

METRICS AND MEASUREMENTS OF BIPOLAR BEHAVIOUR OF CONSUMER'S IN FMCG DOMAIN

Dr. K. S. Raghuram*

ABSTRACT

India is fast approaching towards the threshold of a retail revolution and witnessing fast changing retail scenario. India is the most preferred new destination for global retailers for their branded products likewise the domestic industry is competing with unbranded products along with its own brands. The industry is moving towards a modern concept of retailing. India's retail market is expected to grow at 7 per cent over the next 10 years, reaching a size of US\$ 850 billion by 2020. Such being the market potential with a tremendous degree of ramification of portfolio of products, consumers are posed with a plethora of products and merchandise, both in the unorganized and unorganized sectors into the umbrella of branded and unbranded categories. Consumers are exposed to variety of branded and unbranded goods and faced with the choice of plenty. This research was conducted with an objective of identifying the factors that lead to the consumer's acumen towards bipolar behavior in FMCG products portfolio. The study cuts across the relationship between the parameters like quality, pricing and packaging that eventually lead towards bipolarity of the consumer behavior. The outcome of the study was that, the consumer polarity is influenced by the pricing and the quality of the products but it is not influenced by the glamorous packaging of the branded and unbranded products.

Keywords: *Branded products, Bipolar, Consumer behavior, Pricing, Packaging, Quality, Unbranded products.*

*Visiting Faculty, Manipal University, IBMR, ISBR, Christ University, Bharatiya Vidya Bhavan

INTRODUCTION

Indian FMCG industry has touched revenues in excess of Rs 1 trillion plus during the last 2 years FY 11 and FY 12 and it accounts to nearly 2.2 % of the GDP of the country. As per CII report, if some of the factors play out favorably within an environment of enabling policy and easing of supply constraints, 17% growth may be expected over the next decade, leading to an overall industry size of Rs 6.2 trillion by 2020. Such being the potential of the industry and due to the fact of which there will be an increased intensity of demand among the branded and unbranded goods of National and international players entering the main fray.

Indian FMCG market is regarded as fourth largest sector with a total market size of US \$ 13.1 billion. Indian FMCG market is highly diverse and it comprises of both organized sector selling branded products and the unorganized sector selling unbranded stuff. One of the tangible reasons for the presence of both branded and unbranded products in Indian market is primarily low operational cost of production of goods and seconded by existence of well-defined marketing networks both in urban and rural areas. Other intangibles like changing life style and increasing propensity to spend have added to the mushrooming of products in the unbranded areas as well. By 2015, it is estimated that about 55% of the Indian population will be under 20 with higher disposable income to spend and with the widening up of the rural sector has prompted many players to play a vital role in the Indian FMCG Sector having a broad spectrum of branded and unbranded products and merchandise in its portfolio.

Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. The industry is migrating towards a modern concept of retailing. India's retail market is expected to grow at 7 per cent over the next 10 years, reaching a size of US\$ 850 billion by 2020. Such being the market potential with a lot of diversification of portfolio of products, consumers are posed with a plethora of products both in the unorganized and unorganized sector encompassing branded and unbranded categories. Given this dimension, the consumer is driven by various parameters that drive him towards the bipolar behavior of purchasing the goods.

REVIEW OF LITERATURE:

Desai and Talukdar(2003) examined how consumers behave towards an overall price image. They developed a product price saliency framework to examine this. They observed that high priced products with high frequency of purchases contribute more towards overall price image.

Baker et al. (2002) observed that various factors like physical design, packaging, significantly affects the consumers perception to purchase the product and likewise merchandise price merchandise quality also affect the purchases of the consumers. **Brown (1969)** highlighted the difference between consumers' perceptions of price levels of various products, showing that consumers may use non-price related cues like service offerings and quality levels to form their price perceptions. That consumers may not form valid perceptions of actual prices of the product is supported by **Dickson and Sawyer's (1990)** widely cited work, but consumers do develop some general price perceptions of products in a store, and can evaluate their expensiveness in relative terms (**Monroe and Lee 1999**).

Keller and Aaker (1992) proved that by taking "small steps," i.e., by launching a series of closely related but increasingly distant extensions, it is possible for a brand to ultimately enter product categories that would have been much more difficult, or perhaps even impossible, to have entered directly (**Dawar and Anderson 1994; and Jap 1993; Meyvis and Janiszewski 2004**).

McAlister and Pessemier (1982); Kahn and Wansink (2004), observed that the perception of assortment of brands and packaging sizes will have a greater impact on the consumers perception of the utility of the brand of the product.

OBJECTIVES OF THE STUDY:

1. To know the consumers acumen towards the quality of product in bipolar behavior.
2. To understand the impact of pricing on the bipolarity of customers.
3. To understand the packaging attractiveness towards the bipolar acumen in FMCG products.

STATEMENT OF HYPOTHESIS

1. H1. There is no differentiation in the quality of branded and unbranded goods.
2. H2. Product Pricing is the sole criteria in influencing the decision of going bipolar.
3. H3. Glamorous packaging enhances the affinity towards a particular brand.

RESEARCH METHODOLOGY AND SAMPLING TECHNIQUE

Survey method is used to collect the primary data for this investigation. The structured questionnaire was distributed to the customers visiting the FMCG stores and asked them to fill up. The sample size for this investigation was concentrated on 5 FMCG outlets in Bangalore. About 85 customers were asked to fill up the questionnaire. The random sample technique was used to sample for this study.

The data collected from the survey was entered into Microsoft Access. With the help of database queries, classification and grouping of data is done. The classified and grouped data was transferred to SPSS.15 version for statistical analysis. In this investigation, descriptive and statistical tools were used for data analysis. Karl Pearson Correlation is used for analysis of the collected data, while for testing the hypothesis f test (ANOVA table) was used.

ANALYSIS AND INTERPRETATIONS

Table 1:Karl Pearson Correlation of Bipolar behavior on Branded products.

		Quality	Pricing	Packaging
Quality	Pearson Correlation	1	0.362*	-0.460
	Sig. (2 tailed)		0.049	0.16
	N	82	82	82
Pricing	Pearson Correlation	0.362*	1	0.198
	Sig. (2 tailed)	0.049		0.175
	N	82	82	82
Packaging	Pearson Correlation	-0.460	0.198	1
	Sig. (2 tailed)	0.16	0.175	
	N	82	82	82

* Correlation is significant at 0.05 level (2 tailed).(Source: Survey)

The correlation between quality and pricing has a p value of 0.049 which is less than 0.05.

We can infer from this quality and pricing have a statistically significant correlation. This implies that better the quality, more likely is that the product is priced higher in case of a branded product.

The correlation between pricing and packaging has a p value of 0.175 which is greater than 0.05.

We can infer from this pricing and packaging haveno statistically significant correlation. This implies that better the packaging, it is not necessary the pricing needs to be high in case of a branded product.

The correlation between packaging and quality has a p value of 0.16 which is greater than 0.05.

We can infer from this packaging and quality have no statistically significant correlation. This implies that better the packaging does not infer that the product is of a better quality in case of a branded product.

Table 2:Karl Pearson Correlation of Bipolar behavior on unbranded products.

		Quality	Pricing	Packaging
Quality	Pearson Correlation	1	0.132*	-0.564
	Sig. (2 tailed)		0.021	0.741
	N	82	82	82
Pricing	Pearson Correlation	0.132*	1	0.320
	Sig. (2 tailed)	0.021		0.58
	N	82	82	82
Packaging	Pearson Correlation	-0.564	0.320	1
	Sig. (2 tailed)	0.741	0.58	
	N	82	82	82

* Correlation is significant at 0.05 level (2 tailed).(Source: Survey)

The correlation between quality and pricing has a p value of 0.021 which is less than 0.05.

We can infer from this quality and pricing have a statistically significant correlation. This implies that better the quality, more likely is that the product is priced higher in case of unbranded product.

The correlation between pricing and packaging has a p value of 0.58 which is greater than 0.05.

We can infer from this pricing and packaging have no statistically significant correlation. This implies that better the packaging, it is not necessary the pricing needs to be high in case of unbranded product.

The correlation between packaging and quality has a p value of 0.741 which is greater than 0.05.

We can infer from this packaging and quality have no statistically significant correlation. This implies that better the packaging does not infer that the product is of a better quality in case of unbranded product.

HYPOTHESIS TESTING

Anova test for quality and type of product.

Table 3: Analysis of differentiation on Quality of Branded versus Unbranded Products.

		Sum of Squares	Df	Mean Square	ANOVA-Table	
					F-value	Sig. test (p-value)
Branded products	Between Groups	0.031	1	0.008	0.144	0.965*
	Within Groups	3.917	80	0.054		
	Total	3.948	81			
Unbranded products	Between Groups	0.508	1	0.127	0.488	0.745*
	Within Groups	18.479	80	0.260		
	Total	18.987	81			

Since the p value is > 0.05 , at 95% CI, the hypothesis H1 is rejected. This indicates that there is a differentiation in quality of branded versus unbranded products.

Anova test for pricing and type of product.

Table 4: Analysis of pricing on Branded versus Unbranded Products.

		Sum of Squares	Df	Mean Square	ANOVA-Table	
					F-value	Sig. test (p-value)
Branded products	Between Groups	1.761	4	0.440	2.732	0.036*
	Within Groups	11.437	71	0.161		
	Total	13.197	75			
Unbranded products	Between Groups	9.180	4	2.295	2.862	0.029*
	Within Groups	56.925	71	0.802		
	Total	66.105	75			

Since the p value is < 0.05 , at 95% CI, the hypothesis H2 is accepted. This indicates that pricing is the sole criteria for bipolar behavior of the customers.

Anova test for packaging and type of product.

Table 5: Analysis of packaging on Branded versus Unbranded Products.

		Sum of Squares	Df	Mean Square	ANOVA-Table	
					F-value	Sig. test (p-value)
Branded products	Between Groups	5.530	4	1.383	1.151	0.340*
	Within Groups	80.470	71	1.201		
	Total	86.00	75			
Unbranded products	Between Groups	4.393	4	1.098	3.464	0.418*
	Within Groups	22.828	71	0.317		
	Total	27.221	75			

Since the p value is > 0.05 , at 95% CI, the hypothesis H2 is rejected. This indicates that Packaging is not the criteria for bipolarity of the customers.

MAJOR FINDINGS

According to the study, it was observed that there is a significant relationship between the product quality and pricing of the branded products. This implies that a better quality of the product will have a pushing effect on the product pricing of the branded product.

Also the consumer's perceive no significant relationship between packaging and Quality in case of branded product. The inference from this is that, a better packaging need not push up the prices of the product and the pricing and packaging are independent of each other.

It was also observed that there is no significant relationship between packaging and Quality of the branded product. Consumers do not perceive that better packed product carries a better quality inside. This indicates that packaging and quality are independent in case of branded products.

The research also indicated that there is a significant relationship between quality and price in unbranded products. We can infer from this that quality and pricing are dependent on each other. The quality of the unbranded product determines the price of the unbranded product

We can also infer from the research that there is no significant relationship between packaging and pricing in unbranded products. The inference from this is that even in unbranded products, pricing and packaging are independent.

The research indicates that there is a significant relationship between the packaging and quality of the unbranded products. We can infer from this that a better packed product need

not command a better quality of unbranded product. Consumers perceive that packaging and quality of the unbranded product are independent factors.

CONCLUSION

This work is a driving factor for both the academicians and companies with greater insights into the bipolar behavior of the consumers towards product pricing, quality and packaging of branded and unbranded products. The work focused on the driving parameters that influence the consumer's bipolarity behavior towards branded and unbranded products. The study reveals that relationship of product price, quality and packaging of branded and unbranded products. The parameter that drives the consumer to behave indifferent towards branded and unbranded products is the price of the product. The packaging of the product does not deviate the bipolarity behavior of the consumer towards the brand. Quality is the driving force for the pricing and price is the sole criteria for influencing the decision to go bipolar. Glamorous packaging does not enhance the customer's affinity towards a branded product.

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