



A STUDY ON CONSUMER PERCEPTION TOWARDS MARKETING BY FMCG COMPANIES

¹Mohit Mandani, ²Sunitha, B. K. and ³Dr. Varsha Agarwal

¹Student, V Semester BBA, Centre for Management Studies, Jain University, Bangalore

²HOD, Centre for Management Studies, Jain University, Bangalore

³Assistant Professor, Centre for Management Studies, Jain University, Bangalore

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ABSTRACT

Marketing plays a very important role in fulfilling the purpose of spreading awareness among the people that a particular product or service exists. This research paper intends to throw some light on this aspect by bringing forward the consumer's perception towards marketing done by FMCG companies. When studies were conducted regarding the same, it was found that most of the consumers found cause related marketing important and the fact that it does affect their buying decision. It was also found that when people like a product or service which was known to them by cause related marketing, they did tend to suggest it to their family and friends also which in turn helps the companies grow. The three major factors which affected the perception of customers towards cause related marketing were product association, self-pride and social responsibility. It can be concluded that cause related marketing is an effective tool for associating customers to a product or brand, create a sense of belonging towards the brand and brand loyalty.

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INTRODUCTION

Cause-Related Marketing is a part of social initiatives; it is a relatively new area of study. It has an important role to play in building trust in the minds of the customers as in an emerging economy like India, where consumers are looking for functional products which lasts longer and where obsolescence is not a strong brand image becomes absolutely essential. Cause marketing or cause-related marketing refers to a type of marketing involving the cooperative efforts of a for profit business and a non-profit organization for mutual benefit. The term is sometimes used more broadly and generally to refer to any type of marketing effort for social and other charitable causes, including in-house marketing efforts by non-profit organizations. Cause related marketing differs from corporate giving (philanthropy), as the latter generally involves a specific donation that is tax deductible, while cause marketing is a marketing relationship not necessarily based on a donation. CRM acts as a mouthpiece and tool for targeting and reaching potential customers effectively.

Cause marketing can provide creative and positive publicity for the companies. Cause marketing attracts the potential customers who feel a high affinity with the brand's cause and likely to switch for a stronger brand attitude. CRM helps to retain the existing customers by building long term relationships which are more sustainable in nature as compared to the traditional means of marketing. The stakeholders of the business, whether employees, suppliers, customers or environment are reinforced and more confident about the companies' overall objectives which go beyond generating sales and making profits. Now, more than ever, the companies are realizing the potential of aligning themselves with a cause. Earlier it was used mostly to increase sales and profits, but now it is used as a great brand positioning contrivance as it works on vitalizing brand equity and enhancing corporate image with sound economic and community impacts. So this study is an attempt to understand consumer's perception towards cause related companies and their product and how it influences their buying behaviour.

Literature Review

(Kola Neela, 2008) study intends to understand causal relationship between attitude, beliefs, behavioral intention and

*Corresponding author: Mohit Mandani

Student, V Semester BBA, Centre for Management Studies, Jain University, Bangalore

corporate image of a company associated with cause marketing campaign. The target segment taken for the study was the post graduate students. The study found, positive likely hood towards cause marketing and relationship among the variables. The study revealed, there are more variables influencing behavioral intention. The future research requires delving into the above variables and exploring the causal relationship and testing under the Indian context. (Shahbaz Shabbir, 2010) conducted a study to investigate the relationship between cause related marketing campaigns, brand awareness, corporate image of the company (involved in Cause Related Marketing) and ultimately, consumer purchase intentions. The target segment consisted of students studying in different universities of Rawalpindi and Islamabad. The findings indicate that consumer purchase intentions are influenced by the cause related marketing campaigns. (Parmar, 2014) in this study attempts find out impact of cause related marketing practices on Brand preferences and Brand Attachment among customers of Bhavnagar city (Gujarat) with special reference to P&G and cause related marketing practices by P&G and its awareness among customers. The target segment for this study is the people living in Bhavnagar City. The customers of Bhavnagar city were strongly associated with brands of P&G due to its cause related marketing campaign.

The brand preferences for P& G products are strongly associated due to its cause related marketing. And Customers are more loyal towards brands of P&G. Hence it can be concluded that there is strong impact of cause related marketing on Brand preferences and Brand Attachment (Sanjeela Mathur, 2012) in this paper tries to understand the extent of consumer perception towards Cause Related Marketing strategies and examine the factors that influence consumer response towards CRM. The target segment taken for this study was the people of Delhi-NCR region and they were selected on the basis of various factors. The findings were that exposure to any type of well- conceived communications program definitely establishes a more positive image and judgment about a brand in the minds of the consumer.

So, the overall result showed that while consumers definitely build a positive image of brand in terms of the social cause they work for but it need not necessarily lead to purchase intention as the desired behavior is influenced by a number of factors which could range from discounts, promotional schemes, point-of- purchase offerings, better competitive product or price and even substitutes at times. However, the respondents displayed a positive affinity towards the brand with which they shared the image and the relatedness to the cause (Garg, 2007) in his study has explained that cause related marketing can be understood as a strategic positioning and marketing tool which links a company or a brand to a relevant social cause or issue for mutual benefit. In his paper he attempted to study concept of Cause Related Marketing & Its impact on Corporate Brand Image & Sales through questionnaire cum interview schedules & from secondary data sources like website, Journals & Magazines. The paper reveals that factors that influence the customers were found to be brand name, availability, price, quality & cause related marketing concept. The company must generate more awareness regarding its contribution to social cause through TV & internet advertising as it is directly related to increase in sales and brand loyalty.

Research gap

On the basis of secondary research we found that there was no clarity about the customer's perception about CRM in any of the journals. Hence we have undertaken this topic to explore more depth on it.

Objectives

- To understand the cause related marketing activities by FMCG companies India.
- To identify the factors of perception of consumers towards cause related marketing.
- To understand how customers respond to cause related marketing.

MATERIALS AND METHODS

The questionnaire designed is structured and is self-administered to the respondents. The authenticity of information collected is highly reliable. Different articles and research papers were reviewed based on current scenario in CRM and the challenges it is facing. The data collection was done through the administration of questionnaires by the surveyor. The individuals were asked several questions regarding their views over CRM. Sampling method used is simple random sampling method. And pilot testing was conducted on 10 respondents to test and administer the designed instrument (questionnaire). The sample size for our study is 60. The data collection has been done at Christ University, Bangalore, Deoghar-Jharkhand, Ujjain- Madhya Pradesh and Rajasthan. Descriptive Analysis, Freidman Ranks, Factor Analysis, Cross tabulation, Frequencies.

Analysis and Interpretation

Table 1. Demographic Interpretation

Gender	Frequency	Percent
Male	42	70.0
Female	18	30.0
Total	60	100
Age		
Less than 25 years	28	46
25-35 years	24	40.0
More than 35 years	8	14.0
Total	60	100.0
Profession		
Salariied	19	31
Professional and Business	15	25
Homemaker/student	26	43
Total	60	100.0
Frequency of encountering		
Never	4	6.7
Not very often	13	21.7
Sometimes	29	48.3
Very Often	13	21.7
Always	1	1.7
Total	60	100.0

FINDINGS

Out of the total respondents, 48.3% respondents said that they encountered cause-related marketing program sometimes, followed by 21.7% respondents who said not very often and very often they encountered cause-related marketing program. When asked about their perception on corporate philanthropy, 50% respondents said that it is important.

Table 2. Effect of Cause Related Marketing

Perception of corporate philanthropy	Frequency	Percent
Unimportant	1	1.7
Less important	3	5.0
Neutral	5	8.3
Important	30	50.0
Very Important	21	35.0
Total	60	100.0
Effect of Cause related marketing on buying decision		
Not very Often	11	18.3
Sometimes	36	60.0
Very Often	13	21.7
Total	60	100.0
Important Cause		
Women Empowerment	11	18.3
Child Education	22	36.7
Healthcare	9	15.0
Old Age Support	9	15.0
Green Cause	9	15.0
Total	60	100.0
Willingness To purchase brand having cause related aspect		
Very Willing	4	6.7
Somewhat Willing	36	60.0
Neutral	12	20.0
Somewhat Unwilling	7	11.7
Very Unwilling	1	1.7
Total	60	100.0
Socially Responsible Citizen		
Very Low	1	1.7
Low	3	5.0
Neutral	13	21.7
High	27	45.0
Very High	16	26.7
Total	60	100.0
Recommendations to friends to purchase cause related products		
Yes	49	81.7
No	11	18.3
Total	60	100.0

Table 3. Effect on Buying Decision

			Effect of CAUSE RELATED MARKETING on buying decision			Total
			Not very Often	Sometimes	Very Often	
Gender	Male	Count	9	23	10	42
		% within Gender	21.4%	54.8%	23.8%	100.0%
	Female	Count	2	13	3	18
		% within Gender	11.1%	72.2%	16.7%	100.0%
Total	Count		11	36	13	60
		% within Gender	18.3%	60.0%	21.7%	100.0%
Age	Less than 25 years	Count	5	18	5	28
		% within Age	17.9%	64.3%	17.9%	100.0%
	25-35 years	Count	4	13	7	24
		% within Age	16.7%	54.2%	29.2%	100.0%
	35-45 years	Count	2	2	1	5
		% within Age	40.0%	40.0%	20.0%	100.0%
More than 45 years	Count	0	3	0	3	
	% within Age	0.0%	100.0%	0.0%	100.0%	
Total	Count		11	36	13	60
		% within Age	18.3%	60.0%	21.7%	100.0%
Profession	Salaried	Count	5	11	3	19
		% within Profession	26.3%	57.9%	15.8%	100.0%
	Professional	Count	0	6	5	11
		% within Profession	0.0%	54.5%	45.5%	100.0%
	Business	Count	1	3	0	4
		% within Profession	25.0%	75.0%	0.0%	100.0%
Homemaker/student	Count	5	16	5	26	
	% within Profession	19.2%	61.5%	19.2%	100.0%	
Total	Count		11	36	13	60
		% within Profession	18.3%	60.0%	21.7%	100.0%

Majority of respondents said that cause related marketing affects their buying decision i.e. 60% says sometimes and 21.7% says very often. From the survey we found that 36.7% of respondents consider child education as the important cause followed by 18.3% women empowerment. Out of the total respondents, majority of respondents i.e. 60% said that they are somewhat willing to purchase the brand having a cause

related aspect. Majority of the respondents i.e. 71.7% of respondents said that they are high or very high socially responsible citizen. When it comes to recommending friends for purchasing cause related products, 81.7% respondents said yes. Among gender, buying decision of female is more affected by the cause related marketing program than male. When it comes to the respondents opinion about which product

category the cause should be related, personal care is given the first ranking followed by food and beverages, stationery items, electronics and gadgets, OTC Drugs, toys and kitchen consumables. The three major factors which affect the perception of customers towards cause related marketing are product association, self-pride and social responsibility.

Conclusion

Based on the study, Cause related marketing leads to high product association among Customers. Considering majority of the respondents said it affects their buying decision and that respondents are willing to switch to brands that offer cause related marketing. Respondent also feel that Based on the study, Cause related marketing leads to self worth and pride being associated with the brand. Considering that customers were willing to pay a premium for the brand as it gives a sense of responsibility and achievement and are willing to purchase it even if it available at a premium. Cause related marketing is perceived to be a genuine form of support towards social causes. It can be concluded that Cause related marketing is an effective tool for associating customers to a product or brand, create a sense of belonging towards the brand and brand loyalty.

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