery where as 46.7% of the sample comprised of family size 4-6 members in unbranded grocery. 34.7% and 33.3% of the respondents were spending Rs.1001-2000 and Rs.2001-3000 for monthly grocery expenses in branded and unbranded groceries. It is interesting to note that 28% of the respondents visiting the store from last one year for purchase the branded grocery. It was observed that 24% of the respondents visiting the store more than 3 years for purchase the unbranded grocery. 48% and 33% of the consumer preferred to purchase grocery on monthly basis. It is interesting to note that the consumer preference towards branded and unbranded groceries is not influenced by the age, occupation of the respondents. Based on income, amount spent for grocery purchase, family size of the respondents were highly influencing in choosing their branded or unbranded groceries.

In order to identify the preference of branded and unbranded groceries at consumer satisfaction level, the multiple regression lines were estimated to perform. The general form of the regression model for the present study is given below.

\[ Y = a + a_1x_1 + a_2x_2 + a_3x_3 + a_4x_4 + a_5x_5 \]

**Ho** - There is no significant impact found with consumer satisfaction and preference of branded groceries.

**H_{01}** - There is no significant impact found with consumer satisfaction and preference of unbranded groceries.

**Table 2- Relationship between customer satisfaction and factors influencing the consumer preferences towards branded groceries and unbranded groceries items - Regression analysis.**

<table>
<thead>
<tr>
<th>Categories</th>
<th>Size</th>
<th>Constant</th>
<th>Regression co-efficient</th>
<th>R square value</th>
<th>R value</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>x1</td>
<td>x2</td>
<td>x3</td>
<td>x4</td>
</tr>
<tr>
<td>branded</td>
<td>150</td>
<td>4.123</td>
<td>0.021*</td>
<td>0.042*</td>
<td>0.012*</td>
<td>0.402</td>
</tr>
<tr>
<td>unbranded</td>
<td>150</td>
<td>6.556</td>
<td>0.708</td>
<td>0.140</td>
<td>1.332</td>
<td>1.077</td>
</tr>
</tbody>
</table>

Source: Primary data

* = significant at 5% (If the sig. of t is less than 0.05 it indicates that the concerned variable is significant in the model)

Value R = .853 states that there is a high degree of relationship between consumer satisfaction and factors of consumer preference in branded groceries. R square value = .791 which means that the total variation in the dependent variable (five factors) which can be explained by the independent variable overall satisfaction by 79%. 

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Value \( R = .482 \) states that there is a high degree of relationship between consumer satisfaction and factors of consumer preference in unbranded groceries. \( R \) square value = .232 which means that the total variation in the dependent variable (five factors) which can be explained by the independent variable overall satisfaction by 23%.

Based on the product category like cleanliness, purchase convenience, discount and other factors also influencing the consumers to choose their grocery purchase regularly. It is found that there is a moderate degree of relationship between consumer satisfaction and the factors of consumer preference in both branded and unbranded groceries. It was observed that the consumer satisfaction level also influence the consumer to select the shop for grocery purchase repeatedly.

**Conclusion:**

To conclude, one does note a change in consumer preference while purchasing branded and unbranded groceries. The consumer feels the difference between the branded and unbranded groceries by cleanliness, Inspection stamp and certificate, availability of products, quality, weights of products, discount and purchase convenience. Moreover, the consumer and their preference are to be better understood in order to create a more consumer centric shopping experience. The study reveals that both branded and unbranded groceries are keeping their positions intact with regard to purchase of groceries. Branded items should be available in every place compared to the unbranded grocery items. Advertisement has a great impact to make buying decision of branded items to the consumer. So the advertisement of unbranded items should be telecast. Consumers are not aware about all branded grocery items are available in the market so the companies should adopt the promotional strategies to occupy space on the minds of consumer. As highlighted in the above study, these consumers are oriented marketing strategies need special managerial skills to draw up the attention of all age group of consumers. The findings of this research shall be stated that the income, family size of the consumer and quality of the product influences the consumer purchasing behavior. Thus the study gives the opportunity to learn and make brief research about grocery products in depth.

**References**