

PROJECT REPORT
ON
CONSUMER BEHAVIOUR – “EFFECT OF BRANDING ON
CONSUMER BUYING BEHAVIOUR”

IN PARTIAL FULFILLMENT OF THE AWARD FOR THE DEGREE OF
BACHELOR OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF
MRS SARITA CHAUDHARY

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I would like to thank the almighty for giving me patience and strength to overcome the difficulties, which crossed my way in accomplishment at this endeavor.

Sincerely,

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ABSTRACT

In today's world, marketing has greatly evolved. Now companies know that they need to keep the customer's feedback in order to meet the satisfying needs of the modern customers and among these customer-driven activities, branding has come out to be one of the most important ones in order to build a strong customer base and to create a good impact of a brand image. The main aim of this research paper is to ascertain the main impacts of branding on consumer buying behavior. During the research we have found that branding plays an important role in the learning as well as the attitude formation process which are likely to take place at the time of consumer buying behavior activities because of which consumers find out a direct link towards the brand image, brand name or the company leading to maximum sales as well as maximum satisfaction of consumers' wants and needs. In the research, the aspects of brand equity, brand awareness, brand loyalty and brand image are also addressed along with the factors that affect the consumer buying behavior and to understand the concept and the different behaviors of the consumers, a study has also been done with the help of an online survey. The population of the study was around 40 people across India and the method of selection was purposive as well as convenience sampling. Also the findings showed that focusing on brand features, the most important element in building a successful brand is the QUALITY of the products that the brand offers. In collecting data about the phenomena, open and close-ended questionnaires were used to collect data from the respondent.

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INTRODUCTION

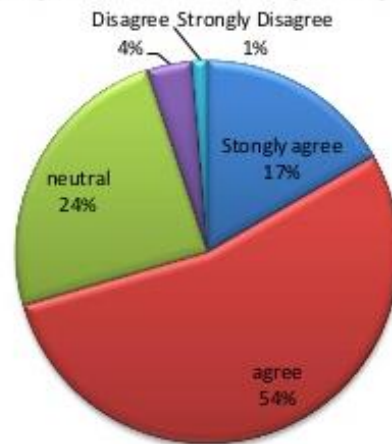
Branding is acknowledged to be one of the most fascinating marketing strategies used for the purpose of winning or overcoming competition. In today new marketing world, the time is flying and numerous changes are taking place in the marketing strategies that are being adopted by the companies which leans in to sustain various competitive advantages. A company will have a fast growth only if it has all the correct information regarding the consumers buying behavior and their habits. Companies are now gradually shifting their focus from a product or market line to the customers and their marketing activities and now they are paying much more attention on the reaction that consumers display in regards to the 7P's that are- Product, Price, Promotion, Physical layout, Process and People. The impact of increased non-branded information on consumer choice. Both the eye tracking and recognition data provided some tentative evidence that increasing the size of nutritional labels displayed on packaging may influence consumer behavior, by increasing attention to but reducing recognition of certain brands. However, the observed effects were not statistically reliable, indicating that the impact of nutritional information may not be significant.

BRANDING AND BRAND MANAGEMENT

Branding ultimately works as a signal. It allows consumers to quickly recognise a product as one they are familiar with or one they like. It acts as a memory cue, allowing consumers to retrieve relevant information from memory. This information may be about past experience of the brand, brand perceptions or brand associations. The information we have stored about brands is crucial in guiding our decisions (Winkielman et al, 2000). Branding has become one of the most important aspects of business strategy. Branding is central to creating customer value, not just images and is also a key tool for creating and maintaining competitive advantage (Holt, 2015). Branding is the process of creating a relationship or a connection between a company's product and emotional perception of the customer for the purpose of generating segregation among competition and building loyalty among customers (Hislop, 2001). Brand management is the integral part of holistic marketing (Kotler et al, 2013). It is, in our opinion, a specific area of marketing, which uses special techniques in order to increase the perceived value of a brand. Branding and brand-based differentiation are powerful means for creating and sustaining competitive advantage. According to Aggarwal (2004) prior research has

examined differences in how consumers perceive and evaluate brands, for example, through investigating brand equity, brand personality and brand extensions.

Q.9 : Do you agree well-known brands represent better quality?



As per the graph above-

71% of the respondents agree to the fact that well known brands represents better quality whereas, 24% of the respondents remain neutral and the rest 5% of the respondents disagree with the fact.

OBJECTIVES

For a further understanding of Consumer Buying behavior with regards to branding, our research paper aims at gaining deep understanding of the process as well as attributes that leads to evaluation of the brands by the customers and also the key to build brand loyalty among the customers. In order to fully understand consumer choice, it is necessary to understand the underlying psychological mechanisms that guide those choices, that is the conscious and unconscious factors that influence decision making. Different types of branding practices can effect consumer's choices in a number of different ways. First, branding can influence whether consumers notice a product or not, that is, how much attention is paid to a product. Second, branding can influence whether and how quickly consumers recognize a product. This recognition and subsequent memory retrieval then have a knock-on effect on how consumers feel about that product. These areas, attention and recognition, are crucial predictors of decision making. By understanding the impact branding has on these processes, we will be able to reveal how branding works to guide purchase decisions.

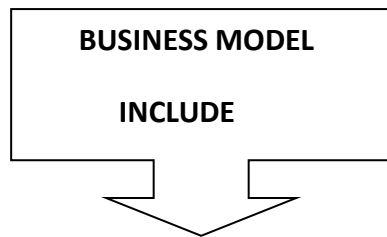
WHAT IS A BRAND?

BRAND: A brand is defined as a distinguishing symbol, logo, design, mark, name or the combination of these items that companies use to distinguish their product from others in market.

Key statistics on the influence of brand on consumer purchase decisions:

- **Advocacy** – 38% of people recommend a brand they *like* or *follow* on social media.
- **Brand** – 21% of consumers say that they purchased a new product because it was from a brand they like.
- **Email Marketing** – 64% of respondents will open an email if they trust the brand and are loyal towards brand.
- **Word of Mouth** – brands that inspires higher emotional intensity receive 3 times the word-of-mouth marketing.

BUSSINESS MODEL



Distribution, Costs, Core Capabilities, Product and Services, Infrastructure, Target Customer.

CONSUMER BEHAVIOR

Consumer Behavior is a branch which deals with various branches that a consumer goes through before purchasing any particular product or services for his/her use. For the buyers, it is a decision making process, both; individually and in a group too. The characteristics of individuals, such as demographic factors and behavioral variables are studied so that the needs and wants of the individuals can be understood and also the influence on an individual coming from the groups such as friends, family and society.

It is basically the study of why, how, when and where the consumers do or do not buy a particular product, taking in mind all the essential elements such as psychology, sociology, economy etc.

Factors that influence the attitude of the customers to choose a particular product:

- **Cultural factors** refer to the actual culture of the customers from which they are originated and their regular habits
- **Social factors** refer to the social group a particular customer belong to and choice of the product made by that particular group always
- **Personal factors** like age and personal interest of the customers towards a particular product. Personal attributes of the customers like profession, lifestyle and status of the customer are the driving factors towards this attitude.
- **Psychological factors** like beliefs, motivation and perception make the customers to choose a particular product.
-

INFLUENCE OF BRANDING ON CONSUMER PURCHASE DECISION

Branding plays a vital role in determining the purchasing behavior of the customers across the world. Every customer has a specific reason to choose or not to choose a

particular brand on the basis of taste and preference. Brands use marketing strategies and social media strategies to know the customers what they want and are actually looking for. Customers always maintain a good relation with a particular brand.

Social behavior of the customers makes them to choose a particular product based on the social environment they are living and always depends on the opinion of other people while choosing a product. Purchasing behavior of the customers depends on the cultural environment from which they are brought up.

BRANDING

vs

NON-BRANDING

Branded products have higher reliability factor.	Non branded are less reliable in nature.
Higher quality products are served.	The quality in these products are not defined. Maybe low or moderate quality.
The comfort level is higher and is for long time.	The comfort level may be for short time.
No hassle in exchanging the product.	Exchanging the product is not there.
Branded products have higher safety level.	No such safety level is there.
Many times branded clothes satisfy the consumer the more ,as the fitting is always satisfying	May be or May not be there.
The branded products are costly and cannot be afforded by everyone.	Non branded cloths are less costly and is easily affordable.
Branded cloths give feeling of being global. As these products are manufactured globally and are exported.	No such feeling.
Branded products acts as a status symbol.	Usually preferred by low income people.

These products have high degree of hygiene.	Low degree of hygiene.
High degree of Versatility	Low degree of Versatility.

THE CONSUMER BUYING PROCESS

The customer buying process (also called a buying decision process) describes the journey your customer goes through before they buy your product. Understanding your customer's buying process is not only very important for your salespeople, it will also enable you to align your sales strategy accordingly.

The five stages framework remains a good way to evaluate the customer's buying process. John Dewey first introduced the following five stages:

1. Problem/need recognition

This is often identified as the first and most important step in the customer's decision process. A purchase cannot take place without the recognition of the need. The need may have been triggered by internal stimuli (such as hunger or thirst) or external stimuli (such as advertising or word of mouth).

2. Information search

Having recognised a problem or need, the next step a customer may take is the information search stage, in order to find out what they feel is the best solution. This is the buyer's effort to search internal and external business environments, in order to identify and evaluate information sources related to the central buying decision. Your customer may rely on print, visual, online media or word of mouth for obtaining information.

3. Evaluation of alternatives

As you might expect, individuals will evaluate different products or brands at this stage on the basis of alternative product attributes – those which have the ability to deliver the benefits the customer is seeking. A factor that heavily influences this stage is the customer's attitude. Involvement is another factor that influences the evaluation process. For example, if the customer's attitude is positive and involvement is high, then they will evaluate a number of companies or brands; but if it is low, only one company or brand will be evaluated.

4. Purchase decision

The penultimate stage is where the purchase takes place. Philip Kotler (2009) states that the final purchase decision may be 'disrupted' by two factors: negative feedback from other customers and the level of motivation to accept the feedback. For example, having gone through the previous three stages, a customer chooses to buy a new telescope. However, because his very good friend, a keen astronomer, gives him negative feedback, he will then be bound to change his preference. Furthermore, the decision may be disrupted due to unforeseen situations such as a sudden job loss or relocation.

5. Post-purchase behavior

In brief, customers will compare products with their previous expectations and will be either satisfied or dissatisfied. Therefore, these stages are critical in retaining customers. This can greatly affect the decision process for similar purchases from the same company in the future, having a knock-on effect at the information search stage and evaluation of alternatives stage. If your customer is satisfied, this will result in brand loyalty, and the Information search and Evaluation of alternative stages will often be fast-tracked or skipped altogether.

METHODOLOGY

Methods of Data collection

In order to achieve my aims and objectives of research I have preferred mixed design consisting of primary data, secondary data and a case study.

Primary data:

Primary data is that data which mainly collected by the researcher on his own to carry out the desired research. Collection of primary data is based on interviews and takes more time than other processes. Primary data can be collected from using questionnaires, interviews, focus group, and observation. So for this purpose I will use the most popular tool of primary data collection through direct communication with respondents.

Source of data: Data required for the study will be collected through primary sources i.e. Market Survey

Secondary data:

Secondary data is that data which already been collected for other purpose rather than the present purpose. This process of secondary data is comparatively easy and information can be easily collected from different sources. The sources of these data are research institutions, official statistics, technical reports, scholarly journals, trade journals, review articles, reference books and research institutions.

I am planning to use the secondary data in my literature review and main and final research will be done by using primary data through questionnaire. I will also use the case studies to provide evidence to my research and support the theories. The study will help to find out the Consumer purchase decision which helps the firms to survive in this competitive world. So before use of both primary and secondary data it will be necessary to analyze both primary and secondary before use.

Measurement Development:

Demographic data used included gender, age, education and employment status. The positive effects associated with the brand are measured by means of a question relating to "the feeling of positiveness associated with the given brand" and

respondent is asked whether he/she "Agrees", "Somewhat agrees" or "Disagrees". Purchase intention is measured by using a 3-point Likhert scale with 1 being "very likely", 2 being "somewhat likely" and 3 being "unlikely".

SURVEY FORM

Market research of the impact of Branding on consumer Buying Behavior.

Name *

Short answer text

Email *

Short answer text

Address *

Long answer text

Phone number

Short answer text

1. Please select your age bracket.

18-25

26-35

36-45

⋮

2. Please select your Gender bracket ? Male Female

⋮ Male

Female

3. Would you consider yourself loyal to any specific brands?

- Yes, one or two specific brands
- Yes, I tend to stick to what I like
- ☺ Yes, there are loads of brands who I love
- Not really, I buy from different brands each time
- No, I buy depending on other variables

4. Which of the following, according to you, help build a good brand image?

- Quality
 - Good value added services
 - Free trials and discounts
 - Communication strategies
 - Others
-

5. From the following options, which best describes your feelings towards the brand. If you feel none of these describe your feelings, please write your own description under the other option.

- I trust them completely; they can do no wrong in my eyes.
- They are amazing, I love them, I could not ask for anything more.
- ☺ I really like what the brand stands for and it makes me feel good buying from them.
- I like the brand, have had some issues, but they have managed to resolve them so I keep going back.
- They have good products which is why I buy again and again.
- If Others (please specify)

⋮

6. With this brand in mind, how do you interact with them online? Please select all that apply ?

- Look at anything I can get my hands on
- Visiting their website
- Liked their brand page on Facebook
- ⋮ Follow them on Twitter
- Look out for news stories
- Read their blog
- I do not engage with them online

7. How likely would it be for you to switch brands if an alternative brand offered more promotions or added value?

- Very Likely
- Likely
- Unknown
- Unlikely
- Very Unlikely

⋮

8. What aspects of the Brand appeals to you, and inspires loyalty?

- Place
- ⋮ Price
- Product
- Promotion

⋮

Comments

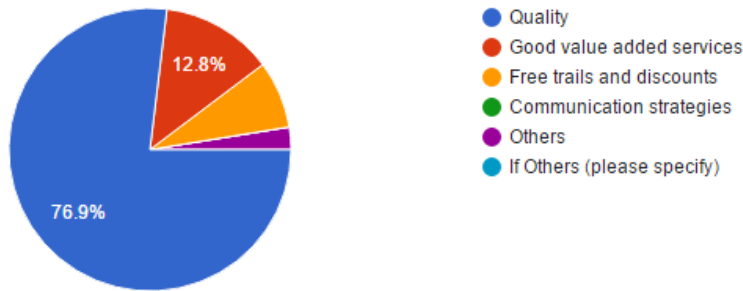
Long answer text

KEY FINDINGS

Through this research paper we can easily make out the impact of brands on consumer buying decision and therefore, we conducted an online survey for the same. Out of all the individuals who took this survey, 74% were females and the remaining were males. We find that in current scenario the effect of a brand on the purchase of a particular good is very effective and out of all only 10% were between the age bracket of 26-35 and the remaining were between the age bracket of 18-25. When asked this question that do they find themselves loyal for a particular brand, 35% of them said that they are not loyal to one particular brand and they keep on switching among different brands whereas; 23% of them said that they just switch between one or two brands and not more than that and more than 70% of them say that according to them quality is the only thing which helps them build a brand image in their mind. Maximum people described their feeling towards a particular brand because they actually like the base of the brand and those brands make them happy buying their products or taking their services. When asked, how do they interact with a particular brand online, mostly stated that they check their websites quite often whereas, 5% of them were such who did not like to engage themselves in such interactive activities. The most important one was that if people got a new brand that gives them better quality and everything than the brand they are already loyal for, will they switch to that new brand; and around 80% of them said that they will likely switch to the other brand which means that they are not just attached to the brand name and are not being stubborn also but they cannot compromise on the quality and the only aspect that makes them love a brand is the product and not merely the brand position in the market and the competitors.

UNDERSTANDING OF A GOOD BRAND IMAGE

Which of the following, according to you, help build a good brand image?



Respondents understanding of branding.

What do you understand by Branding?

	Frequency	Percent	ValidPercent	CumulativePercent
Name	23	46.0	47.9	47.9
Labelling	10	20.0	20.8	68.8
Company image	8	16.0	16.7	85.4
Slogan	1	2.0	2.1	87.5
All of the above	6	12.0	12.5	100.0
Total	48	96.0	100.0	
Missing System	2	4.0		
Total	50	100.0		

CONCLUSIONS

The aim of this thesis was to determine the impact that a brand has on the purchase decision making process of consumers as well as throwing some light on the theories surrounding a brand and consumer behavior. In conclusion, it has been found out that there is some correlation between a brand and the behavior displayed by consumers with regards to their purchase decisions. Consumers are very much enlightened about the various brands on the market and as such their choice is very crucial when it comes to making a purchase decision especially at first time. Again family, friends and reference groups do play a major role in affecting the purchase decision-making of consumers. This calls for massive improvement on the services rendered, innovation and differentiation as far as the brand (s) is concerned in the organization or company.

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