

Does Brand Awareness Impact Purchase Decision: A Case of Organic Grocery

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Abstract-

In India, the concept of organic food is gaining widespread acceptability. Consumers are becoming more conscious about their health and are looking for food that serves as a promising alternative. Corporates, NGOs, Spiritual leaders and Government are also promoting this food, as it is free from irradiation, chemicals and artificial additives. A number of organic food brands are available in the market. The main objective of this study is to find out the level of brand awareness and its influence on purchase of organic grocery. The data was collected from 150 organic consumers in National Capital Region (Delhi, Gurgaon, Faridabad and Noida) through a structured questionnaire. Questions related to brand recall, brand recognition and purchase of organic grocery were asked. It was found that in general, there is a low level of brand awareness among consumers, and those who have high level of awareness; they consume organic grocery more often. The study will help corporates to make effective communication and brand-building strategies.

Keywords: *Organic grocery, Brand awareness, Purchase decision.*

I. INTRODUCTION

Today's educated consumers are greatly concerned about their own and their children's health. Modern food-processing technologies, such as irradiation and genetic engineering; use of additives and chemical preservatives [8], [17]; and increase in food-related diseases like mad-cow and bird flu etc. [7] have raised the safety concerns among the consumers and affected their buying behavior [14]. They are concerned about the consequences of high amounts of chemical infusions in food items and consider items coming from natural farming methods as good and beneficial [4], organic food serves as a promising alternative for these people. Organic products are grown under a system of agriculture without the use of chemical fertilizers and pesticides with an environmentally and socially responsible approach. This method of farming works at the grass root level preserving the reproductive and regenerative capacity of the soil, good plant nutrition and sound soil management, and it produces nutritious food that is rich in vitality and possesses resistance to diseases [3].

Organic agricultural export market is one of the major drivers of organic agriculture in India [13]. In 2015-16, India exported food items worth 298 million USD to European Union, US, Switzerland, Canada, South East Asian Countries and South Africa [3]. And the size of the domestic market was only 0.36 Billion USD [6]. But now with growing awareness, increase in disposable income, increased initiatives by government and NGO's, it is anticipated that domestic market to grow at about forty percent [20]. Due to the huge potential offered by domestic market, a number of organic food producers, who were mainly exporting to developed countries are also targeting to serve domestic consumers. Although the market is at nascent stage but is expected to grow at a fast pace, this study aims to find out the level of brand awareness among organic food consumers and to study the relationship between brand awareness and purchase of organic grocery.

II. BRAND AWARENESS TO PURCHASE DECISION

Brand awareness refers to a consumer knowing of a brand's existence; at aggregate level it refers to the proportion of consumers who know the brand [2]. Brands, labels or quality marks can perform the function of a heuristic facilitating food consumption decisions [19], [9] because a brand recognized by consumers is more likely to be chosen by them during purchasing process as it strikes trust and stands for the guarantee of quality promised by the provider [1]. In a study conducted by Wier et al.(2008), in Great Britain and Denmark, it was found that 54 % of all Danish consumers trust branded organic products more and being a well known brand is highly important for ensuring consumer confidence. It also helps to form more positive attitude towards organic food and is a good way of dispelling consumer's suspicion [5].

Brand awareness is related to the strength of the brand node or trace in memory as reflected by consumers' ability to recall or recognize the brand under different conditions [12]. Brand recognition and brand recall are the two important measures of brand awareness. Brand recognition means the ability of consumers to confirm that they have previously been exposed to a brand, and brand recall means the ability of consumers to name a brand when given the product category, or some other similar cues [16]. Kotler & Keller [12] explained that consumer decision-making follows successive sets before the final purchase decision is taken – Total Set, Awareness Set, Consideration Set, Choice Set, and

the Final Decision. Total Set represents the total number of brands available in the market to a consumer. Awareness set represents the subset of brands that the consumer is aware of. Consideration set is that subset of brands, which meet the initial buying criteria of the consumer. As the consumer gains more information, only few brands will find place in the choice set and will ultimately be considered for final decision.

Unless and until a company/brand finds a place in the awareness set, it will not fall in the succeeding sets. Therefore, a company needs to make a strategy so that it can find a place in awareness set, consideration set and choice set [12]. This study aims to find out which organic food brands fall in the awareness set and does brand awareness have an impact on frequency of purchase of organic grocery.

III. OBJECTIVES

- To find out the overall level of brand awareness for organic food (grocery).
- To find out the difference in level of awareness on the basis of demographic variables like age, gender and education.
- To study the relationship between brand awareness and purchase frequency of organic food (grocery).

To achieve the above objectives, we designed the following hypotheses:

- H1₀: Consumers are not aware of various organic grocery brands.
- H2₀: There is no significant difference in level of brand-awareness on the basis of age.
- H3₀: There is no significant difference in level of brand-awareness on the basis of gender.
- H4₀: There is no significant difference in level of brand-awareness on the basis of level of education.
- H5₀: There is no relationship between brand awareness and purchase frequency of organic grocery.

IV. METHODOLOGY

To achieve the objectives, firstly, existing literature related to organic food was studied. And a market survey was done to select the most commonly available brands of organic grocery. A structured questionnaire was developed, which included some questions on demographic variables like age, gender and level of education; an open-ended question to check brand recall; a five-point scale to check the level of brand-familiarity with the selected brands and some multiple choice questions for frequency of purchase of organic food.

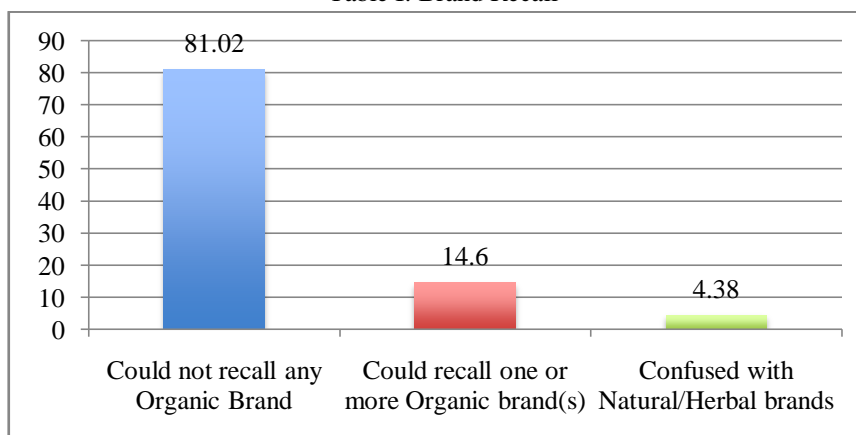
In the second step, organic food consumers were contacted near stores selling organic food and weekly organic farmers' market in NCR (Delhi, Gurgaon, Faridabad and Noida). Information was collected from 150 respondents, out of which 137 questionnaires were validated and used for analysis. In the third step, Data analysis was done through statistical techniques like Independent T-Test, ANOVA, Cross Tabulation and Correlation with the help of SPSS.

V. ANALYSIS & RESULTS

Brand Awareness (Brand Recall & Brand Recognition)

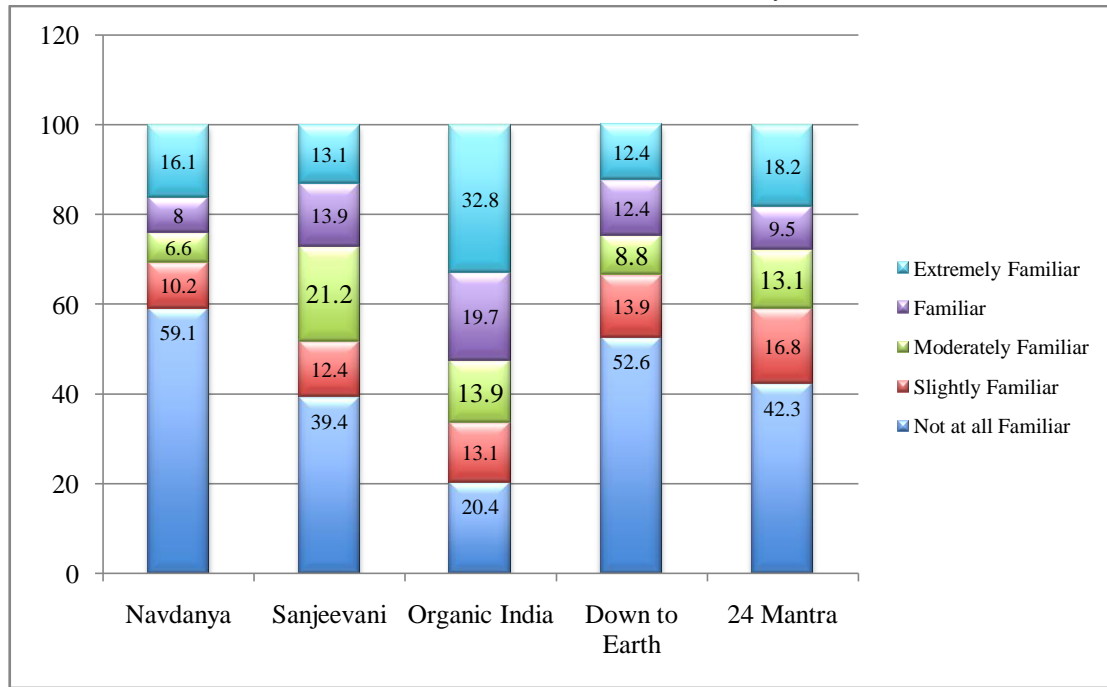
To find out the level of brand Recall, consumers were asked if they could recall any organic food brand and found (refer table I) that a large number of consumers (81% percent) could not recall even a single brand. And 14.599% consumers were able to recall one or brand(s); 4.38% were confused between organic and Natural & Herbal brands.

Table I: Brand Recall



To find out the level of brand Recognition, consumers were presented logos of five commonly available brands, Navdanya, Sanjeevani Organics, Organic India, Down to Earth and 24 Mantra and were asked to rate on a five-point scale ranging from not at all familiar to extremely familiar. A new composite variable was calculated by taking the mean of familiarity level of all the five brands. Mean brand awareness is found to be 2.4964, which reflects slight familiarity. Table II presents brand-wise level of familiarity and it is found that more than 50 percent consumers are not at all familiar with brands like Navdanya and Down to Earth, followed by 24 Mantra and Sanjeevani Organics. Organic India is the most familiar brand with 32.8 percent consumers extremely familiar with it.

Table II: Brand-wise Level of Familiarity



Source: Based on Primary Data

Hence, by considering the results of brand recall and recognition, we conclude that Consumers are not aware of various organic grocery brands in NCR.

Brand Awareness and Age

Table III & IV show that there is not much difference in the mean of level of brand awareness among different categories of age and the p value 0.405 is much higher 0.05, so we accept the null hypothesis that there is no significant difference in level of brand-awareness on the basis of Age.

Table III

Descriptives

Brand Awareness	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
					25 to 34 years	64		
35 to 44 years	33	2.3939	1.19738	.20844	1.9694	2.8185	1.00	5.00
45 to 54 years	17	2.8235	1.38000	.33470	2.1140	3.5331	1.00	5.00
Greater than 54 years	18	2.1667	.78591	.18524	1.7758	2.5575	1.00	4.00
18 to 24 years	5	3.0000	1.00000	.44721	1.7583	4.2417	2.00	4.00
Total	137	2.4964	1.15761	.09890	2.3008	2.6919	1.00	5.00

Source: Based on Primary Data

Table IV

ANOVA

Brand Awareness					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.414	4	1.354	1.010	.405
Within Groups	176.834	132	1.340		
Total	182.248	136			

Source: Based on Primary Data

Brand Awareness and Gender

Table V & VI show that there is difference in the mean of level of brand awareness among males and females and the p value 0.041 is less than 0.05, so we can conclude that there is difference in level of brand-awareness on the basis of gender. Females are slightly more brand-aware than males.

Table V

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Brand Awareness	Male	64	2.2813	1.04606	.13076
	Female	73	2.6849	1.22335	.14318

Source: Based on Primary Data

Table VI

Independent Samples Test

	Levene's Test for Equality of Variances	t-test for Equality of Means								
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Brand Awareness	Equal variances assumed	1.751	.188	-2.061	135	.041	-.40368	.19591	-.79112	-.01624
	Equal variances not assumed			-2.082	134.923	.039	-.40368	.19390	-.78717	-.02020

Source: Based on Primary Data

Brand Awareness and Education

Table VII & VIII show that there is not much difference in the mean of level of brand awareness among different categories of education and the p value 0.245 is much higher 0.05, so we accept the null hypothesis that there is no significant difference in level of brand-awareness on the basis of education.

Table VII

Descriptives

Brand Awareness

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Undergraduate	12	2.0000	1.04447	.30151	1.3364	2.6636	1.00	4.00
Graduate	30	2.3000	.95231	.17387	1.9444	2.6556	1.00	4.00
Post Graduate	66	2.6212	1.18666	.14607	2.3295	2.9129	1.00	5.00
Professional	29	2.6207	1.29322	.24014	2.1288	3.1126	1.00	5.00
Total	137	2.4964	1.15761	.09890	2.3008	2.6919	1.00	5.00

Table VIII

ANOVA

Brand Awareness

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.590	3	1.863	1.403	.245
Within Groups	176.658	133	1.328		
Total	182.248	136			

Source: Based on Primary Data

Brand Awareness and Purchase frequency of Organic Grocery

In our previous results (refer table II), we found that consumers were most aware with the brand Organic India, so it was decided to perform cross tabulation between frequencies of purchase of Organic grocery with brand Organic India (refer table IX).

Table IX

		Frequency of Purchase of Organic Grocery						Total
		2-3 times in a week	Once a week	Once a fortnight	Once a month	Occasionally	Never Purchased	
Organic India	Not at all familiar	1	4	4	6	10	3	28
	Slightly familiar	1	1	3	3	9	1	18
	Moderately familiar	0	3	3	6	7	0	19
	Familiar	0	4	5	5	12	1	27

	Extremely familiar	2	6	14	14	8	1	45
Total		4	18	29	34	46	6	137

Source: Based on Primary Data

From the above table, we can clearly see that consumers, who are familiar and extremely familiar with the brand Organic India, buy organic grocery more often as compared to consumers who are slightly or not at all familiar with the brand. A correlation analysis was performed between average of brand awareness and frequency of purchase of organic grocery (refer table X), p value 0.381 suggests that there exists a moderate relationship between Brand Awareness and Purchase frequency of Organic grocery.

Table X
Correlations

		Frequency of Organic Grocery	Brand Awareness
Frequency of Organic Grocery	Pearson Correlation	1	.381**
	Sig. (2-tailed)		.000
	N	137	137
Brand Awareness	Pearson Correlation	-.381**	1
	Sig. (2-tailed)	.000	
	N	137	137

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Based on Primary Data

Grocery is a type of product, which is generally purchased on fortnightly or monthly basis and not on daily basis, from table IX and X, we may conclude that consumers who have high brand awareness purchase organic grocery more often, but as the general level of brand awareness is low, we could find a moderate relationship between Brand Awareness and Purchase frequency of Organic grocery.

VI. CONCLUSION

From the above findings, we may infer that at present, level of brand familiarity among consumers is low, people are not much aware of organic food brands. Brand Organic India is the most familiar brand among consumers. Those who are aware and familiar with organic brands buy organic more often. No significant brand-awareness differences were found among different age groups and among consumers' having different levels of educational qualifications. It was also found that females are slightly more brand-aware than males, indicating that females get more involved and require more information while taking decisions.

VII. MANAGERIAL IMPLICATIONS

Domestic organic food market is at nascent stage, but is growing at a fast pace; findings suggest that organic food consumers are not much aware of various brands. Despite being the oldest Brand, it was found that level of brand familiarity of Navdanya is quite low. Brand Organic India is the most familiar brand among consumers, as it is advertised using mass media like newspapers, television and magazines. It is utmost important for organic food producers and suppliers to design appropriate communication strategy to interact with consumers. By creating brand awareness, they don't only make a position in consumers' mind; they may win consumer's trust and loyalty also. In today's digital age, they may reach potential customers with the help of social media, content marketing through blogs serve as a productive platform to create awareness and provide relevant information and benefits of organic food. Point of purchase advertising and appropriate shelf space at the super stores selling organic grocery will also help in creating awareness.

VIII. LIMITATIONS

This study focuses only on one of the important factors that impacts consumers' purchase decision, that is, Brand-awareness. Other important factors like price, quality, perceptions, availability, packaging and trust etc. also impact consumers' purchase decision. Further research should consider all other factors for a more comprehensive understanding of purchase decision-making process.

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