



## Local Brands v/s National Brands: Brand Quality Perception or Behavioral Intention

### KEYWORDS

Brand liking, Brand recall, Local brands, Rural market, Quality perception

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**ABSTRACT** 70% of India's population lives in 627000 villages in rural areas. As per the National Council for Applied Economic Research (NCAER) study, there are as many 'middle income and above' households in the rural areas as there are in the urban areas. At the highest income level there are 2.3 million urban households as against 1.6 million households in rural areas. According to NCAER projections, the number of middle & high income households in rural India is expected to grow 80 million to 111 million by 2007. In the state of Gujarat with a population of 62% with 18066 Villages, in the district of Mehsana lie 593 villages where television, radio and hoardings everything is seen. Yet people buy and use locally made products and loose products.

In this paper the researchers have tried to study the behavior behind using locally made brands, the awareness among the people about the brands, the brand recall, brand quality perception and also the brand liking. Where the urban markets have stagnated and the companies are rushing to rural areas then what is the behavioral intention behind buying locally made brands and loose products. The distribution system of the companies and also the technology has made it easier for rural people to have a feel of national brands. Yet the locally made brands rule the villages of Mehsana.

### Introduction

With the increase in the purchasing power of the rural consumers and the advent of technology in these areas has made the companies producing various products rush toward these untapped areas. Various studies have been made to understand the rural markets, the consumers, their consumption pattern and the various attributes which may attract the rural consumer to purchase a particular product. Not only the studies but also various media efforts have been made to capture the attention of rural consumers. Yet, there are villages in various parts of India where the national brands have not gained much attraction.

This paper revolves around the brand liking and recall of rural consumers in the villages of Mehsana district. As the villagers use the locally made brands and also the loose eatables, the researchers have tried to study the reasons for using these products though the national brands are easily available in the market.

### Literature Review

Madhulika (1985) conducted a study on inter-product variation on brand loyalty to find the association between household brand loyalty and the socio-economic variables, using three measures of brand loyalty such as brand loyalty factor score, share of purchases devoted to the favorite brands, and number of brands purchased during the study. It was concluded that the consumer behavior in relation to brand loyalty shows significant reactions across the product categories in the extent of loyalty displayed as in terms of related dimensions like shopping place preferences and assignment of decision-making roles in brand decision.

Surender (2004) undertook a research to evaluate the impact of advertising on both rural and urban consumers, in terms of improving the sales of products and the living standards of consumers, to analyze the differences between rural and urban consumers. The study examined different media habits of the rural and urban consumers with regard to the purchase of the selected Fast Moving Consumer Goods (FMCGs), and also examined the effectiveness and usefulness of advertising to the society in general, and the rural consumers in particular. Further, the study suggested measures for the effective use of advertisement in rural India.

Thus, it is clear from the above review of literature that there is no comprehensive study worth mentioning that was taken up with regard to the Indian consumer, in general, and rural consumer, in particular, in the area of FMCG consumption pattern.

The understanding of rural consumers, even after years of research, remains fractional and shallow. Gujarat has a vast geography and rural consumers are naturally scattered over a vast territory. As the rural villages are also marked by a great diversity in climate, religion, language, literacy level, customs, lifestyles and economic status, the consumers present a complex and odd group. Further, rural consumers in Mehsana are conservative in their outlook and take a longer time to take decisions. Their exposure to media is also good, yet people like to use the brands made in local villages.

### Findings on the measurements

#### Brand Liking

Brand liking terms with the liking towards a particular brand. The term brand liking does not match with the consumers of sample.

#### Brand Recall

Brand Recall is the extent to which a brand name is recalled as a member of a brand, product or service class.

In the case of the consumers in the sample area the consumers could not recall any name when they were provoked to think of the brand name which occurred in their minds with respect to tea, the children though remembered the names of the namkeen or snacks packets which they consumed. They generally consumed all the local brands because of the low prices and also the fancy names of the products.

#### Quality Perception

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. The respondents of the sample area do not link themselves with the national brands, for them the available products or rather the local brands are quality products.

### Analysis and Findings

#### 1) Tea

**Mediums of Brand Awareness**

**Table 1: Mediums through which brands are known to respondents**

Villages	Medium				
	T.V	Newspaper	Retailer	Others	Subtotal
Nani hirvani	15	8	23	4	50
Mandali	12	4	24	10	50
Vithoda	17	7	25	1	50
Panchha	8	12	24	6	50
Malekpur	13	10	19	8	50
Jaska	15	8	18	9	50
Chada	12	9	23	6	50
Rangpur	9	10	27	4	50
Kahoda	11	15	19	5	50
Chacharya	10	14	21	5	50
Total	122	97	223	58	500
%	24.40%	19.40%	44.60%	11.60%	

Source: Primary Data

As seen in table 1, respondents rely more on the retailers for the brand awareness. From the study conducted the researchers observed that 44.60% respondents are made aware of the selected brands from the retailers. Though television is also a prominent media in rural area, the brand awareness that can be credited to it is 24.40%.

**Brands used by the respondents**

From the study conducted it was found that, inspite of having national brands like Waghbakri, Mili, etc, 62% of the respondents [Table 2] still prefer local brands like Khodiyar, Mashai, etc. This shows their liking for the local brands.

**Table 2: Brands used by Respondents**

Villages	Brands used by respondents							Sub total
	Mashaikhi	Khodiyar	Patel ni Cha	Chaudhary Ni Cha	Avni	Wagh-Bakri	Mili	
Nani hirvani	8	10	7	5	12	2	6	50
Mandali	12	9	10	2	8	6	3	50
Vithoda	5	15	3	6	9	5	7	50
Panchha	7	8	4	7	10	8	6	50
Malekpur	10	12	10	4	8	1	5	50
Jaska	7	11	9	3	6	6	8	50
Chada	5	8	6	10	10	5	6	50
Rangpur	6	8	5	9	11	8	3	50
Kahoda	4	12	8	9	5	4	8	50
Chacharya	6	9	9	10	8	5	3	50
f	70	102	71	65	87	50	55	500
%	14.00	20.40	14.20	13.00	17.40	10.00	11.00	

Source: Primary Data

**Brand Recall**

The respondents were asked to recall the four brands which came to their mind. The results were very surprising as 76% [Table 3] of the respondents recalled national brands. The results in table 2 and table 3 are contradictory, in the sense that when it comes to usage respondents prefer local brands over the national brands.

**Table 3: Brand Recall by the respondents**

Brand Recall								
Villages	Mashaikhi	Khodiyar	Patel ni Cha	Chaudhary Ni Cha	Avni	Wagh-Bakri	Mili	Total
Mandali	5	3	4	2	3	18	15	50
Vithoda	6	4	3	3	4	17	13	50
Panchha	3	1	3	1	2	19	21	50
Malekpur	7	6	3	3	2	17	12	50
Jaska	3	3	5	4	4	20	11	50
Chada	3	5	3	1	2	19	17	50
Rangpur	2	1	2	3	1	22	19	50
Kahoda	2	1	2	1	3	21	20	50
Chacharya	3	2	4	1	1	19	20	50
Total	37	27	33	22	26	192	163	500
%	7.40%	5.40%	6.60%	4.40%	5.20%	38.40%	32.60%	

Source: Primary Data

**Reasons for using the Brands**

When the respondents were asked the reason for using particular brands most of them have shown price to be the major factor [Table 4]. The local brands are priced reasonably on the lower side compared to the national brands. The other factors like quantity and quality also scored on the higher side.

**Table 4: Reasons for using particular Brands**

villages	Quality	Quantity	Price	Availability	
Nani hirvani	10	13	18	9	50
Mandali	8	15	20	7	50
Vithoda	9	16	19	6	50
Panchha	11	14	21	4	50
Malekpur	10	10	18	12	50
Jaska	13	13	23	1	50
Chada	7	15	19	9	50
Rangpur	10	13	14	13	50
Kahoda	9	11	13	17	50
Chacharya	11	17	15	7	50
	98	137	180	85	500
	19.60%	27.40%	36.00%	17.00%	

Source: Primary Data

**2) Namkeen (snacks)**

The consumers of namkeen are mainly children unlike the urban markets were almost all age group people consume the ready to eat packets.

**Mediums of Brand Awareness**

Retailers and others (main influencers' children) are the prominent mediums of information to the buyers. As interpreted from table 5, 70.80% respondents are made aware of the brands from retailers and others.

**Table 5: Mediums through which brands are known to respondents**

Medium Villages	T.V	Newspaper	Retailer	Others	Total
Nani hirvani	5	4	18	23	50
Mandali	5	5	21	19	50
Vithoda	7	6	20	17	50
Panchha	6	4	18	22	50
Malekpur	11	9	15	15	50
Jaska	10	11	12	17	50
Chada	9	11	18	12	50
Rangpur	10	9	14	17	50
Kahoda	8	5	18	19	50
Chacharya	5	6	21	18	50
F	76	70	175	179	500
%	15.20%	14.00%	35.00%	35.80%	

Source: Primary Data

**Brands used by the respondents**

The local brands like Pinkoo, PPHG and Chaddi fadke are the prominent brands [69.40%] which are used by the respondents. The major users of these brands are children. The grown-ups do not consume namkeen in their routine lifestyle.

**Table 6: Brands frequently used by the respondents**

Namkin Brands frequently used by Villagers							
Villages	Pinkoo	PPHG*	Chaddi Fadke	Everest	Samrat	Balaji	Total
Nani hirvani	17	13	8	5	4	3	50
Mandali	12	14	11	4	3	6	50
Vithoda	10	13	12	3	5	7	50
Panchha	8	10	14	5	6	7	50
Malekpur	11	7	10	5	8	9	50
Jaska	16	13	9	3	5	4	50
Chada	9	14	11	6	3	7	50
Rangpur	19	6	8	7	4	6	50
Kahoda	17	13	8	4	6	2	50
Chacharya	14	10	10	5	3	8	50
F	133	113	101	47	47	59	500
%	26.60%	22.60%	20.20%	9.40%	9.40%	11.80%	

Source: Primary Data

\*PPHG= Pappu paas ho gaya

**Brand Recall**

**Table 7: Brand Recall by the respondents**

Brands Villages	Pinkoo	PPHG	Chaddi Fadke	Everest	Samrat	Balaji	Total
Nani hirvani	10	13	8	5	9	5	50
Mandali	11	9	4	8	8	10	50
Vithoda	6	7	5	9	10	13	50
Panchha	8	9	6	8	9	10	50
Malekpur	10	8	4	7	12	9	50
Jaska	9	7	11	6	10	7	50
Chada	5	7	4	9	12	13	50
Rangpur	8	9	12	4	7	10	50
Kahoda	7	2	8	9	13	11	50
Chacharya	9	6	10	4	11	10	50
F	83	77	72	69	101	98	500
%	16.60%	15.40%	14.40%	13.80%	20.20%	19.60%	

Source: Primary Data

As per Table 6 and Table 7 there is know drastic contradiction between the brand usage and brand recall. Most of the respondents recall the local and the nation brands equally, but the usage was more of the local brands [Table 6].

**Reasons for using Brands**

**Table 8: Reasons for using particular brand**

Usage Villages	Quality	Quantity	Price	Children Insistence	Availability	Total
Nani hirvani	6	7	10	13	14	50
Mandali	5	8	11	16	10	50
Vithoda	9	5	13	14	9	50
Panchha	5	7	12	16	10	50
Malekpur	6	8	10	14	12	50
Jaska	4	7	10	17	12	50
Chada	3	5	13	16	13	50
Rangpur	5	6	10	16	13	50
Kahoda	7	8	10	15	10	50
Chacharya	6	9	11	13	11	50
F	56	70	110	150	114	500
%	11.20%	14.00%	22.00%	30.00%	22.80%	

Source: Primary Data

The major factors that influence the consumption of particular brands of Namkeen are Children's Insistence, availability and price. The local brands have packets starting from Re.1/- viz-a-viz the other national brands have packets starting form the range of Rs. 5/- . Also the children are more attracted towards the fancy names that local brands bear. Even the retailers stock more of local products because of the high margins and also the easy availability of these brands.

**Conclusion**

The present study focuses on the usage of the local brand products by the rural consumers in the villages of Mehsana, wherein it was found that although the people are aware of the national brands, are not ready to change the brands. The price, availability, quantity, childrens' influence and the retailer are the major factors which influence their buying decisions.

The village consumption pattern with respect to the Namkeen (snacks) is such that the people above the age of 15 do not consume the processed food packets. The children who buy such products are attracted by the packet look and the local names given to the products. Also these local companies make their product available in small sizes worth Rs.1/- and Rs. 2/- . On the other hand the national brands are not available at such low price bands.

The prices of the tea packets differ immensely if the prices of the local and national brands are compared. The difference is almost Rs. 30/- to Rs. 40/- . The study was initially focused on the brand preferences and quality perception of the consumers but during the course of research it was found that the retailers do not stock the national brands. On deeper studies it was found that the retailers in this area stock only local brands of tea and namkeen because of the large margins and also the easy availability of the products

Retailers here preferred to have the stock at their doorstep which they were actually supported from the local brand makers. In the case of national brands the retailers need to travel to the nearby towns to purchase the stock and were deprived of the availability of the credit facilities.

The local players supply the stock on credit of one month which seems to be convinient for both the parties in the deal. The retailers although being aware of the national brands do not prefer to hoard the products.

**Annexure 1****List of villages of sample area**

Village	Population	No of Households	Nearest Town
Nani hirvani	1758	336	Kheralu
Mandali	4463	838	Kheralu
Vithoda	2870	585	Kheralu
Panchha	2474	450	Kheralu
Malekpur	4862	910	Kheralu
Jaska	6002	1213	Visnagar
Chada	2035	452	Kheralu
Rangpur	1617	335	Visnagar
Kahoda	6978	1442	Sidhpur
Chacharya	786	147	Kheralu

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