

Impact of Branding on Consumer Behaviour

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Abstract

Liberalization, globalization and privatization policies have not only improved the global position of the Indian economy but also affected the demographic trends, lifestyle and culture of the people by the various brands and its performance. The main objective of the study is to analyse the impact of branding on consumer behavior and its effect on the domestic industry. Brand holds a great importance in consumer's life. Consumer's choose brands and trust them the way they trust their friends and family members to avoid uncertainty and quality related issues. Fashion industry of the country has advanced tremendously in the recent years. The increasing use of fashion goods and the emerging market has attracted foreign as well as local brands to provide services to its customers. All data and result based on literature is collected from mainly books, journal, articles, and online material.

Key words: brand, consumer behavior, domestic industry.

Introduction

Liberalization, globalization and privatization policies have not only improved the global position of the Indian economy but also affected the demographic trends, lifestyle and culture of the people by the various brands and its performance. A brand item holds a great importance in consumer's life. Consumer's choose brands and trust them the way they trust their friends and family members to avoid uncertainty and quality related issues. Fashion industry of the country has advanced tremendously in the recent years. The increasing use of fashion goods and the emerging market has attracted foreign as well as local brands to provide services to its customers.

Consumer is the cause & purpose of all production and marketing activities. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. CB determines a firm's profitability. Further profitability is established into loyal customer. Companies that develop a fuller understanding of consumers will be better able to develop marketing strategies to meet their needs. . There are many factors or attributes of consumers effecting their view and decisions. In today's increasing competitive marketplace, Consumers differ in their perceptions; they would necessarily hold different images for any specific brand and often have to make a choice among a range of products or brands in the market that differ very little in its price or function. In such circumstances, their final decision depends on the image they associate with different brands.

The study attempts to analyze the impact of branded items on consumer behaviour and its effect on Indian domestic industries. The objectives of the study are as follows.

1. To analyse the factors affecting consumer behavior.
2. To analyse the impact of domestic industries with respect to foreign brands.
3. To study the effect of brands on consumer buying behavior.

This study is based on the secondary sources collected from various books, journals and on line materials.

Review of literature

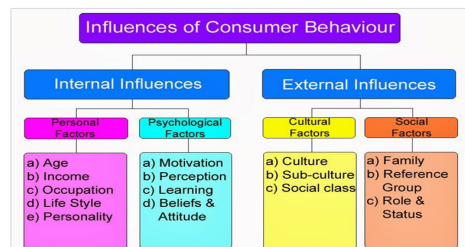
According to Kahle and Kim in the present day 's growing competitive market place, consumers have to make their choice between a variety of product or brands in the market that differ very small in its price or function. They argue that in such situations, their final decision depends on the image they relate with dissimilar brands. Additionally the authors express that the brand image has increased reputation as the feelings and images associated with brand and a well- known accepted brand image is one of the most important assets a firm possesses (Kahle and Kim, 2006).

Keller (1997) demonstrates that the brand image is essential in apparel purchase behaviour because it impacts consumers' preferences and purchase intentions as well as their willingness to pay a premium price and recommend the brand to others.

According to Gabbott and Hogg(1998) brand attitudes are defined as "consumers' overall evaluations of a brand" also they incorporate summary evaluations of information which represent how consumers feel in a long run, lying in a continuum from positive to negative. Keller (1993) also indicates that brand images are closely related to how favorably the brand is evaluated. According to Keller the higher the brand approach, the higher the brand image is and he points out that a positive overall brand attitude can be arranged if consumers believe that the brand has attributes that can satisfy their wants and as well as their needs.

Factors influencing the branded items.

There are various factors influencing the purchases of consumer these are, internal influences and external influences, costumer behaviour is influenced by the interaction of interpersonal influences such as cultures, subcultures, household structures, and groups that have an effect on the individual. In addition to that internal influences come from inside the consumer and they are the personal thoughts and feelings, including perception, self-concept, lifestyle, motivation, emotion, attitudes and intentions.



Price The price of products and services often influence whether consumers will purchase them, and what competition offering should be selected. Stores such as Wal-Mart, which is perceived to charge lowest price attract many consumers. For some offerings, higher prices may not deter purchase because consumers believe that, the products or services are higher quality or are more prestigious. However, many of today's value –conscious consumers may buy products merely on the basis of price than other attributes.

Promotion Advertising, sales promotion, sales people, and publicity can influence what consumers think about products, what emotions they experience in purchasing and using them, and what behaviours they perform including shopping in particular stores and purchasing specific brands. Marketing communication play a critical role in informing consumers about products and services, including where they can be purchased, and in creating favourable image and perceptions.

Place The marketer's strategy for distributing products can influence consumers in several ways. Products that are convenient to buy in a variety of stores increase the chances for consumers finding and buying them. When consumers are seeking low-involvement products, they are unlikely to

engage in extensive search. Therefore, availability becomes very important. Second, products sold in exclusive outlets, may be perceived by consumers as higher quality. In fact, one of the ways marketers create brand equity is by selling them in prestigious outlets. Third, offering products by non-store methods such as on the internet or in catalogues, can create consumer perceptions that the products are innovative, exclusive, or tailored for specific target market.

Consumer Decision making The consumer decision making process defines different steps when a consumer goes through to purchase a product. If customer wants to make a purchase he or she takes a sequence of steps in order to do complete this purchase. Problem recognition includes when consumer feel a significant difference between the current state and ideal so consumer thinks there is some problem to be solved. The problem may be small or big. In the second step, the consumer seeks information about the product. The extent of information search relies on the level of consumer involvement. In case of expensive products, the level of involvement is high. Conversely, in case of relatively cheap products the level of involvement is usually low. In the third step, the consumer evaluates the different attributes of the brands. Consumer may consider the product attributes and compare brand products. In the final step consumer makes his choice about a product.

Cultural factors Cultures, are the most basic cause of want and behavior, largely learned, cultural influences on buying behavior vary greatly. Cultural shifts to new market opportunities. Sub-cultural are group of people who share value system based on common life experiences and situations, nationalities, religions, racial groups, geographic locations. Social class Society's relative permanent and ordered divisions, Member share similar values, interests and behavior. Class is defined by a combination of occupation, income, education, wealth and other variables.

Social factors Membership groups, are persons belongs to, and has a direct influence on the person. Reference groups serve as point of comparison in forming attitudes or behavior. Does not require membership in a group, for example aspiration group is a group to which the persons wants to belong.

Opinion leaders are People in a reference group who because of some characteristics exert influence on others. Family most buying organization, interaction of family ties, women are getting jobs, men are making more buying decisions constantly, Role is activities people are expected to perform according to the persons around them and Status reflects the esteem given to role by society.

Personal factors Age and life-cycle stage Tastes in food, clothes, furniture and other are age related, family situation no longer directly age related. Occupation, Blue collar is more rugged clothes, white collar is more business suits. Economic situation Buying behavior affected by things like income, wealth and business cycle. Lifestyle AIO dimensions Activities like work, hobbies, shopping, sports, social events and also interests like food, fashion, family recreation and opinion about themselves, social issues, business, products. Personality is unique psychological characteristic that lead to relatively consistent and lasting responses to one own environment.

Psychological factors Motivation Motive (drive) need sufficiently pressing to direct the person to seek satisfaction many at the same time is biological and psychological, some needs are not strong enough to cause action (not motives) Freud's theory of motivation and Abraham Maslow's theories argues the hierarchy of needs from most to least pressing physiological, safety, social, esteem and self actualization. People always act on most pressing active need first.

Beliefs and attitudes Belief is descriptive thought that a person has about something – can be changed and Attitude is relative consistent evaluation, feelings, and tendencies towards an object or idea – difficult to change that should fit products into existing attitudes and not try to change them.

Other Factors influencing consumer buying behavior in branded goods The consumer can have many reasons of buying a special brand. The reasons can be rational, emotional or self-expressive or the three combined (Uggla, 2001). In comparison, Williams (2002) concluded that the criteria for brand/product choice may relate to either utilitarian criteria (objectives, economic, rational and functional) or hedonic criteria (subjective, emotional, irrational and symbolic.).

Social Status Social Status is an important concept to marketers, since consumers within each social stratum often have similar values, lifestyle, and buying behaviour. Thus, the various social class groups provide a natural basis for market segmentation. Consumers in the different social classes differ in the degree to which they use various products and services and their leisure activities. Advertisers often show how the benefits of their products help to perform certain roles. Most often, promotional messages suggest that, using the advertiser's product will help raise one's status in the eyes of others, while using a competitor's product may have a negative effect on state. Attitudes allow the individual to develop a coherent behavior against a class of similar objects or ideas. Beliefs as well as attitudes are generally well-anchored in the individual's mind and are difficult to change. For many people, their beliefs and attitudes are part of their personality and of who they are. However, it is important to understand, identify and analyze the positive attitudes and beliefs but also the negative ones that consumers can have on a brand or product.

Family The family is maybe the most influencing factor for an individual. It forms an environment of socialization in which an individual will evolve, shape his personality, acquire values. But also develop attitudes and opinions on various subjects such as politics, society, social relations or himself and his desires. But also on his consumer habits, his perception of brands and the products he buys. We all kept, for many of us and for some products and brands, the same buying habits and consumption patterns that the ones we had known in our family. Perceptions and family habits generally have a strong influence on the consumer buying behavior. People will tend to keep the same as those acquired with their families

Impact of Globalization on Domestic Institutions

No industry has escaped the impact of globalization. Some have been hit hard, for example; automobiles, chemicals, electronics, steel, textiles, and tires. Others, such as food and beverages, paper, pharmaceuticals, and industrial machinery and equipment, have fared better. An ongoing restructuring was put in motion as a result of the

globalization of markets. Downsizing, consolidation, and reconfiguration are common terms used to describe the current state of affairs in all industries. At the firm level, managers have come to recognize that constant productivity improvement is the only durable solution to remaining economically viable. Those companies that operate in global industries find that they must achieve "world class" status. This implies that they must have benchmark against the best of their competition, wherever they are located. Benchmarking refers to the process of identifying, learning, and implementing the best practices of world class organizations, " Practices in various areas of company activity are targeted: order filling, customer service, manufacturing processes, and human resource management. Managers study the best practices of leading companies, not necessarily those in the same line of business, and then try to implement them in their own organizations. There are now consortia of firms who agree to facilitate benchmarking studies at each other's facilities. The new realities of the global marketplace have prompted business organizations to be constantly in search of enhanced productivity and new sources of competitive advantage.

Why do people prefer branded products? Whalley, A (2010), Companies invest millions in the development and protection of their brands, they do so because branded products have distinct advantages over nonbranded ones, and this is akin to differentiated versus generic product positioning. A strong brand is now seen as a key to commercial success by providing advantages. Whilst the below mentioned are the advantages there are others and the exact mix of advantages will depend on the context of the brand-product-market environment on a case by case basis. It will also depend on the investment made in building-up a brand; in order to be strong and benefit from the above advantages a brand has to be crafted, designed and invested in. it is not enough just to attach a name and logo to a product and as with products unless they are developed and adopted, brands tends to decline over time. They must be nurtured and carefully managed or they become unfit. The following are the advantages of brands.

High brand equity The basis of brand equity lies in the relationship that develops between a consumer and the company selling the product or service under the brand name. A consumer who prefers a particular brand basically agrees to select that brand over others based primarily on his or her perception of the brand and her value. Thus a well known brand adds the value to a product both from the customer perspective and from the companies. Indeed brands may be the most valuable assets that a company has, a quick examination of major international business balance sheets will show that their brand equity, usually shown as intangible goodwill is often over fifty percent of their assets value, and in some cases such as coca-cola is over seventy percent over their value- far in excess of their tangible assets. Increased product awareness Clearly it is crucial that potential customers should be aware of a product; it is the first stage on their journey to buying it. one the key roles of advertising is to built that awareness and an easily recognized brands makes that task much more achievable. Product and packaging design play key roles here as well by making the product more visible and reinforcing the brands values. Premium pricing and reduced susceptibility to price wars A good brand name helps a firm to achieve a premium price for its products. Think of the differences in the price of trainers. The well known brands like Nike and Reebok can charge much more for their products than lesser known brands. ing it already has a reputation). The strength of the customer's relationship with a brand is central to that brands growth. The relationship is normally between the customer and the brand, rather than between the customer and the brands owner who may even be a company that the customer has never held off. There are many big companies who own many brands which do not bear their owners name. For example, Diageo is the owner of a large number of drinks brands (Smirnoff, Baileys, Guinness, Johnny Walker, Captain Morgan) and yet I'll have a Diego pleases is never heard in bars. The importance of this brand relationship has prompted companies to develop various relationship-building activities which establish a two-way flow of communication with their customers and encourage them to integrate brands into their lives. Examples of these activities

include, club membership, loyalty card schemes, registration of warranties, other products such as T-shirts and bags with the brand name and logo on the website activities. The number of brands communities is increasing rapidly, thanks in part to the World Wide Web, and they form a significant part of a growing number of peoples social lives.

Conclusion

Since market conditions are constantly changing, the new role of brand management as an integral part of holistic marketing is more important than it ever was. According to the situation on current retail market, it is very important that enterprises manage their brands so they can flexibly fulfill desires and wishes of their customers. In order to create a competitive brand, they need to pay attention to their customers constantly. In current retail environment, consumers are overwhelmed with plenty of brands and products. market conditions are constantly changing, therefore it is concluded that change is inevitable hence producers have to take up challenges in a positive way and undergo the production processes as per the latest trend and lifestyles of the people.

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