

RESEARCH PAPER

A study on customer based brand equity (CBBE) of refined sunflower cooking oil in Tamil Nadu

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ABSTRACT

Sunflower oil has a balanced and rich nutrients composition. A large amount of vitamin E and fatty acids (omega 6) makes the oil effective for both internal and external usage. This study aims to identify the factors that influenced the customer based brand equity of branded sunflower refined cooking oils in Tamil Nadu. Chennai and Coimbatore cities were considered for the study. The total sample size was 60 women respondents. Majority of the respondents were aged > 40 years, literate, employed and earned up to Rs.2500 per month about 95 per cent of the customers were willing to purchase the same brand XX. The perceived quality, brand awareness and brand loyalty were the factors influenced the customer based brand equity for the sunflower refined cooking oils in Tamil Nadu.

KEY WORDS : Brand equity, Brand awareness, Sunflower oil, brand loyalty, Willingness to purchase

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Sunflower oil has a balanced and rich nutrients composition. A large amount of vitamin E and fatty acids (omega 6) makes the oil effective for both internal and external usage. In recent years there has been an increase in demand for sunflower oil, hence measures such as the development of hybrid sunflowers to increase oil production have been introduced to meet this demand. The annual consumption of edible oil in India during 2013 was 18 mil.t. It is forecasted that consumption will cross 22 mil. in 2015 in that 50 per cent being packed whereas the rest are loosely sold. In that packed sunflower oil consumption was about 11 per cent while the remaining consists of other oils such as ground nut oil, mustard oil, palm oil etc., In the top most packed oil categories sunflower oil and palm oil are the fast growing categories. With the price differentiation in palm oil and sunflower oil in global market the demand for sunflower

oil is expected to grow by 40-50 per cent in 2015. The per capita consumption of edible oil in India is 14 kg. In comparison with the global average of 22 kg. this is too low and hence there is lot of head room for growth in the edible oil market. So this study aims to identify the factors that influenced the customer based brand equity of branded sunflower cooking oils in Tamil Nadu. The specific objectives of the study are: to study the profile of the sample respondents using refined sunflower cooking oil in Tamil Nadu, to analyze the willingness to continue purchase and overall customer based brand equity of refined sunflower cooking oil, to identify the factors responsible for the purchase of branded sunflower cooking oil and to suggest policy decisions.

Customer-based brand equity (CBBE) :

Since the term brand equity emerged in 1980s, there has been a growing interest in the subject among marketing academicians and practitioners (Cobb-Walgren *et al.*, 1995). Brand equity is the added value endowed by the brand name (Farquhar *et al.*, 1991); it is the difference between overall brand preference and multiattributed preference based on

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objectively measured attribute levels (Park and Srinivasan, 1994); and overall quality and choice intention (Agarwal and Rao, 1996). Based on the value of brand equity, Aaker (1991) defines it as a set of assets (and liabilities) linked to a brand's name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm's customers. Customer-based brand equity is defined from the perspective of the customer and is based on consumer knowledge, familiarity, and associations with respect to the brand (Washburn and Plank, 2002). Proponents contend that for a brand to have value, it must be valued by the customer. If the brand has no meaning to the customer, none of the other definitions are meaningful (Cobb-Walgreen *et al.*, 1995; Keller, 1993). Keller (1993) coined the CBBE definition as the differential effect of brand knowledge on consumer response to the marketing of the brand.

Further he explains, positive customer-based brand equity can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm's ability to command higher prices, a customer's willingness to seek out new distribution channels, the effectiveness of marketing communications, and the success of brand extensions and licensing opportunities.

The general consensus that the brand value resides in the customer and that contextual factors may influence customers' experiences, brand knowledge and thus, their choices, the literature is weak in terms of establishing relationships between various factors and customer-based brand equity. (Fetscherin, 2010; Myers, 2003). There are two main perspectives on brand equity: company-based, and consumer-related. The former is a top-down approach based on financial performance that considers brands to be real-world entities created through a logo, name, slogans and symbols. It assesses brand value in monetary terms (prices, market share and profitability), thereby adding financial value to companies. Brands that represent value for customers and companies are usually referred to as customer-based and financial-based brand equity, respectively.

Brand awareness :

Rossiter and Percy (1987) defined brand awareness as the consumers' ability to identify or recognize the brand, whereas Keller (1993). Conceptualized brand awareness as consisting of both brand recognition and brand recall. Strength of a brand's presence in consumers' minds is an important component of brand equity (Aaker, 1991; Keller, 1993). Aaker mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. Keller (1993) argued that brand recognition may be more important to the extent that product

decisions are made in the store. Hence, in the present study, brand awareness is conceptualized as consisting of both brand recognition and brand recall. Boo *et al.* (2009) explained all models of consumer behaviour argue that awareness is a first and essential, but not adequate, step leading to trial and repeat purchase. Awareness may not always lead to purchase, because it results, at best, in product curiosity.

Brand association :

Brand association was another important component of brand equity and are believed to contain the meaning of the brand for consumers. While a brand may derive associations from a range of sources, brand personality and organizational associations are the two most important types of brand association, which influence the brand's equity (Aaker, 1991; Keller, 1993).

Keller and Lehmann (2006) called for further research in branding which ties what companies do, what customers think and feel about the brand and what customers do with respect to the brand. Actions that retail firms take to improve their brand equity for consumers include customer service training of personnel, store layout, promotion, location, pricing, product quality, product assortment, loyalty programs, and community involvement. Consumers then react to these store branding efforts over time by building up sets of shortcut feelings about the store that influence their behaviours towards the brand and its competitors in a market. While there may be universal drivers of equity, the entire field of market segmentation is based on the fact that there will be different groups of consumers who are driven by different combinations of brand factors, and that there can be similar total levels of customer-based brand equity across retail brands in a category for very different reasons.

Perceived quality :

This is another important dimension of brand equity (Aaker, 1991). Perceived quality is not the actual quality of the product but the consumer's subjective evaluation of the product (Zeithaml, 1988). Perceived quality provides value to consumers by providing them with a reason to buy and by differentiating the brand from competing brands. Netemeyer *et al.* (2004) suggested that brand equity should be measured by three elements including perceived quality/perceived value, uniqueness, and willingness to pay a premium price.

Brand loyalty :

Rossiter and Percy (1987) argued that brand loyalty is often characterized by a favorable attitude towards a brand and repeated purchases of the same brand over time.

Brand Loyalty is a major component of brand equity. Aaker (1991) defined brand loyalty as the attachment that a

customer has to a brand. Oliver (1997) defined brand loyalty as a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having potential to cause switching behaviour. Brand loyalty was defined as the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice (Yoo and Donthu, 2001).

Chang (2011) explained brand resonance, believing that consumer loyalty caused by brand resonance can be expressed in two ways, which are behavioural loyalty and emotional loyalty. It was believed that emotional loyalty necessitated the existence of behavioural loyalty, but the *vice versa* may not be true.

METHODOLOGY

Chieng and Lee (2011) proposed a frame work for measuring customer based brand equity. This frame work comprised of four key dimensions of brand equity which was developed by using the conceptualization of Aaker's (1991) considering the frame work, a multidimensional Likert's type of scale was developed for this study to measure the customer based brand equity. Chennai and Coimbatore cities were purposefully selected for the study. From each city, five retail outlet of leading national chain were selected randomly representing different locations. Six women customer were randomly selected from each of the ten retail outlets. Adult women customers between the age group of 20 to 45 years were considered as it was understood that this group makes decision regarding the purchase of cooking oil. Hence, the total sample size was 60 women customers. Customer based brand equity was measured using four dimensions namely perceived quality, brand awareness, brand association and brand loyalty. The statements for these dimensions were adopted from Aaker's brand equity scale (1991), marketing segments for cooking oil market in Tamil Nadu.

XX brand refined sunflower oil, was selected as stimuli in this study. A pretested and well structured interview schedule was designed and used as the data collection tool for this study. It comprised of items for measuring the dimension of brand equity, overall brand equity and demographic questions. The factor analysis was used to identify the factors that caused the dimensions of brand equity and overall brand equity and customer based brand equity (Model Adapted from Fayrene and Lee, 2011).

ANALYSIS AND DISCUSSION

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

General characteristics of sample respondents :

Age group :

It could be inferred from the Table 1 that major share of the respondents were in the age group of 40 and above followed by 30-35 years and 25-30 years old customers. It could be concluded that customers were in the middle and old age category and only a meager share of them were young.

Table 1 : Frequency of purchase done by the respondents

Frequency	No. of respondents	Percentage
Twice in a week	7	11.67
Weakly once	17	28.33
Fortnightly	1	1.67
Monthly	35	58.33
Total	60	100.00

Educational status :

As regards the educational status of the respondents, about 35 per cent were graduate followed by 25 per cent of them post graduate and 22 per cent of them had secondary level of education. It could be concluded that almost 90 per cent of the customers had at least secondary education and only meager customers were illiterate. Nearly 92 per cent of the respondents were literate, as the study was conducted in city areas.

Occupational status :

Regarding the occupational status of the sample respondent 35 per cent of them were housewives followed 31.67 per cent of them were in private and 18.33 per cent were in government services. As the study emphasized only on the female respondents, higher percentage was shown by the housewives.

Family monthly income :

Regarding family monthly income, about 28.34 per cent of the respondents had less than Rs.20000 as their family monthly income followed by 25 per cent of them earned Rs.20001–25000 and 18 per cent ranging Rs.25001–30000. It could be concluded from the result that most of the customers had less than Rs. 30, 000 as their family monthly income. Nearly 71.66 per cent of the respondents' family income was above Rs. 20,000, because the sampling for the study was conducted in a sophisticated area.

Buying behaviour of the sample respondents :

Frequency of purchase :

It could be inferred from the below table that 58.33 per cent of the customers purchased brand XX sunflower refined oil on monthly basis followed by (28.33 %) weekly and twice in a week (11.67 %). It could be concluded that most of the customers preferred bulk purchase.

Regarding pack size of XX sunflower refined oil 43.33 per cent of the customers preferred to purchase two litres pack followed by 26.67 per cent of them preferred five litres and 23.33 per cent preferred one litre only a meager proportion preferred to purchase half a litre. It could be concluded that most of the customers preferred to purchase more than two litres pack. About 70 per cent of the respondents purchased the pack size of two and five litres as these pack size were convenient suit their requirements.

Table 2 : Pack size purchased by the respondents

Pack size	No. of respondents	Percentage
Half a litre	4	6.67
One litre	14	23.33
Two litres	26	43.33
Five litres	16	26.67
Total	60	100.00

Mode of purchase :

With regard to mode of purchase 76.67 per cent of the customers purchased XXbrand refined sunflower oil with cash followed by 16.67 per cent purchased using their credit cards. It could be concluded that most of the customers purchased Brand XX refined sunflower oil by paying cash.

Table 3 : Mode of purchase by the respondents

Mode of purchase	No. of respondents	Percentage
Cash	46	76.67
Credit cards	10	16.67
Loyalty cards/ coupons	4	6.66
Total	60	100.00

How long respondents used the brand XX :

About 73 per cent of the customers used the refined sunflower oil – brand XX for 3 and above years followed by 11.67 per cent of them used for 1 to 2 years. From the result it could be concluded that repeated purchase and loyalty among the customers for the refined sunflower oil– brand XX were seen. This indicated that there is more possibility for getting good market potential for sunflower refined oil brand XX. Nearly 73.33 per cent of the respondents purchased the Brand XX for more than three years as they were very loyal to that brand and had derived higher satisfaction.

Table 4 : Year of using brand xx by the respondents

No. of years	No. of respondents	Percentage
<1 year	4	6.67
1 to 2 years	7	11.67
2 to 3 years	5	8.33
3 and above years	44	73.33

Willingness to continue with the same brand XX :

An over willing proportion of the customers (95 %) were willing to purchase the same brand XX. It could be concluded that most of the customers were loyal to the brand XX and very less per cent of them were expected to switch over to other brand. Hence, the respondents were very loyal to the brand.

Table 5 : Willingness to continue with the same brand XX

Willingness to continue	No. of sample respondents	Percentage
Yes	57	95.00
No	3	5.00

Regarding the overall customer based brand equity assessment of brand XX, out of the mean score value (5), the first statement showed a higher mean score value of 3.92 followed by the second and third statements. This can be enhanced more to a higher mean score value by emphasizing more about the features of the brand XX.

Factors affecting the purchase of brand XX refined sunflower oil by the customers :

Factor analysis was used to identify the factors responsible for the purchase of refined sunflower oil– brand XX by the customers. A total of 26 statements were used for this analysis. The respondents were asked to indicate on a 5 point scale *viz.*, strongly agree (5), agree (4), neutral (3), disagree (2) and strongly disagree (1). Factor analysis was done using SPSS 16.0 Kaiser Mayer Olkin measure of sampling adequacy was done. The value derived was 0.648 which is above the recommended value 0.5 (Kaiser, 1974). This indicated that the sampling adequacy criteria to run a factor was met out. The Bartlett's test of sphericity was carried out in order to know the appropriateness to run a factor analysis. The significant value derived was less than 0.05 (0.000) which indicated the appropriateness of the statements to run the factor analysis.

From the 26 statements conceded for factor analysis and factors which had Eigen value of more than 1 was selected. Statements which had factorrating greater than or equal to 6 were considered to be included under the factors. For more simplification, the factors were reduced to three factors as given in the table.

After contraction of factors the first factor contained the statements like cleanliness (0.848), brand look (0.803), value for money (0.773), purity of brand (0.752), convenient packaging (0.752), keeping quality (0.697), good smell (0.603), free from rancidity(0.733). These factors explained the customer expectation and perception about the XX refined sunflower oil. Hence, it was named as Perceived quality factor. The first perceived quality factor explained 38.88 per cent of customer

based brand equity. Second factor contained the following statements with factor loading as follows: Repeated purchase (0.759), Sunflower source (0.702), Brand choice (0.679), Refined and cholesterol free (0.612), Recommend to others (0.813). The statement explained 17.19 per cent varies about the loyalty of the customer towards brand. Hence it was named as brand loyalty. The third factor included the five statements with factor loading as follows: Brand loyalty (0.783), Prime choice (0.625), Health consciousness (0.788), Availability (0.673) and brandresonan Brand phrase remembrance (0.773), these items indicated the brand awareness among the customers. Hence, this could be named as brand awareness. This factor explained 13.63 per cent of variance. It could be concluded from the result of explanatory factor analysis that the customer felt the perceived quality of the brand, brand loyalty and brand awareness factors to increase the customer based brand equity.

Conclusion :

About 90 per cent of the customers had at least secondary education and only a meager customer was illiterate. Regarding the occupational status of the sample respondent 31.67 per cent of them were in private followed by 35 per cent of them were house wives and 18.33 per cent were in government jobs. From the result that most of the customer had less than Rs.30,000 as their family monthly income. Regarding pack size of XX sunflower refine oil 48.33 per cent of customer preferred to purchase two litres. With regard to mode of purchase 76.67 per cent of purchase of the customers purchased XX brand refined sunflower oil with cash. About 73 per cent of the customer used the refined sunflower oil – Brand XX for 3 and above years. Regarding the willingness to purchase the same brand XX, 95 per cent of the customers were willing to purchase the same brand XX. The perceived quality (39 %), brand loyalty(17 %)and brand awareness (14

Table 6 : Overall customer based brand equity assessment of brand xx

Sr. No.	Statements	Mean score
1.	Even if another brand has same features as xx, I would prefer to buy xx only	3.92
2.	Brand xx is more than a product to me	3.65
3.	If another brand is not different from xx in any way it seems smarter to purchase xx	3.63

Table 7 : Factors affecting the purchase of brand xx

Sr. No.	Variables	Name of the factor			Variables explained per cent
		Perceived quality	Brand loyalty	Brand awareness	
1.	Cleanliness	0.848			38.88
2.	Brand look	0.803			
3.	Value for money	0.773			
4.	Purity of brand	0.752			
5.	Convenient packaging	0.752			
6.	Keeping quality	0.697			
7.	Good smell	0.603			
8.	Free from rancidity	0.733			
9.	Repeated purchase		0.759		17.19
10.	Sunflower source		0.702		
11.	Brand choice		0.697		
12.	Refined and cholesterol free		0.612		
13.	Recommend to others		0.813		
14.	Brand loyalty			0.783	13.63
15.	Prime choice			0.625	
16.	Health consciousness			0.788	
17.	Availability			0.673	
18.	Brand phrase remembrance			0.773	

%) were the factors caused the consumer based brand equity among the customers.

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