

Brand equity analysis of Ooty tea

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Received : 07.06.2013; Revised : 18.09.2013; Accepted : 29.09.2013

ABSTRACT

The government of Tamil Nadu launched the sale of “Ooty Tea” to the general public through the Public Distribution System on 28.08.2001. INDCO ((The Tamil Nadu Small Tea Growers’ Industrial Co-operative Tea Factories Federation Limited) is supplying blended tea, under the brand name of “Ooty Tea” through Tamil Nadu Civil Supplies Corporation and District Cooperative Wholesale Stores of Cooperative Department. Moreover Ooty Tea also provides the required cuppage and good flavour. The quality of Ooty Tea is on par with other well known branded teas. The market intervention by INDCO was helping the small tea growers are getting better price for their green tea leaves. In this section, we are going to discuss the awareness level of Ooty Tea and also discuss the general opinion about the brand Ooty Tea in consumer mind. This analysis will help to INDCO to make corrective action for better marketing and distribution of Ooty Tea in Nilgiris district. If INDCO gets profit, this will also help the small tea growers to get premium price for their green tea leaves and also it will increase the awareness level of local tea brand in consumer mind. In this article, the authors proposed a new framework for conceptualizing brand equity that distinguishes between brand equity, conceived of as an intrapersonal construct that moderates the impact of marketing activities and brand value, which is the sale value of a brand. Such a distinction is important because, from a managerial perspective, the ultimate goal of brand management and brand equity research should be to understand how to leverage equity to create value in consumer mind.

KEY WORDS : Brand equity, Consumer Ooty tea

How to cite this paper : Prakash, K.C. and Paramasivam, P. (2013). Brand equity analysis of Ooty tea. *Internat. J. Com. & Bus. Manage*, 6(2) : 301-307.

Brand equity represents a relevant research line in marketing. This concept has undergone an important evolution in its understanding and in the variables that comprise it. Brand equity was borne a simple construct in the late 1980’s, with a single variable meaning changed according to each author: the additional price a consumer is willing to pay for a brand; the extension capacity of a brand; the financial value of a brand as an intangible asset; or its capacity for generating loyalty among consumers. Nowadays,

brand equity has to be understood as “brand equity based on the consumer” (consumer based brand equity). Brand equity is considered important because it represents the power of brands in the consumer mind. Higher brand equity is proposed to increase brand preference and purchase intention among consumers. This paper aims to propose an alternative scale to measure brand equity based on conception by Prakash (2012) who formulated a numerically expressed brand-equity index, which was a compilation of the actual consumer data on consumer awareness level, consumer loyalty and overall consumer opinion of a brand.

Keller (2000) mentioned that high levels of brand awareness and positive brand image should increase the probability of brand choice, as well as produce greater consumer (and retailer) loyalty and decrease vulnerability to marketing action. Aaker (2000) regarded brand awareness as a remarkably durable and sustainable asset. It provides a sense of familiarity (especially in low- involvement products such as soaps), a sense of presence or commitment and

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substance and it was very important for recall at the time of purchasing process. Apart from the conventional mass media there were other effective means to create awareness *viz.*, event promotions, publicity, sampling and other attention-getting approaches. Yoo and Donthu (2001) referred brand loyalty to the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice. Myers (2003) described the importance of the attributes of a brand in managing the brand equity for the brand. He conceptualized brand equity consisting three components *viz.*, (i) perceived value or the value of the brand which cannot be explained by price or promotion; (ii) brand dominance ratio or the objective value of the brand's ability to compete on price; and (iii) intangible value as the utility perceived for the brand minus objective utility measurements. He suggested that brand managers should work in a way in which the attributes attached to the brand by the marketers match with those perceived by the consumers in the market place.

Objectives :

Consumers are the ultimate decision makers. Tea marked as high quality in auction centres may not be in demand by the consumer. Consumers even from the locality of tea gardens may not prefer tea, which directly comes from the gardens *i.e.*, without blending, because of preferences of their taste and awareness level of the brand. Hence, we need to understand the consumer awareness, loyalty and opinion of local tea brand is highly essential to increase the brand equity index.

Main objective of this paper is to find out the brand equity analysis of local tea brand (Ooty tea).

METHODOLOGY

For calculation of brand equity three-point scale was used. The mean score was calculated for each statement. Inferences were drawn about the satisfaction level of customers. The details of operationalizing and measuring the components of brand equity are presented in the Annexure 1.

- Brand awareness = Number of respondents aware - Number of respondents unaware.
- Loyalty = Number of respondents strongly agree + Number of respondents agree - Number of respondents disagree.
- Brand opinion = Number of respondents highly satisfied + Number of respondents satisfied - Number of respondents not satisfied
- Brand equity index = Brand awareness index (I) + Loyalty index (II) + Overall brand opinion index (III)

Scale value :

Brand loyalty			
Scale	Strongly agree	Agree	Disagree
Score	3	2	1

Brand opinion			
Scale	Highly satisfied	Satisfied	Not satisfied
Score	3	2	1

Annexure 1 : Brand equity index

Components	Variables included	Measurement
I. Brand awareness	% of respondents who are aware of tea	Brand awareness index (Expressed as a number taking 100 as ideal)
II. Brand loyalty (% of respondents who strongly agree & Agree – on a 3 point scale)	I. Awareness index % of respondents willing to continue the brand (+) % of respondents willing to recommend it to others (+) % of respondents regard the brand as ‘value for money’ (+) % of respondents willing to pay premium price (+) % of respondents willing to stick to the brand – if price is increased (+) – in the absence of sales promotions (+) – in the case of non-availability.	Loyalty index = Total / 7 (Expressed as a number taking 100 as ideal)
III. Brand opinion (Perceived quality) (% of respondents who are Highly satisfied, Satisfied and rate the brand Excellent, Good - On a 3 point scale)	II. Loyalty index % of respondents who are Highly satisfied and satisfied with the attributes of the brand (+) % of respondents who rate the brand as Excellent and Good on the attributes (No. of attributes = 8)	Opinion index = Total / 8 (Expressed as a number taking 100 as ideal)
	III. Overall brand opinion index	(Expressed as a number taking 100 as ideal)

ANALYSIS AND DISCUSSION

The results obtained from the present investigation are summarized below :

Age of the respondents :

Age is one of the factors in making any choice especially in case of foodstuffs. The age of the sample respondents were analyzed and the results are presented in Table 1.

Among the urban respondents, the majority of the respondents (38 %) were the age group of 31-40 years, while the majority of rural (34 %) were in the age group of less than 30 years. Invariably in both urban and rural majority of the respondents were either young or middle age.

Educational status of the respondents :

Education status is an important socio-economic factor that influences the consumer in the purchasing behaviour of

the products. The educational status was classified and is presented in Table 2.

It could be observed from Table 2 that in the urban areas majority of the respondents completed their education upto Higher Secondary. In case of rural it was lesser than urban population. The level of population with primary and illiterates constituted by about 50 per cent in rural areas.

Annual family income of the respondents :

The financial status of the family has a definite influence on their lifestyle and in turn their food preferences. Hence, the annual income of the respondent's families was taken into consideration in analyzing the results of the present survey. The data on the annual family income of the respondents were analyzed and the results are furnished in the Table 3.

The results of Table 3 show that most of the families in urban area (54 per cent) were in the income category of above

Table 1 : Age of the respondents

Sr. No.	Age (in years)	Urban		Rural	
		Number	Per cent	Number	Per cent
1.	Up to 30 years	13	26.00	17	34.00
2.	31-40 years	19	38.00	14	28.00
3.	41-50 years	12	24.00	16	32.00
4.	Above 50 years	6	12.00	3	6.00
	Total	50	100.00	30	100.00

Table 2 : Educational status of the respondents

Sr. No.	Education	Urban		Rural	
		Number	Per cent	Number	Per cent
1.	Illiterate	0	0.00	8	16.00
2.	Primary	7	14.00	17	34.00
3.	Secondary	14	28.00	11	22.00
4.	Higher Secondary	16	32.00	9	18.00
5.	Collegiate	13	26.00	5	10.00
	Total	50	100.00	50	100.00

Table 3 : Annual family income of the respondents

Sr. No.	Annual income (Rs)	Urban		Rural	
		Number	Per cent	Number	Per cent
1.	Upto 50000	6	12.00	17	34.00
2.	50000 to1 lakh	17	34.00	21	42.00
3.	Above 1 lakh	27	54.00	12	24.00
	Total	50	100.00	50	100.00

Table 4 : Average monthly expenditure on tea

Sr. No	Monthly expenditure on tea	Urban		Rural	
		Number	Per cent	Number	Per cent
1.	<200	13	26.00	35	70.00
2.	201-400	24	48.00	12	24.00
3.	>400	13	26.00	3	6.00
	Total	50	100.00	50	100.00

one lakh. Among the rural respondents, 42 per cent were in the annual income category of 0.50 to 1.00 lakh. The difference in the income categories among the urban and rural areas could be mainly due to the type of occupation of the family members.

Average monthly expenditure on tea :

The average monthly expenditure on tea in both urban and rural households is presented in Table 4.

The results presented in Table 5 show that in urban area 48 per cent of the respondents spent about 201-400 rupees per month. Among the rural respondents 70 per cent they spent less than 200 rupees per month.

Frequency of tea consumption :

Tea and coffee were substituted since consumption of one affects the frequency of consumption of the other one. Hence, the per day consumption frequency of tea and coffee of the sample respondents was enquired and the results are presented in Table 5.

The results presented in Table 5 express that a good number of respondents both rural and urban had consumed tea twice and thrice per day. But coffee was consumed twice a day by only 8.00 per cent in urban respondents and 6.00 per cent of the rural respondents.

Frequency of buying tea

The frequency of purchasing tea by the sample respondents was analyzed and the results are given in Table 6.

It could be concluded from the results of Table 6 that majority of the urban consumers purchased once in a month (36.00) followed by fortnightly (28.00). In contrast, about 34.00 per cent of the rural consumers purchased tea once in a week while, 26.00 per cent of them purchased fortnightly. Hence, it was concluded that the rural and urban consumers frequency of buying tea was different. The rural respondents bought tea more frequently, which might be because of the small quantities of purchase influenced by the wage type income of the respondents. The occupation status of the urban respondents might be a reason for them to buy less frequently.

Consumer-based brand equity :

Brand equity is very important to marketers of consumer goods and services. Brand equity facilitates in the effectiveness of brand extensions and brand introductions. This is because consumers who trust and display loyalty toward a brand are willing to try to adopt brand extensions. While there have been methods to measure the financial value of brand equity, measurement of consumer-based brand equity has been lacking. The consumer-based brand equity scale is developed based on the three underlying dimensions of brand equity: brand awareness index, brand loyalty index and brand opinion index. The results of brand equity of Ooty Tea for both urban and rural are presented in Table 7-8.

Brand equity of OOTY TEA in urban area :

The epitomes for calculating the brand equity for Ooty Tea in rural area are presented in Table 7.

Table 5 : Frequency of tea consumption

Sr. No.	Frequency (per day)	Tea		Coffee	
		Urban	Rural	Urban	Rural
1.	Occasionally	7 (14.00)	4 (8.00)	27 (54.00)	31 (62.00)
2.	One time	11 (22.00)	7 (14.00)	17 (34.00)	15 (30.00)
3.	Two time	13 (26.00)	10 (22.00)	4 (8.00)	3 (6.00)
4.	Three time	9 (18.00)	14 (28.00)	2(16.00)	1 (2.00)
5.	Four time	7 (14.00)	9 (18.00)	0 (0.00)	0 (0.00)
6.	Five time	3 (6.00)	4 (8.00)	0 (0.00)	0 (0.00)
7.	More than five time	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
	Total	50	100.00	50	100.00

Table 6 : Frequency of buying tea

Sr. No.	Frequency	Urban		Rural	
		Number	Per cent	Number	Per cent
1.	Weekly once	5	10.0	17	34.00
2.	Fortnightly	14	28.00	13	26.00
3.	Once in a month	18	36.00	11	22.00
4.	Once in two months	9	18.00	8	16.00
5.	When required	4	8.00	1	2.00
	Total	50	100.00	50	100.00

Brand equity of Ooty Tea in rural area

The epitomes for calculating the brand equity for Ooty Tea in rural area are presented in the Table 8.

It could be concluded from Table 7 that among the urban consumers the awareness, loyalty and the opinion components were found contributing to brand equity 58 per cent, 45.28 per cent and 47.75 per cent, respectively. In contrast, the awareness, loyalty and the opinion components were found contributing about 74 per cent, 54.86 per cent and 66 per cent of the rural consumers (Table 8). Hence, it was concluded that the rural and urban consumers brand equity index of Ooty Tea was different. The awareness level was very less in urban consumers; the main reason was large companies like TAJ,

AVT PREMIUM and THREE ROSES promote their product through effective advertisement and celebrity endorsement. Because of less awareness of local brands, these companies enjoy monopoly to buy tea in bulk amount in auction at low prices and market in high prices and prevent others in trading of tea. They had a good distribution network and maintain good stakeholder relationship for marketing their brands. The rural respondents bought Ooty Tea mainly through Public Distribution System (PDS) and the availability of established retail shops are also less in rural areas, which might be because of the small quantities of purchase influenced by the wage type income of the respondents, hence awareness level slightly high when compared to urban consumers. The occupation

Table 7 : Calculation of brand equity of Ooty Tea in urban area

Awareness index									
Aware								29.00	
Unaware								21.00	
Total								50.00	
Awareness index [(29/50)*100]								58.00	
Loyalty index									
Attitude towards the brand "Ooty Tea"	Strongly agree		Agree		Dis agree		Mean	Loyalty index (SA + A - D)	
To continue	13	26.00	16	32.00	21	42.00	1.84	58.00	
To recommend	9	18.00	20	40.00	21	42.00	1.40	58.00	
Regard value for money	14	28.00	15	30.00	13	26.00	1.70	58.00	
Do not switch if Not available	9	18.00	13	26.00	28	56.00	1.62	44.00	
No promotion	3	6.00	9	18.00	38	76.00	1.30	24.00	
Price increased	4	8.00	12	24.00	34	68.00	1.38	32.00	
Willing to pay premium price	3	9.00	17	34.00	30	57.00	1.46	43.00	
							Total percentage	317.00	
							Loyalty index [(317/7)]	45.28	
Brand opinion index									
Attributes	Highly satisfied/ excellent		Satisfied / good		Not satisfied		Mean score	Quality index (HS+S-NS)	
Quality	21	44.00	8	16.00	21	42.00	2.00	58.00	
Aroma	17	34.00	12	24.00	21	42.00	1.92	58.00	
Flavour	11	22.00	12	24.00	27	54.00	1.68	46.00	
Taste	14	28.00	15	30.00	21	42.00	1.86	58.00	
Strength	13	26.00	11	22.00	26	52.00	1.74	48.00	
Freshness	12	24.00	14	28.00	24	48.00	1.76	52.00	
Colour	7	14.00	15	30.00	28	56.00	1.58	44.00	
Availability	2	4.00	7	14.00	41	82.00	1.22	18.00	
							Total percentage	382.00	
							Brand opinion index [(382/8)]	47.75	
							Brand equity index [(58.00 + 45.28 + 47.75)]	151.50	
								(Out of 300)	

status of the urban respondents might be a reason for them to buy different types of branded teas from different retail shops available in the urban areas.

Recommendations :

- From the brand equity analysis, there was an immediate needs to improve the index contribution of components like awareness, loyalty and quality parameters of the brand equity both rural and urban areas. Hence, proper brand awareness programme along with huge publicity of the Ooty Tea brand is essential in the market.
- The contribution of the loyalty index was very less

when compared to rural area. So, there is need for special loyalty programmes to increase its share of contribution to the brand equity.

- Similarly, the contribution of the opinion index could well be increased to its fullest extent by way of improving the quality of the brand which makes its customers satisfied or highly satisfied with certain quality parameters and hail the brand excellent or good with regard to other quality parameters.
- The price of the tea powder obtained highest relative importance in both urban and Rural consumers. Hence, the manufacturers of different tea brands should keep its prices as competitive as possible.

Table 8 : Calculation of brand equity of Ooty Tea in rural area

Awareness index								
Aware								37.00
Unaware								13.00
Total								50.00
Awareness index [(37/50)*100]								74.00
Loyalty index								
Attitude towards the brand "Ooty Tea"	Strongly agree		Agree		Dis agree		Mean	Loyalty index (SA + A - D)
To continue	21	42.00	16	32.00	13	26.00	2.16	74.00
To recommend	19	38.00	18	36.00	13	26.00	2.12	74.00
Regard value for money	29	58.00	8	16.00	13	26.00	2.32	74.00
Do not switch if Not available	11	22.00	14	28.00	25	50.00	1.72	50.00
No promotion	5	10.00	11	22.00	34	68.00	1.42	32.00
Price increased	3	6.00	15	30.00	32	64.00	1.42	36.00
Willing to pay premium price	4	8.00	18	36.00	28	56.00	1.52	44.00
							Total percentage	384.00
							Loyalty index [(384/7)]	54.86
Brand opinion index								
Attributes	Highly satisfied/ excellent		Satisfied / good		Not satisfied		Mean score	Quality index (HS+S-NS)
Quality	31	68.00	6	12.00	13	26.00	2.36	74.00
Aroma	22	44.00	15	30.00	13	26.00	2.18	74.00
Flavour	14	28.00	17	34.00	19	38.00	1.90	62.00
Taste	29	58.00	8	16.00	13	26.00	2.16	74.00
Strength	13	26.00	15	30.00	22	44.00	1.82	56.00
Freshness	16	32.00	19	38.00	15	30.00	2.02	70.00
Colour	21	42.00	16	32.00	13	26.00	2.16	74.00
Availability	5	10.00	17	34.00	28	56.00	1.54	44.00
							Total percentage	528.00
							Brand opinion index [(528/8)]	66.00
							Brand equity index [(74.00 + 54.86 + 66.00)]	194.86
								(Out of 300)

- Awareness about the health benefits associated with the consumption of green tea and value added tea must be educated to the people.

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