



## BRAND MODERNITY AND COMMITMENT: AN EXPLORATORY STUDY OF MADHYA PRADESH STATE COOPERATIVE DAIRY FEDERATION (MPCDF) LIMITED IN BHOPAL VICINITY

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### ABSTRACT

*In today's dynamic business environment, promoting consumers' loyalty allows firms to secure a contented long-term position in the market-place. Brand modernity is a fusion of clear thinking and creativity, unique insight, and brilliant ideas focused on unlocking value for your brands and your business, and achieving growth. Brands that don't modernize are soon stunned by apathy. They stagnate. And then they die. Brand commitment is necessary because it generates shareholder value and keeps the organization with the pace of competition. Hence, in this research we have tried to find out the impact and relationship between Brand modernity from the marketer's point of view and Brand commitment from the customer's point of view. The study is empirical in nature and data is collected form 100 customers. Chi square test is applied to interpret the data. This study on constructs of brand loyalty demonstrates the psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, and media) and behavior of consumers while making shopping decisions. This study helps firms and organizations to improve their marketing strategies and to understand how consumer reacts toward their brand in changing environment.*

**KEYWORDS:** Brand, Brand Loyalty, Brand commitment, Brand modernity, Consumer's psychology.

### INTRODUCTION

As early as in 1967 Peter Drucker formulated the famous notion: "There are only two value-adding activities in an organization: "Innovation" and "marketing". Brand innovation is a fusion of clear thinking and creativity, unique insight, and brilliant ideas focused on unlocking value for your brands and your business, and achieving growth. Brand builders are innovators, pure and simple. Brands symbolize a basic value association between companies and their customers. That means marketers must be able to modernize new forms of brand value that can advance a firm and its customers.

Although Brand innovation consist two unsafe traits:

1. They are re-active not proactive that means you are running to stay with change.
2. They are External not internal that means the outside world dictates where you go.

The fact is that either they are re-active or external, however risky, any brand has to put

innovative strategies to keep in pace with change because if the brand is having a threat of innovation, consumer is having avenue of substitutes of brand.

Also, if we go by the Demand theory:

**Market Demand = Desire + Ability to purchase + Willingness to spend**

This equation directly implies that if consumer have no desire and willingness to spend to purchase the product of your brand that means you are on decline stage. So any kind of innovation in branding can facilitate you to enhance commitment level of consumers.

Consumer's pledge to repurchase or continue to use the brand can be validated by repeated purchasing of a product or service. The situation in which a consumer generally purchases the same branded product or service again and again over a time rather than buying from multiple suppliers within the category, is the consumer's brand commitment toward the brand. It can also be defined as the degree of loyalty



that consumers have for a given brand in that they are likely to re-purchase the offering in the future.

Coca-Cola, Apple, Sony, Nike, IBM, GE... These great brands from different industries, as people around the world loved and respected. Consumers around the world, regardless of nationality, race, language, way of intense concern the performance of these brands, expects a positive interaction with them.

MPCDF is the apex organization at the top of 3 tier structure of dairy cooperatives in Madhya Pradesh. Underneath there are 5 autonomous regional co-operative milk unions comprising of more than one district. Milk Unions have chilling centers, dairy plants, powder plants and cattle feed plants at different locations. Several village level dairy co-operative societies which procure raw milk and send it to the nearest chilling centre/dairy plant function under each milk union. MPCDF formulates policies, monitors and assists the Milk Unions in implementation of dairy development activities. MPCDF owns the brand Sanchi in whole Madhya Pradesh. Products of Bhopal dughd sangh includes different variants of Milk, Ghee, White Butter, Shrikhand, Lassi, Peda, Flavoured Milk, Butter Milk, Paneer, Curd, Chhena Kheer, Mawa, Sweetened Skimmed Milk Powder, Balanced Cattlefeed, Mineral Mixture.

### RATIONAL OF THE STUDY

This study helps a firm to understand how consumer reacts toward their brand in changing environment. This topic demonstrates psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, and media) and behavior of consumers while shopping or making other marketing decisions. Because of changes in legislation merger and take over are taking place. Brand modernity is also equally important because market demands it for us to increase efficiency and cut down the prices. In present scenario of changing consumer needs an organization must be able to present something new every year because there is a new

technology available. This study will help to understand how marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

### RESEARCH METHODOLOGY

The study is an exploratory study. Questionnaire is designed to collect the data from various people like Students, Professionals, and Housewives from different Places of Bhopal region to find out the factors that affect them while making a purchasing decision of any brand with their changing needs.

### OBJECTIVE OF STUDY

- To study the factors responsible for brand innovation in Sanchi brand in Bhopal region.
- To study how brand modernity affects the buying behavior of the customers?
- To study the impact of brand modernity on brand commitment.
- To study the factors responsible for brand commitment.

### HYPOTHESIS

H<sub>1</sub>: There is no significant relationship between brand modernity and brand Commitment of Sanchi brand in Bhopal region.

H<sub>2</sub>: There is no significant impact of brand modernity on brand commitment of Sanchi brand.

### SAMPLING PLAN

Sampling Unit: Target groups (Students \ Professionals \ Housewives) from different Places of Gwalior region.

Sample Size : 100

### DATA COLLECTION TOOL

Survey (Self structured questionnaire is used to collect primary data).

### QUESTIONNAIRE

1. Competition affects continuous innovation in branding?

S.NO.	OPINION	NO.	PERCENT (%)
1	Always	64	64
2	Seldom	30	30
3	Never	04	04
4	Don't Know	02	02
Total		100	100

$\chi^2 = 100.64$        $df=3,$        $\chi^2 (.05) = 7.81$



On asking to the customers that competition affects continuous innovation in branding, 64% of respondents said that competition always affect the innovation in branding and 30% of respondents were seldom about it and 4% said that it never affects the innovation in

branding and 2% don't know about that. The chi square value clearly indicates that opinion of the respondents was significantly different about the fact that competition affects continuous innovation in branding.

2. Being a regional or local brand, Sanchi has no need to innovate its brand?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	08	08
2	Strongly disagree	24	24
3	Agree	22	22
4	Disagree	46	46
Total		100	100

$$\chi^2 = 29.6 \quad df=3, \quad \chi^2 (.05) = 7.81$$

When asked to the users of Sanchi that being a regional brand, Sanchi has no need to innovate, 8% of user were strongly agree and 24% were strongly disagree and said that for earning the fame apart from the region, innovation is essential and 22% were agree and the

majority of 46% respondents were disagree with this fact. Also the chi square value radically shows that the opinion of respondents was significantly different about the need of innovation while being a local and regional brand.

3. Innovation in branding will prevent other players to capture the market?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	16	16
2	Strongly disagree	06	06
3	Agree	64	64
4	Disagree	14	14
Total		100	100

$$\chi^2 = 83.36 \quad df=3, \quad \chi^2 (.05) = 7.81$$

On asking to the respondents that Innovative branding will prevent other players to capture the market, 16% were strongly agree and 6% were strongly disagree on this fact but majority of 64% respondents were agree and said that innovation in branding will help Sanchi to

capture the market on a large scale and 14% were disagree by this statement. Also the chi square value shows that the opinion of respondents was significantly different when it comes to innovation in branding for capturing the market.

4. Change in quantity with new packaging will help to retain customers?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	50	50
2	Strongly disagree	06	06
3	Agree	26	26
4	Disagree	18	18
Total		100	100

$$\chi^2 = 41.44 \quad df=3, \quad \chi^2 (.05) = 7.81$$



When it is asked to the users of Sanchi that change in quantity with new packaging will help to retain customers, mass of 50% were strongly agree and stated that new packaging with additional quantity will help Sanchi to retain its customers and 6% were strongly disagree on this fact and 26% respondents were agree but 18% were disagree by this statement. The chi square value radically shows that the opinion of respondents was significantly different when talking about change in quantity with new packaging.

disagree on this fact and 26% respondents were agree but 18% were disagree by this statement. The chi square value radically shows that the opinion of respondents was significantly different when talking about change in quantity with new packaging.

5. Cheaper price of Sanchi in comparison to local milk vendors influence consumers to buy the products of Sanchi?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	30	30
2	Strongly disagree	12	12
3	Agree	50	50
4	Disagree	08	08
Total		100	100

$$\chi^2 = 44.32 \quad df=3, \quad \chi^2 (.05) = 7.81$$

When it is asked to the users of Sanchi that Cheaper price influence consumers to buy the products of Sanchi, 30% of respondents were strongly agree and 12% were strongly disagree on this fact but collectively 50% respondents were agree and said that Sanchi sells its

product at cheaper price and 8% were disagree by this statement. The chi square value indicates that the opinion of respondents was significantly different at the time of asking a question about the cheaper prices of Sanchi.

5. Presence of more alternatives affects the buying behavior of consumers?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	36	36
2	Strongly disagree	02	02
3	Agree	54	54
4	Disagree	08	08
Total		100	100

$$\chi^2 = 71.2 \quad df=3, \quad \chi^2 (.05) = 7.81$$

On asking to the customers that Presence of more alternatives affects the buying behavior of consumers, 36% were strongly agree and only 2% were strongly disagree and as a group of 54% respondents were agree and said that presence of alternatives affects the

purchasing decision and 8% were disagree about it. The chi square value clearly indicates that the opinion of respondents was significantly different and most of them accepted that more choices affect the purchasing process.

6. Increase in Sanchi parlors is a good function to reach potential customers?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	42	42
2	Strongly disagree	02	02
3	Agree	46	46
4	Disagree	10	10
Total		100	100

$$\chi^2 = 59.36 \quad df=3, \quad \chi^2 (.05) = 7.81$$

On asking to the respondents that Increase in Sanchi parlors is a good function to reach potential customers, 42% were strongly agree and 2% were strongly disagree on this fact but majority of 46%

respondents were agree and said that Sanchi parlors should be increased for tapping potential customers and 10% were disagree by this statement. Also the chi square value clearly shows that the opinion of



respondents was significantly different when it comes to increase in Sanchi parlors.

7. Introducing innovations through distribution channel will help toward brand commitment?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	26	26
2	Strongly disagree	04	04
3	Agree	54	54
4	Disagree	16	16
Total		100	100

$$\chi^2 = 54.56 \quad df=3, \quad \chi^2 (.05) = 7.81$$

When it is asked to the users of Sanchi that innovations in distribution channel will help toward brand commitment, 26% were strongly agree and 4% were strongly disagree about this fact and majority of 54% respondents were agree and said that distribution channel should be revised with innovative techniques

but 16% were disagree by this statement. The chi square value fundamentally shows that the opinion of respondents was significantly different when talking about the introduction of innovation in distribution channel.

8. Innovative techniques of sales promotion at the time of festivals will help Sanchi to retain more committed customers?

S.NO.	OPINION	NO.	PERCENT (%)
1	Always	68	68
2	Seldom	08	08
3	Never	06	06
4	Don't Know	18	18
Total		100	100

$$\chi^2 = 101.92 \quad df=3, \quad \chi^2 (.05) = 7.81$$

On asking to the customers that sales promotion programs at the time of festival will help Sanchi to retain more committed customers then collectively 68% of respondents said that sales promotion always help in retaining customers also it contributes to the footfall of customers and 8% of respondents were seldom about it

and only 6% said that it never affects commitment level of customers and 18% don't know about that. The chi square value clearly indicates that opinion of the respondents was significantly different and mostly is in favor of sales promotion techniques at the time of festivals.

9. Excellent feedback system from the customers will increase the commitment level toward Sanchi brand?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	38	38
2	Strongly disagree	12	12
3	Agree	38	38
4	Disagree	12	12
Total		100	100

$$\chi^2 = 27.04 \quad df=3, \quad \chi^2 (.05) = 7.81$$



When asked to the respondents that feedback system from the customers will increase the commitment level, 38% were strongly agree as well as agree and only 12% were strongly disagree as well as disagree.

The chi square value clearly point out that the opinion

of respondents was significantly different and accepted that feedback system is a good mechanism to increase commitment level of customers.

10. Customers are more committed towards Sanchi in Gwalior region because of its local or regional brand?

S.NO.	OPINION	NO.	PERCENT (%)
1	Strongly agree	30	30
2	Strongly disagree	12	12
3	Agree	38	38
4	Disagree	20	20
Total		100	100

$\chi^2 = 15.52$   $df=3$ ,  $\chi^2 (.05) = 7.81$

On asking to the public that Customers are more committed towards Sanchi in Gwalior due to its locality then collectively 30% of respondents were strongly agree and 12% of respondents were strongly disagree about it while 38% agreed and accepted that they prefer Sanchi because it is a local brand and 20% were disagree. The chi square value represents that the opinion of the respondents was significantly different and mostly accepted the locality of brand for their commitment.

### CONCLUSION

There is a famous saying that customer is king of market so the commitment level of customers decides the progress of a firm. At present most of customers attract on something innovative according to their need. In this highly competitive scenario, modernization in branding helps a firm to retain its name in the market because innovative techniques in branding differentiate your brand from the competing firms in the market place. If any firm wants to stay inside the marketplace, locality or regionalism cannot support in long run case. For capturing the majority of people in the market and for being a giant player in the market, something new with the alteration in branding should be offered. New packaging with extra quantity at the affordable prices helps a brand to attract existing as well as potential customers. For being a renowned brand or brand recognition, a departmental store helps a firm in getting statutory image of their brand in the mind of customers. Investment made for the brand extension in new areas apart from existing product helps a firm for getting fame on the next level and in brand recognition. At present customer is health conscious but somewhere they are price conscious too, so reasonable price rather than a cheap price attracts more customers. Sales promotion at least at the time of festivals help in attracting customers and also it contributes to the footfall of customers toward the brand. Suggestion and

complaints from the customers in the form of feedback helps a firm in further strategic planning.

### SUGGESTION

- Since Sanchi is almost 30 years of older brand in Madhya Pradesh, so little changes in branding will not affect the brand image so for the brand image and recognition, Sanchi should provide sponsorship for cultural events of Madhya Pradesh government.
- Presently Sanchi is taking the advantage of its locality and regionalism in Bhopal vicinity but as they have won the faith of regional customers, the company should try to reach at national level by attracting the customers nationwide.
- For remaining the giant players in terms of customer preference, Sanchi should introduce membership cards and should provide some relaxation to their cardholders.
- Sanchi should surely open a departmental store with the brand name "Sanchi" and should provide other grocery and household items rather than selling only milk and milk made products.
- At the initial stage, Sanchi should collaborate with any regional company that can provide these items to Sanchi rather than self production of the non-milk products.
- Where there is no availability of Sanchi products at the far-flung areas of a city, Sanchi should start a delivery van for tapping those potential customers.
- All delivery vans should work as a distribution shops for all products of Sanchi and should stay a whole day and report in the evening at the company premises with the sales statistics so that it will help in further strategic planning for tapping far-flung areas.
- For improvement in the sales volume, Sanchi should adopt some sales promotion techniques at least at the time of festivals such as: coupon system, lucky



draws, additional quantity (10% free or else), free gifts for the highest bill of the day etc.

- Sanchi should develop a system for getting regular (weekly or monthly) feedback in the form of suggestions and complaints from the customers.

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