

**THE IMPORTANCE OF BRAND AWARENESS IN CONSUMERS' PURCHASE  
DECISION TOWARDS FMCG PRODUCTS IN SALEM CITY**

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**Abstract**

The article tries to find out the importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. One objective of this study is reached through proper methodology. Sample size is 730 in all obtained through quota sampling in Salem City. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.80 and 0.74. Various statistical tools employed were correlation and regression analyses were for data analysis. The study reveals that there is a relationship between brand awareness and purchase decision as well as brand awareness influences purchase decision. Throughout the research, the finding indicates that the brand awareness influencing consumer's purchase decision. Hence the researcher concluded that in order to create, maintain and expand own brand awareness, companies must understand the importance of growing and leveraging brands' aided and unaided awareness and act accordingly. Marketing integrated communication must be implemented, with special emphasis on advertising and customer relationship management, which play fundamental roles in this direction.

**Keywords:** Brand Awareness, Purchase Decision, Correlation, regression, quota sampling technique and FMCG products.

**Introduction**

The article tries to find out the importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. Brand awareness can be depicted into brand recognition (consumers' ability to confirm prior exposure to the brand when given the brand as cue) and brand recall (consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues).

Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set. Awareness also affects decisions about brands in the consideration set, even in the absence of

any brand associations in consumers' minds. In low involvement decision settings, a minimum level of brand awareness may be sufficient for the choice to be final. Awareness can also influence consumer decision making by affecting brand associations that form the brand image (Keller, 1998).

In the 90's the development of FMCG market was 15% yearly. But in 2000 the situation was reformed in the development of FMCG was trapped up and decreased for the four years down. Though the consumer's income increased widely and quick starting up the economic system assisted the consumer's to invest in new methods of expenses. A wide fall in interest levels caused consumer's demand on durables. The enticement of spending in new methods of expenses limited the customers to invest on FMCG.

## **Review of Literature**

### **Purchase Decision**

Rajeswari et al., (2014) carried out a Study on Consumer Behavior and Factors Influencing the Purchase Decision of Durable Goods in Salem District. 50 samples were taken from the study. Descriptive statistics was used and the study shows that majority 44% of the respondents were agreed with the factor of "Price" and "Quality", 42% of the respondents were agreed with the factor of "Offers/Discounts" and "Brand Image", 40% of the respondents was agreed with the factor of "Color", "Technical Features" and "Model / Design". 36% of the respondents were agreed with the factor of "Brand Preference" and "Celebrity". Concessions in the price, price reductions, discounts sell, gifts, etc., have become common practices. The buyers of consumer durables should try to avail these benefits, whenever they were 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.

Yuvraj Lahoti (2013) conducted a research on Communication Mix for Buyers Purchase Decision towards Consumer Durables in Rural Areas of Maharashtra State and sample sizes were 137 households. The sample size was calculated using standard statistical formula of sample size estimation. The sample size was calculated at 95% confidence interval with allowable error of 0.5. The collected ordinal preferential data was analyzed by using one way ANOVA and Kano analysis. The study shows that in rural areas the communication mix should be informative so that product features and usage information can be well accepted by the consumers and the purchases can be boosted.

Tobias Kowatsch (2013) had analyzed “Mobile Purchase Decision Support Systems for In-Store Shopping Environments.” The Purchase decision-making was influenced by product information available in online or in-store shopping environments. In online shopping environments, the use of decision support systems increases the value of product information as information becomes adoptive and thus more relevant to consumers’ information needs. The study indicates that perceived information influences product purchases and predicts usage intentions and store preferences of consumers. They discuss new business models for retail stores in which MP-DSSs satisfy both the information needs of consumers and the communication needs of retailers.

### **Brand Awareness**

Farquhar (1989) considers that building a strong brand within consumers’ minds means creating a positive brand evaluation, an accessible brand attitude, and a consistent brand image, the accessible brand attitude actually referring to what the others term as awareness.

Aaker (1991) approaches brand equity as a set of fundamental dimensions grouped into a complex system comprising mainly: brand awareness, brand perceived quality, brand loyalty and brand associations. He also suggests a “brand equity ten” model for assessing brand equity (Aaker, 1996), taking into consideration several factors among which brand awareness is fundamental.

The Authors (Laurent, Kapferer and Roussel, 1995) suggest three classical measures of brand awareness in a given product category: spontaneous (unaided) awareness (consumers are asked, without any prompting, to name the brands they know in the product category – in this case the unaided awareness of a brand is the percentage of interviewees indicating they know that brand), top of mind awareness (using the same question, the percentage of interviewees who name the brand first is considered) and, respectively, aided awareness (brand names are presented to interviewees – in this case the aided awareness of a brand is the percentage of interviewees who indicate they know that brand).

### **Research Methodology**

#### **Research Decision**

To obtain better answer to the research question, a proper research design is to be framed (Cooper & Schindler 2001; Davis & Cosenza 1988). Based on the framed hypotheses

of the research both descriptive and inferential statistics were adopted. Exploratory descriptive and casual designs are few research designs. This study is an exploratory type which tries to explore the importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city.

### **Objective of the study**

- The main objective of the study is found the importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city.

### **Hypothesis of the study**

- There is no relationship between brand awareness and purchase decision towards FMCG products.
- There is no influence of brand awareness on purchase decision towards FMCG products.

### **Scope of the Study**

Scope of the study is as follows

- The study is centered at Salem city only.
- Study is related only with FMCG products

### **Sampling Frame**

The sample size of the study is 730 in all. The Salem city FMCG product consumers alone come within the sample frame. The sampling technique used is Quota sampling around Salem. Questionnaire with 5 point scale is used. The reliability of the tool is 0.80 and 0.74. Correlation and Regression analysis are used for data analysis.

### **Period of the study**

The study was carried from the Salem city between the periods of July 2015 to Dec 2015.

**Analysis and Interpretation**

**Table 1 Correlation analysis showing relationship between Brand awareness and Purchase Decision**

Variables		Purchase Decision	Brand Awareness
Purchase Decision	Pearson Correlation	1	.421(**)
	Sig. (2-tailed)	.	.000
	N	730	730
Brand Awareness	Pearson Correlation	.421(**)	1
	Sig. (2-tailed)	.000	.
	N	730	730

Source: Primary Data

The Pearson correlation test was run on a sample of 730 consumers to know the relationship between Brand awareness and Purchase decision towards FMCG products.

**H<sub>0</sub>: There is no relationship between Brand awareness and Purchase decision towards FMCG products.**

**H<sub>A</sub>: There is no relationship between Brand awareness and Purchase decision towards FMCG products.**

Relationship between the variables Brand awareness and Purchase decision towards FMCG products shows r value is 0.421 and p value is 0.000. Hence p value is less than 0.01 and the hypothesis is rejected. It is concluded that there is significant relationship between the variables Brand awareness and Purchase decision towards FMCG products.

**Table 2 Regression analysis showing Influence of Brand Image on Purchase Intention**

**Model Summary**

R	R Square	Adjusted R Square	F	p
.503	.253	.252	246.277	.000

Source: Primary Data

**Coefficients**

Variable	B	SE	Beta	t	p
(Constant)	13.732	.935		14.691	.000
Brand Awareness	.453	.029	.503	15.693	.000

Dependent Variable: Purchase Decision      Source: Primary Data

The regression analysis has been carried a sample of 730 and data considering purchase decision as a dependent variable and independent variable as a brand awareness. The reaction of the consumers and effect of the brand awareness over purchase decision have been studied by the regression analysis.

**H<sub>0</sub>: There is no influence of brand awareness on purchase decision towards FMCG products.**

**H<sub>A</sub>: There is an influence of brand awareness on purchase decision towards FMCG products.**

The F value obtained for the analysis is 246.277 which are significant at one percent level. Hence the assumed regression model may be considered as a good fit. The value of R<sup>2</sup> is 0.253 and implies that 25.3% of purchase decision is influenced by the brand awareness.

Considering the significant individual regression coefficients, it is seen that the brand image (Beta – 0.503, t – 15.693, p – 0.000), hence the p value is 0.000 and the null hypothesis is rejected and significant at 1% level.

The analysis found that brand awareness is influenced on purchase decision towards FMCG products in Salem city.

### **Findings of the Study**

The correlation analysis has been carried a sample of 730 and data considering brand awareness and purchase decision towards importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. It is observed from the r value is 0.421, p value is 0.001. So the null hypothesis is rejected at 1% level of significance. It is establish that there is a positive relationship between brand awareness and purchase decision towards importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city.

The multiple regression analysis has been carried a sample of 730 and data considering brand awareness and purchase decision towards importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. The F value obtained for the analysis is 246.277 which are significant at one percent level. Hence the assumed regression model may be considered as a good fit. The value of  $R^2$  is 0.253 and implies that 25.3% of brand awareness and purchase decision towards importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. It is concluded that influence of brand awareness on purchase decision towards FMCG products in Salem city.

### **Conclusion**

The article tries to find out the importance of brand awareness in consumers' purchase decision towards FMCG products in Salem city. One objective of this study is reached through proper methodology. Sample size is 730 in all obtained through quota sampling in Salem City. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.80 and 0.74. Various statistical tools employed were correlation and regression analyses were for data analysis. The study reveals that there is a relationship between brand awareness and purchase decision as well as brand awareness influences purchase decision. Throughout the research, the finding indicates that the brand awareness influencing consumer's purchase decision. Hence the researcher concluded that in order to create, maintain and expand own brand awareness, companies must understand the importance of growing and leveraging brands' aided and unaided awareness and act

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