THE IMPACT OF BRAND EQUITY ON SELECT FMCG PRODUCTS AT HYDERABAD-AN EMPIRICAL STUDY

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ABSTRACT

In the ever-expanding landscape of FMCG products and services, brand equity plays a pivotal role in establishing a competitive edge in metropolitan cities. The abstract concept of brand equity encompasses various elements that contribute to the overall value of the brand, including brand image, brand loyalty, brand recognition and perceived quality. Brands that excel in building strong equity are able to command higher prices, capture larger market shares, and enjoy enduring customer relationships. In the context of metropolitan cities where competition is fierce and consumer choice abound, establishing a robust brand equity becomes crucial for FMCG companies. Consequently, they can foster trust and loyalty among these discerning customers resulting in increased sales and long-term success in metropolitan markets.

KEYWORDS: *Brand Equity, Brand Loyalty, Brand Image, Brand Recognition, Consumer Perceptions.*

INTRODUCTION

In the context of marketing, brand equity refers to a brand's inherent value, or the social standing of a well-known brand name. Because people believe that products from well-known brands are superior to those from lesser-known brands, the owner of a well-known brand name can profit more just by virtue of brand recognition. Upholding the business-customer relationship and keeping the promises made to customers are important components of brand equity. Among the elements of brand equity are : Brand Awareness, Brand Association, Brand Experience, Brand Loyalty, Brand Preference, Brand Image and Brand Recognition. The degree of which consumers can recollect or identify a brand in various contexts is known as Brand Awareness. Brand knowledge is an associative network memory model that has two aspects, one of which is brand awareness. It's crucial to put in a lot of effort to keep a consistent brand image because various customers may have different perceptions of your company. When people stick with a brand even when competitors are providing comparable goods or services, this is known as brand loyalty. A densely populated urban agglomeration and the areas around it that share infrastructure, housing, commercial spaces, transportation networks and the industrial make up a metropolitan area or metro. Metropolitan cities in India are those with a population of four million or more, according to The Census Commission of India. Telangana's Hyderabad- It has historic capital of the Nizams and Qutb Sahis, the city is teeming with markets, Mughals architecture, and traditional Bidri artwork.

Statement of the Research Problem : The study is related to brand equity which measures their impact, effectiveness, and significance of it. The purpose of this is to evaluate brand loyalty, brand image, brand recognition. How the factors influence consumer buying behaviour and their loyalty towards a brand in metropolitan city Hyderabad.

Research Gap: The existing research on brand equity primarily focuses on broad contexts or different regions, with a notable gap in empirical studies specifically targeting the impact of brand equity on Fast Moving Consumer Goods (FMCG) in Hyderabad. This gap is significant given the unique market dynamics and

consumer behaviors in Hyderabad. Furthermore, there is a scarcity of data examining how individual components of brand equity—like brand awareness, perceived quality, and brand loyalty—affect FMCG sales and consumer preferences in this area. This study aims to address these gaps by investigating the influence of brand equity on select FMCG products in Hyderabad, considering current market trends and consumer patterns.

OBJECTIVES
1. To assess the impact of brand loyalty on consumer perceptions of select FMCG products in Hyderabad.
2. To investigate the influence of brand image on consumer perceptions of select FMCG products in Hyderabad.
3. To examine the effect of brand recognition on consumer perceptions of select FMCG products in Hyderabad.
4. To evaluate the relationship between brand loyalty, brand image, brand recognition, and brand equity for select FMCG products in Hyderabad.

METHODOLOGY
- **Research Design:** This study will adopt a quantitative research design to investigate the impact of brand equity on select Fast-Moving Consumer Goods (FMCG) products in Hyderabad.
- **Sampling Frame:** The sampling frame will consist of households and individuals residing in Hyderabad, India, who are consumers of select FMCG products.
- **Sample Size:** The sample size will be determined using a representative approach, ensuring statistical significance. A minimum sample size of 258 respondents is recommended to provide robust results.
- **Random Sampling:** Within each stratum, random sampling will be conducted to select households or individuals for the survey.
- **Survey Questionnaire:** A structured questionnaire will be designed to collect data on brand equity perceptions and the consumption behavior of respondents regarding select FMCG products. A 5-point Likert scale (ranging from strongly disagree to strongly agree) may be used to measure respondents' perceptions.
- **Statistical Tool:** Regression analysis will be employed to examine the relationship between brand equity dimensions (brand loyalty, brand image, brand recognition) and consumer perceptions.

LITERATURE REVIEW
Consumer Perceptions
- **Consumer Perceptions of Product Quality:** One of the central factors influencing consumer purchasing decisions is the perception of product quality. Zeithaml (1988) proposed the concept of "perceived quality" as a critical determinant of consumer behavior.
- **Consumer Perceptions of Price:** Price perception plays a vital role in consumer decision-making. Monroe and Krishnan (1985) developed the Price-Quality Model, suggesting that consumers often associate higher prices with better quality.
- **Brand Perception and Loyalty:** Aaker (1991) emphasized the importance of brand perception in building brand loyalty. Consumers often make decisions based on their perception of a brand's image and reputation.
- **Consumer Trust:** Trust is crucial in online and offline transactions. Mayer et al. (1995) proposed the concept of trust in their model of organizational trust, which can be applied to consumer trust in brands, products, and services.
- **Consumer Perceptions of Risk:** Bauer (1960) introduced the concept of perceived risk, including factors such as financial risk, performance risk, and psychological risk, which impact consumer decision-making.
- **Consumer Perceptions in the Digital Age:** The advent of e-commerce and online reviews has transformed consumer perceptions. Chevalier and Mayzlin (2006) explored how online product reviews affect consumers' perceptions and purchasing decisions.

Brand Loyalty
- **The Evolution of Brand Loyalty:** Brand loyalty has evolved from a simple preference for a particular brand to a complex psychological and behavioral phenomenon. Researchers like Jacoby and Chestnut (1978) have examined the various stages of loyalty development, from brand recognition to brand insistence.
- **Consumer-Brand Relationship and Loyalty:** Building a strong emotional connection between consumers and brands is essential for brand loyalty. Fournier (1998) introduced the concept of "consumer-brand relationship" and emphasized its impact on long-term loyalty.
- **Factors Influencing Brand Loyalty:** Numerous factors influence brand loyalty, including product quality, brand reputation, price, and customer service. Yoo and Donthu (2001) conducted a comprehensive study on

these factors and their effects on brand loyalty.

- **Technology and Brand Loyalty**: In the digital age, technology has transformed how consumers interact with brands. Kim et al. (2013) explored the impact of digital technology, social media, and online communities on brand loyalty.
- **Cultural Dimensions and Brand Loyalty:** Cultural factors significantly influence brand loyalty. Aaker and Maheswaran (1997) examined how cultural dimensions such as individualism-collectivism and high-low context cultures affect brand loyalty.
- **Brand Loyalty in the Context of Sustainable Brands:** With increasing environmental and social awareness, consumers are developing loyalty to brands that demonstrate a commitment to sustainability. Ellen et al. (1991) discussed the role of corporate social responsibility in building brand loyalty.

Brand Image
- **The Concept and Components of Brand Image:** Brand image is a multidimensional concept comprising various elements such as brand associations, brand personality, and brand identity. Kapferer (1992) discussed the importance of these components in shaping consumers' perceptions of a brand's image.
- **Brand Image and Consumer Behavior:** Brand image significantly influences consumer behavior, including purchase intentions and loyalty. Keller (1993) developed the Customer-Based Brand Equity (CBBE) model, which emphasizes the role of brand image in building strong brand equity.
- **The Impact of Advertising on Brand Image:** Advertising plays a pivotal role in shaping brand image. Kim and Hyun (2011) conducted a study to examine the effects of advertising on brand image and found that ad content and execution significantly influence consumer perceptions.
- **Brand Image and Consumer Trust:** Brand image contributes to building trust between consumers and brands. Dall'Olmo Riley et al. (2004) explored the role of brand image in fostering consumer trust and its impact on brand loyalty.
- **Brand Image and Brand Extensions:** The image of a parent brand can significantly affect consumers' perceptions of brand extensions. Aaker and Keller (1990) discussed how brand image influences the acceptance and success of brand extensions.
- **Cultural Dimensions and Brand Image:** Culture plays a vital role in shaping brand image. Han and Terpstra (1988) explored how cultural dimensions influence brand image and consumer preferences, highlighting the need for cross-cultural marketing strategies.

Brand Recognition
- **The Significance of Brand Recognition:** Brand recognition is a fundamental aspect of branding and marketing. Aaker (1996) emphasized its importance as the simplest form of brand awareness and its role in influencing consumer preferences.
- **Brand Recognition and Memory:** Brand recognition is closely linked to memory processes. Keller (1993) discussed how brand recognition fits into the Customer-Based Brand Equity (CBBE) model, highlighting its role in creating brand associations.
- **Brand Recognition and Consumer Behavior:** Brand recognition significantly impacts consumer behavior, particularly in purchase decisions. Erdem and Swait (1998) conducted a study on the effects of brand recognition and found that it positively influences brand choice.
- **The Role of Packaging in Brand Recognition:** Packaging design plays a crucial role in enhancing brand recognition. Bloch (1995) examined how packaging elements, such as colors and logos, contribute to brand recognition and consumer recall.
- **Brand Recognition in the Digital Age:** In the era of e-commerce and online marketing, digital brand recognition has gained prominence. Järvinen and Taiminen (2016) explored the significance of digital brand recognition and its impact on online consumer behavior.
- **Neuroscience and Brand Recognition:** Recent research has employed neuroscience techniques to study the brain's response to brand recognition. Goto and Yoon (2019) conducted a study using neuroimaging to examine the neural correlates of brand recognition.

Brand Equity
- **Customer-Based Brand Equity:** Keller (1993) introduced the concept of Customer-Based Brand Equity (CBBE) and emphasized the significance of consumer perceptions in building and measuring brand equity. The CBBE model includes brand awareness, brand associations, brand loyalty, and perceived quality as key components.
- **Brand Equity and Financial Performance:** Researchers have explored the link between brand equity and

financial performance. Aaker and Jacobson (1994) examined how brand equity positively affects a firm's financial performance by increasing market share, pricing power, and customer loyalty.

- **Measuring Brand Equity:** Yoo and Donthu (2001) developed a comprehensive model for measuring customer-based brand equity, including brand awareness, brand associations, perceived quality, and brand loyalty. Their study provided insights into the measurement of brand equity across industries.
- **Brand Equity in Emerging Markets:** In emerging markets, brand equity plays a crucial role in building trust and gaining a competitive advantage. Netemeyer et al. (2004) conducted research on brand equity in emerging markets and emphasized the importance of adapting brand strategies to local contexts.
- **Brand Equity and Brand Extensions:** Aaker and Keller (1990) examined the impact of brand equity on brand extensions. Their research showed that strong brand equity can positively affect consumers' acceptance of brand extensions, leading to successful product line extensions.
- **The Role of Emotional Branding in Brand Equity:** Fournier (1998) introduced the concept of "consumer-brand relationship" and discussed how emotional connections between consumers and brands contribute to building brand equity. The study highlighted the significance of brand personality and emotional branding strategies.

Conceptual Model
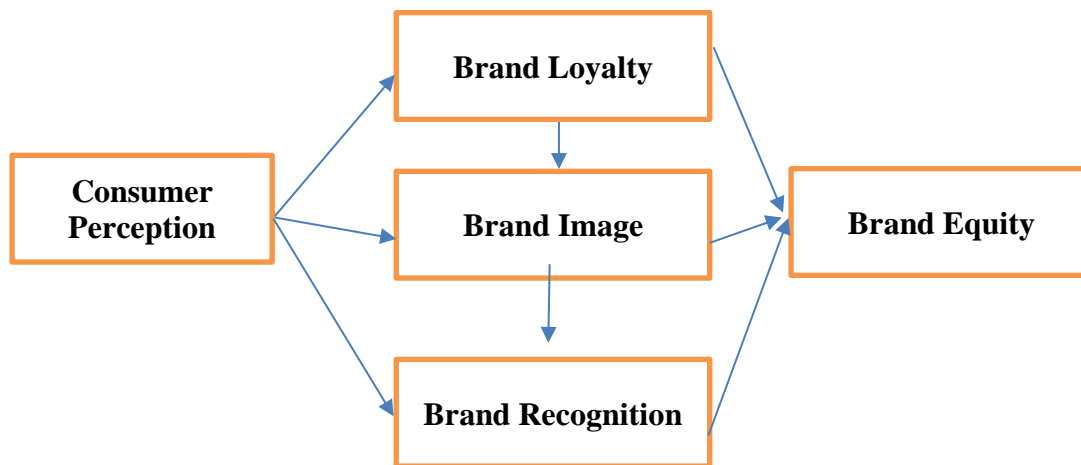
Hypothesis

- **H_1:** There is significant relationship between brand loyalty and consumer perception.
- **H_2:** There is significant relationship between brand image and consumer perception.
- **H_3:** There is significant relationship between brand recognition and consumer perception.
- **H_4:** There is significant relationship between brand loyalty and brand equity.
- **H_5:** There is significant relationship between brand image and brand equity.
- **H_6:** There is significant relationship between brand recognition and brand equity.

RESULTS AND DISCUSSIONS

Reliability Statistics

Cronbach's Alpha	N of Items
.927	25

The Cronbach's Alpha coefficient for the set of 25 items in your reliability analysis is 0.927. This indicates a high level of internal consistency reliability among the items in your measurement instrument. In other words, the items in your questionnaire or survey appear to be strongly correlated with each other, suggesting that they are measuring the same underlying construct consistently. A Cronbach's Alpha value of 0.927 is well above the commonly accepted threshold of 0.7, indicating that the items in your scale are reliable and can be considered dependable for measuring the intended construct in your research.

Hypothesis Testing Using Regression Analysis

Hypothesis	Regression Weights	Beta Coefficient	R^2	P- Value
H_1	Consumer Perceptions→Brand Loyalty	0.930	0.866	0.00
H_2	Consumer Perceptions→Brand Image	0.630	0.397	0.00
H_3	Consumer Perceptions→ Brand Recognition	0.735	0.548	0.00
H_4	Brand Loyalty→Brand Equity	0.654	0.428	0.00
H_5	Brand Image →Brand Equity	0.603	0.363	0.00
H_6	Brand Recognition →Brand Equity	0.646	0.418	0.00

- The regression weight (Beta coefficient) of 0.930 indicates a strong positive relationship between consumer perceptions and brand loyalty. Approximately 86.6% of the variance in brand loyalty can be explained by consumer perceptions. The p-value being less than 0.01 suggests that this relationship is statistically significant.
- The Beta coefficient of 0.630 demonstrates a positive relationship between consumer perceptions and brand image. Around 39.7% of the variation in brand image can be accounted for by consumer perceptions. The p-value indicates that this relationship is statistically significant.
- The Beta coefficient of 0.735 suggests a positive and strong relationship between consumer perceptions and brand recognition. Approximately 54.8% of the variance in brand recognition can be explained by consumer perceptions. The p-value signifies the statistical significance of this relationship.
- The Beta coefficient of 0.654 indicates a positive relationship between brand loyalty and brand equity. About 42.8% of the variation in brand equity can be attributed to brand loyalty. The p-value shows that this relationship is statistically significant.
- The Beta coefficient of 0.603 suggests a positive association between brand image and brand equity. Approximately 36.3% of the variance in brand equity can be accounted for by brand image. The p-value confirms the statistical significance of this relationship.
- The Beta coefficient of 0.646 indicates a positive and strong relationship between brand recognition and brand equity. Around 41.8% of the variation in brand equity can be explained by brand recognition. The p-value indicates that this relationship is statistically significant.

CONCLUSION

Firstly, the study established a robust and statistically significant relationship between consumer perceptions and brand loyalty, brand image, and brand recognition. Consumer perceptions have a substantial impact on these essential dimensions of brand equity. This indicates that a positive consumer perception of FMCG products in Hyderabad is closely linked to higher levels of brand loyalty, a favorable brand image, and increased brand recognition. Secondly, the study confirmed the importance of brand loyalty, brand image, and brand recognition in shaping brand equity. Significant positive relationships were observed between each of these dimensions and brand equity. This underscores the vital role played by brand loyalty, brand image, and brand recognition in enhancing the overall brand equity of FMCG products in the Hyderabad market. These findings collectively highlight the significance of managing and cultivating consumer perceptions as well as fostering strong brand loyalty, a compelling brand image, and effective brand recognition strategies within the FMCG industry. Brands that succeed in positively influencing consumer perceptions and building strong brand equity are likely to enjoy a competitive advantage and enhanced market performance in Hyderabad. Thus, businesses operating in the FMCG sector in Hyderabad should consider these findings when devising their marketing and brand management strategies to achieve sustainable growth and success in the local market.

Scope for Future Research: The scope for future research in the field of brand equity and consumer perceptions within the FMCG sector in Hyderabad is rich and multifaceted. It encompasses cross-cultural comparisons, longitudinal studies, industry-specific investigations, digital and social media impact assessments, in-depth analyses of consumer behavior drivers, the development of novel brand equity measurement models, sustainability and CSR's influence on brand equity, evaluations of the effect of crisis management on brand equity, inquiries into the relationship between brand equity and competitive advantage, and the exploration of global versus local branding strategies. These avenues promise to deepen our understanding of the intricate dynamics between consumer perceptions and brand equity, providing actionable insights for marketers and brand managers to navigate and excel in the evolving FMCG landscape of Hyderabad and beyond.

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