ABSTRACT

The focus of this research paper is on a Commodity Product and we have chosen a salt. The preference Behaviour Model is aimed at to give the consolidated broad loyalty score for the different brands in salt. The paper presents the strategic framework for building the strong brands in salts and providing various strategies to create a loyal customer base. To examining consumers preference, awareness and strategies for retention of customers.

Key Words: Consumers preference, Commodity Product and PBM model.

INTRODUCTION

Brand Loyalty has been defined in many terms by many eminent personalities. The most accepted definition has been given by Jacoby and Chestnut as follows: Brand Loyalty is “The biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes.

Commodities are generic products like rice, wheat, sugar, salt, vegetables, cement, steel etc. where people buy these products based on the nature of the basic product for mass consumption.

The benefits of making customers loyal are:

- Building a strong market share;
- Gaining higher profits;
- Providing greater resistance against brands of the competitors;
- Reducing the marketing costs.
Brand loyalty can be measured using preference Behaviour Model (PBM) for low involvement product. Preference behaviour model utilities both the attitude and behavioral component for the measurement of brand loyalty.

NEED FOR THE STUDY

Many of the manufactures / companies have started highlighting the product features with specific brand names in the commodity market helping the consumer to differentiate and choose the products which best suited their requirement.

Consumer are now able to compare many features in the commodities like quality, price, and value for money, service, durability and brand image etc. to decide which product they want to buy for their need satisfaction.

A customer would be loyal to a commodity brand like salt, if the person repetitiously chooses one brand over the sheer infinite choice of others over a period of time. Understanding and building this kind of loyalty is an important task for the Manufacturer, especially at the times of fierce competition. A loyal customer base helps the brands to withstand the pressure from competitors in the market.

BRANDING IN SALT CATEGORY - AN OVERVIEW

One of the reasons why salt is outperforming other branded commodities is to do with the life span of branded salt being longer. Apart from that, there's been an effective 'iodinedeficiency campaign', owing to which the penetration of branded salt is about 20 per cent nationally, compared to one per cent for brandedada and sugar."

According to ORG-MARG's retail store audit data for April 2013, the size of the iodized branded salt market is estimated at 15 lakhs tones per annum (by value, about Rs 500crores), and is estimated to be growing at 20 per cent annually. National brands take a 45 percent share, and local brands account for the remaining 55 per cent share of this market.

Tata Salt continues to reap the early bird advantage, with a leading 38 per cent share of the national branded salt segment, and a 17 per cent share of the total iodized branded salt market. HLL's Annapurna salt brand is estimated to have a market share of about 16 per cent. (DCW Chemicals' Captain Cook, launched in 1991, was subsequently acquired byInternational Best foods, which in turn was acquired by Unilever. HLL continues to distribute Captain Cook salt.

Meanwhile, another ambitious entrant that's making waves within the branded salt category is Dandi, launched by Surat-based businessman Suresh Aggarwal. The brand is threatening to shake up market shares of established players in the category. Dandi has already grabbed a four per cent share of the market, which amounts to Rs 44 crores by value.

RESEARCH METHODOLOGY

- Both Primary and secondary data were collected for research survey.
- Primary data was collected among household in Mysore city.
- Sample size of 100 respondents were selected for the survey.
- The sampling technique used for the survey was convenient sampling
- The primary data was collected using the pilot tested questionnaire.
OBJECTIVES OF THE STUDY

• To find out the consumers awareness of the brands in the salt market.
• To find out the factors influencing the consumers preference in salt brands.
• To find out switching behavior of consumers' in the salt brands
• To find out to what extent consumers are brand loyal to the salt brand
• To find out and suggest the strategies for retention of customers

ANALYSIS

AWARENESS LEVEL

Relationship between Age and Awareness level:
Ho: There is no significant relationship between age and awareness level of respondents.
Ha: There is significant relationship between age and awareness level of respondents
Pearson Chi-square test clearly says that there is significant relationship between age and awareness level of respondents (P<0.5), So Null hypothesis is not accepted.

It was inferred that most of the people belonging to the age group of 26-50 years are more aware of branded salts followed by the age group of above 50 years. Most of the people belonging to the age group of less than 25 years are less aware of branded salts.

Relationship between Educational qualification and Awareness level
Ho: There is no significant relationship between educational qualifications and awareness level of respondents
Ha: There is significant relationship between educational qualifications and awareness level of respondents

Pearson Chi-square test clearly says that there is significant relationship between educational qualification and awareness level of respondents (p<0.5), So Null hypothesis is not accepted.

It was inferred that most of the people who had completed Post graduate degree are more aware of branded salts followed by the graduated respondents. Respondents who completed only school education are less aware of branded salts.

Relationship between Occupation and Awareness level
Ho: There is no significant relationship between Occupation and awareness level of respondents
Ha: There is significant relationship between occupation and awareness level of respondents

Pearson Chi-square test clearly says that there is significant relationship between occupation and awareness level of respondents (p<0.5), So Null hypothesis is not accepted.

It was inferred that teachers are more aware of branded salts followed by clerical people. House wives are less aware of branded salts.

Relationship between Marital status and Awareness level
Ho: There is no significant relationship between marital status and awareness level of respondents
Ha: There is significant relationship between marital status and awareness level of respondents
Pearson Chi-square test clearly says that there is significant relationship between marital status and awareness level of respondents (P<0.5), So Null hypothesis is not accepted.

It was inferred that awareness level is high among married women then single women.

**SOURCES OF AWARENESS**

- Television
- Print
- Friends/relatives
- Retailers

Percentage analysis shows that 95% of the customers of Tata got awareness about their brand through Television and 5% got awareness from print media.

- All the customers of Annapurna got awareness only through Television Advertisements.
- 78% of the customers of Krista I salt got awareness from Television Advertisements and 6% got awareness from print and friends respectively.
- 85% of the customers of Dandi salt got awareness from Television Advertisements and 8% got awareness from retailers and 7% of the customers got awareness from friends/relatives.

**FACTORS INFLUENCING THE BRAND CHOICE IN SALT**

- Quality
- Brand Image
- Price
- Availability
- Package
- Gifts, offers/discounts

Friedman and Kendall test was done to find out the most influencing factor to prefer a particular brand to purchase.

**KENDALL’S W TEST**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand image salt</td>
<td>2.30</td>
</tr>
<tr>
<td>Price salt</td>
<td>2.64</td>
</tr>
<tr>
<td>Quality salt</td>
<td>1.86</td>
</tr>
<tr>
<td>Package salt</td>
<td>4.02</td>
</tr>
<tr>
<td>Availability salt</td>
<td>4.64</td>
</tr>
<tr>
<td>Gifts offers discounts salt</td>
<td>5.55</td>
</tr>
</tbody>
</table>

Overall it is found that the most influencing factor is quality, next is brand image followed by Price, package, Availability and gifts, offers etc.
Table – 2 : Test Statistics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>88</td>
</tr>
<tr>
<td>Kendall’s W(a)</td>
<td>.608</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>267.438</td>
</tr>
<tr>
<td>df</td>
<td>5</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>5</td>
</tr>
<tr>
<td>a Kendall’s Coefficient of Concordance</td>
<td></td>
</tr>
</tbody>
</table>

There is high level of concordance among the respondents (Kendall’s co-efficient of concordance = 0.608) in ranking the factors influencing prefer a brand to purchase.

BRAND USED CURRENTLY AND WILLINGNESS TO RECOMMEND

Most of the Respondents (76%) are using Tata salt followed by Annapuma (19%) salt. Very few respondents are using Kristal Even though respondents are aware about other branded salts like Dandi, they do not use it. 81% of the users of Tata brand will recommend the brand to others.

Though few people are using the Annapuma and Kristal, all users of those brands will recommend to others. It was inferred that most of the respondents are satisfied with their brand and are willing to recommend to others.

MEASUREMENT OF BRAND LOYALTY

Preference Behavior Model: Based on the Colombo-Morrison model' and the above definition of the brand loyalty, the following model measures the preference and switching behavior of the customer on a single brand. The behavioral and attitudinal approaches to brand loyalty are covered in this model. A simple matrix is the input for this model. The brand last purchased is taken on the horizontal axis and the brand the consumer prefers is taken on the vertical axis of the matrix. Different brands in that category can be taken for this exercise on both the axis. This matrix is illustrated in table 3.

Table – 3 : Preferred 'Brand by Last Brand Purchased Matrix illustration

<table>
<thead>
<tr>
<th>Preferred Brand</th>
<th>Last Brand Purchased</th>
<th>Brand 1</th>
<th>Brand 2</th>
<th>Brand 3</th>
<th>Brand 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand 1</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X + 1 + 2 + 3</td>
</tr>
<tr>
<td>Brand 2</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>

X: Hard core loyals who bought the brand they preferred.
Y: Switcher who prefers Brand 3 but last bought Brand 1.
Z: Switcher who prefers Brand 4 but last bought Brand 2.

A matrix of the two measures can be analyzed in terms of each brand’s gravity, or power to convert brand preference into sales. The diagonal entries are the number of consumers who last bought their preferred brands. If we compare those to the total number of consumers who preferred the brand, we get the proportion of the preferences that were converted into sales. Thus, Gravity for brand X = X / (X + 1 + 2 + 3).
A different perspective on the market is revealed by comparing the diagonals with the total of last purchased. This ratio represents the proportion of sales that come from consumers who identify the brand as most preferred and is termed focus. Focus for brand \( X = \frac{X}{A} \) where \( A = X + Y \) vertically, i.e. the total purchases of Brand X. A high gravity ratio, signifies that consumers feel that the brand is desirable, available, and has a good value. A high gravity brand indicates that it is relatively not much affected by competitor's lower prices or promotional offers. A brand with high focus score gets sales mostly from consumers who prefer it. The range of the scores should be between zero and one.

**Preference Behavior Illustration:** The data obtained from our primary survey used for this calculation. The following table was obtained from a sample of 100 people who use branded salt on daily basis. We have used preference behavior model to calculate loyalty.

<table>
<thead>
<tr>
<th>Preferred Brand</th>
<th>Last Brand Purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>TATA salt</td>
<td>Annapurna Kristal</td>
</tr>
<tr>
<td>TATA salt</td>
<td>36</td>
</tr>
<tr>
<td>Annapurna</td>
<td>20</td>
</tr>
<tr>
<td>Kristal</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64</strong></td>
</tr>
</tbody>
</table>

Thus, by calculating the gravity and focus for each brand, we arrive at the table:

<table>
<thead>
<tr>
<th>Brands</th>
<th>Gravity</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>TATA salt</td>
<td>.78</td>
<td>.56</td>
</tr>
<tr>
<td>Annapurna</td>
<td>.54</td>
<td>.31</td>
</tr>
<tr>
<td>Kristal</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The gravity score of Tata salt is .78; it denotes the power of the brand to maintain consumers who prefer it. A brand with high gravity has consumers who are very loyal to their favorite brand. Thus, Tata salt has converted the 78% of preference into sales.

Brand preference is built up over time, based on fairly stable attitudes, but preference alone does not reflect reactions to price or to temporary promotions.

A high gravity ratio indicated that consumers regard the brand as desirable, available and a good value, a brand that is relatively resistant to competitive prices or promotions.

Annapurna salt holds second position in having the loyal customers. It has converted the 54% of preference into sales.

A different perspective on the market is revealed by comparing the diagonals with the total of last purchased. The ratio represents the proportion of sales that come from customers who identify the brand as most preferred and is termed focus. Tata salt has a focus of .56. A brand with high focus gets sales mostly from consumers who prefer it. Brands with low focus get the customers from other brands. Annapurna salt has the focus of .31, i.e. Annapurna salt gets the 31% of the sales from customers who identify it as most preferred and remaining 69% of the sales from customers who prefer some other brands. Kristal is not purchased by their preferred customers, so it could not
convert the preference in to sales (Nil Gravity). The sales of Kristal comes from the customers of Annapurna. It does not have sales from the customers who preferred Kristal. So it has Zero score of Focus. It denotes that it gets the sales only from the competitor brands’ customers. Availability and Offers may be the reasons for purchasing the brand which is not preferred.

Inter-brand competition and threats to loyalty can be analyzed by examining the individual off-diagonal entries. Tata salt and Annapurna salt are both threatening the Kristal! Tata and Annapurna has taken away 8 and 9 of Kristal's preference customers respectively. These ratios (8/17 and 9/17) are indicators of the weakness of Kristal to its competitors. Tata and Annapurna, in turn, can consider those sales relative to their own total as instances of competitor-specific focus. Tata and Annapurna salt get 12% (8/64) and 33% (9/27) of their sales respectively from customers who prefer Kristal.

A STRATEGIC FRAME WORK FOR BUILDING STRONG BRANDS IN SALT

The commodity brands will be successful only if the brand building process by effective usage of 4 p's of marketing mix is carried out in a logical manner focused around the brand being perceived as providing total solution to the customer. To understand how the customers make their buying decisions, the marketer must have the knowledge of buyer's level of involvement in the decision making process. This phenomenon has been very clearly explained in Henry Assael Model of buying behaviour.

Henry Assael categorized four types of buying behaviour based on the degree of buyer involvement and the degree of difference among the brands. As per these parameters, the consumers will be engaged in complex buying behaviour, dissonance - reducing buying behaviour, variety - seeking buying behaviour and habitual buying behaviour.

In complex buying behaviour - the consumers are highly involved in a purchase and are aware of significant difference among the brands. This behaviour is often found when the product is expensive, bought infrequently, risky and highly self-expressing.

In the dissonance - reducing buying behaviour - the consumer will be highly involved but if there is a little difference among the brands, then he may-end up buying on price or convenience because of this, after the purchase he may hear favorable things about other brands and hence he will be alert to information that supports his decision.

In the variety - seeking buying behaviour - the buying decisions of the consumers will be marked with low involvement even though there exists significant difference among the brands. This happens when the consumers often engage in a frequent brand switching process.

In habitual buying behaviour - the consumer displays a low involvement due to the absence of significant brand differences. Most of the generic commodity products like salt fall under this category. The consumers show very little involvement in this category.

Here consumers do not search extensively for information, evaluate and make a decision. Hence for low involvement brands, the buying process starts with the brand belief formed by passive learning and followed by purchase behaviour which may or may not be followed by evaluation.

As I understand from the Henry Assael Model that commodity brands like salt falls under habitual buying behaviour and hence the marketer of salt must use the 4 P's of marketing mix in most effective way and try to convert a low involvement product into a moderate or high involvement buying process.

Keeping in view of the above buying behaviour, following strategies are recommended to the marketers to build a strong salt brand.
Product Related Strategies

- Friedman and Kendall test shows that customers have ranked "quality" of salt as highest followed by brand image. Hence product strategies must focus on these two most important factors.
- The factors which enhance the quality like purity, the method of processing, iodization etc must be highlighted in communicating to the customers'.
- They can also highlight prominently, ISI and ISO certification on the package which confirms the quality of the Brand.
- The marketer must highlight the brand name, company image as a quality product manufacture which will create long term loyal customer base.

Price related Strategies

- Friedman and Kendall test shows that price is the next most important factor after quality and brand image.
- Higher the perceived quality by the customers, higher will be premium expected for that brand.
- Hence the marketer can try to generate the premium price using higher perceived quality and brand image.

Distribution related Strategies

- As it is well known fact, salt is the basic commodity product required by household in day-to-day activities. If the Preferred brand is not available, even loyal customer is may be forced to purchase the other brands as they cannot postpone the purchase.
- Hence the marketer must always monitor shelf space in distributor and retailers counter to avoid stock-out situation.

Promotion related strategies

- Friedman and Kendall test shows that sales promotional tools like offers, Gifts, discounts are ranked as the last priority.
- Customer got awareness about the brands mainly through advertisements in television followed by print media. Hence the media mix may be enhanced from the below line media to Electronic and Print media.
- Marketers can also form customer panels and obtain feedback on a regular basis to modify the branding strategies as per the customer need.

CONCLUSION

Branding the commodities is not the end of the road, but it is up to the cement companies to adapt to the customers’ requirements over time and deliver the value in a consistent manner. The marketer of salt with the help of proper application of Marketing mix can convert a basic commodity like salt into brand which is perceived by customers as offering total satisfaction in fulfilling the customers' needs. Preference-behavior model clearly indicates the high brand loyalty in commodity product like salt. Friedman and Kendall test shows that the most influencing factor to prefer a particular brand is quality of the salt followed by brand image. So the manufactures can highly concentrate on improving the quality of product and building the favorable brand image. Hence the marketer must build their brands based on these key factors so that a strong long term loyal customer base will be created.
REFERENCES