COMPARATIVE ANALYSIS OF THE PERCEPTIONS OF CONSUMERS AND RETAILERS TOWARDS BRITANNIA BISCUITS

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Abstract

Marketers of FMCG products while considering consumer related decisions, with respect to product attributes, product variants, pricing, packaging size etc., largely depends upon the feedback, opinions, observations and suggestions of the retailers, as they are the ones who has a direct interactions with the consumers on regular basis. Based on these interactions retailers forms certain perceptions on what consumers think about different brands of products and accordingly share his feedback to the marketers. However, there could be a gap in the actual perceptions of the consumers towards brands and retailers understanding of the same. This paper aims to analyse, the perceptions of the consumers towards a specific biscuit brand – Britannia and how these differs from that of the retailers.

Keywords: Consumer Perception, Retailer Perception, Biscuits, Comparative Analysis

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1.   Introduction

Indian biscuits industry is the largest among all the other food industries that India has like snacks, wafers etc. As per www.adageindia.in, India is known to be the 3rd largest manufacturer of biscuits following United States of America and China with the turnover of ₹ 36,000 crores. The industry is going through tremendous change because of some factors such as increasing income of the consumers, shift of consumers towards premium biscuits, technology innovations, more manufacturing facilities set up, increasing health awareness among people, product innovation in biscuits, attractive packaging etc. As per an article published in www.uk.news.yahoo.com, the industry is Consist of economy, middle, premium, and super premium categories and it is expected to grow at 20% every year. But the problem is premium and super premium categories of biscuits are growing at 30%, which is biggest change that this industry facing so the companies are focusing to make their premium and super premium categories strong and aiming at gaining good amount of market share. Currently the economy and middle category has 70% market share and rest 30% is consist of premium, super premium category and it is expected that economy and middle category will come down by 10% in next 2, 3 years.

The biscuits market is classified into two major categories, organized and unorganized, organized market has 70% market share and rest 30% is unorganized market in the overall Indian biscuits market. the sector is expected to cross the revenue figure of ₹ 400 billion by 2023. Organized market which comprises of major player like Britannia, Parle, Sunfeast, Unibic, Priya gold which serves both the rural and urban areas.

The competition in the biscuits industry its getting very tough and companies finding it tough to stay on its ground due to the diversified products range and also because of the huge inflow of foreign brands. As per www.indianmirror.com In the year 2015-16, the cookie segment which includes brands like good day, moms magic, 20-20 Parle as contributed 30% to the overall market and grew by 13% over its previous year, Marie biscuits has seen growth of 7.9%, while the salted and Crackers biscuits declined by 3.3% in 2015-16 compared to 2014-15. Parle-g glucose is the largest selling brand in India, holds 70% market in glucose biscuits and has 12% market share in ₹ 25000 crore biscuits industry. Britannia good day cookies is the largest player

in cookies category and second largest in terms of selling, holds 9% in the overall market share. Mondelez, maker of Cadbury chocolates, Bournvita biscuits and Oreo cream biscuits is growing by 7% every year. According to market research firm Nielsen the health category of biscuits such as Nutri choice, Farm lite, newly introduced Nutri crunch which comes in digestive biscuits is pegged at around ₹ 400 crore at present and expecting to grow at 15-16% every year.

2.   Literature Review:

There are few studies conducted on the consumer perceptions, relationships with retailers&other aspects of buying behaviour towards biscuits& FMCG products. The study by Apoorva (2004) [2] conducted to know consumer preference in purchasing ready to eat snacks, with a random sample of 150 consumers and 50 retailers. It is found that 60% people prefer lays over pepy, Cheetos and Kurkure. The spicy and the salty flavours are found to be highly preferred ones. Nearly 66% people buy ready to eat snacks at least once a week andtaste is most important factor for purchasing ready to eat snacks. Another study by Vincent (2006) [12]concluded that quality is a most important factor that takes consumers towards branded product. People see Branded product as good quality products and also people do not mind paying extra for those product, as they get value for their money. The author also concluded that media is the key constituent is promoting and influencing the brand image. It is found that children insistence affects family's buying decision. Now a days children are highly aware about the brands and they always insist family to select that brand.The study by Khor (2010)[5]conducted a research to know how consumer buying behaviouraffected with regard to luxury branded goods. The study analysed is there any interaction between the independent variable (price, perceived quality, perceived societal status and brand loyalty) and moderating variable (income) with the dependent variable consumer buying behaviour. Random Sample of 200 respondent was studied and it was found that perceived social status and brand loyalty are significantly related to factors affecting consumer buying behaviour. Where price and perceived quality are not significantly related and SPSS result also revealed that monthly income does not moderate the interactions between the independent variable brand loyalty and dependent variable consumer buying behaviour.Srivastava & Sharma (2013) [10] in their study determined that perceived quality had a greater impact on consumer attitude for services than FMCG and durables. Whereas, there was a stronger effect of perceived risk and involvement on assessment of durables and service than

FMCG brand extensions. The study by Khare, A. (2014) [4] identified that assortment, service, store facility and relationship are the major drivers for Indian consumers, for their preference towards small retailers. Out of these, service and assortment has a comparatively strong influence the relationship between consumer and small retailer. Beck & Kenning (2015) [3] in their study revealed that there is direct positive effect of perceived FFI (Family Firm Image) on NPA (New Product Acceptance) and an indirect effect, when it is mediated by perceived trustworthiness of the retailer. Furthermore, these relationships are moderated by the customers' perceived uncertainty with the product. Another study by Thapa (2012) [11] was conducted in Jammu to know factors, elements which influence the consumers to buy shampoo of particular brand and also tried to know the reasons for their switching over to other brands. It has been seen that people are aware of cosmetic brand more than the herbal ones. Factors like price, availability and packaging of the product also plays an important role in buying shampoo products. It has been found that consumers prefer gift, extra quantity, discounts and price off. Moreover, factors for switching brands are packaging, price rise, advertisement and non-availability of brands.The study by Anandan, Raj &Madhu (2006) [1] concluded that majority of the respondents (54%) will buy other brand if the one they want is not available, 15% of respondent will postpone their purchase and 18% people will go to another shop to buy the brand which they want.The study by McIntyre &Schwanke (2010) [8] indicated that the process of adult consumption of biscuits comprisesaspirations towards an overall better-life. In addition, there was negative effect of organic labelling on buyers.The findings of the study by Kitchen (1989) [6] revealed thatfor the purpose of market analysis, competitive metrics and market rivalry measures with advancement, will be beneficial tools for marketing managers of FMCG markets.The study by Shaikh & Gandhi (2016) [9] determined that primary parameter for retailers while accepting the new product is retail margin. Moreover, small retailers would considerpromotional support, sales potential of the new product, relationship of salesperson with the retailer, fairness in this relationship, corporate goodwill, relevant information about the product, and product availability with competitive retailers, while accepting a new product.The study by Leahy, R. (2011) [7] highlighted that relationship doesn't and couldn't exist in the FMCG market, from consumers' perspective and therefore marketers and retailers should focus on other effective strategies for the marketing purpose.

3.   Purpose

The purpose of this study is to analyse the difference between perceptions of the consumers and retailers towards a specific biscuit brand – Britannia.

4.   Research Methodology

Research Design selected for this research is descriptive design and the Universe is Thane district. Datawas collected Primary and Secondary sources. The data collection method used for primary data is survey method and the data collection instrument used is structuredquestionnaire. The sampling technique used is non-probability cluster sampling. The sample size for consumers is 112 and for retailer is 31. This sample population consists of respondents from diverse demographic profiles to make thefindings more relevant.

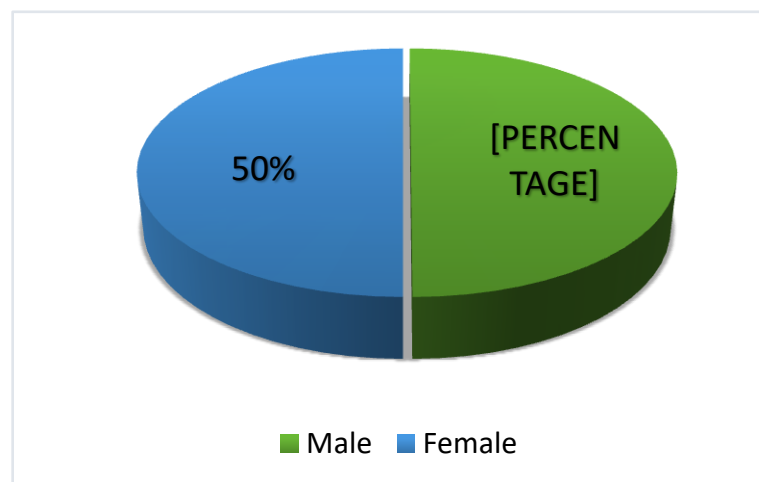## 5.   Data Analysis & Interpretation

Figure 1. Classification of Respondents on the basis of Gender

Since the product – biscuits are targeted towards both males and females; equal number of respondents from both the groups were considered for this research, as shown in the Figure 1.
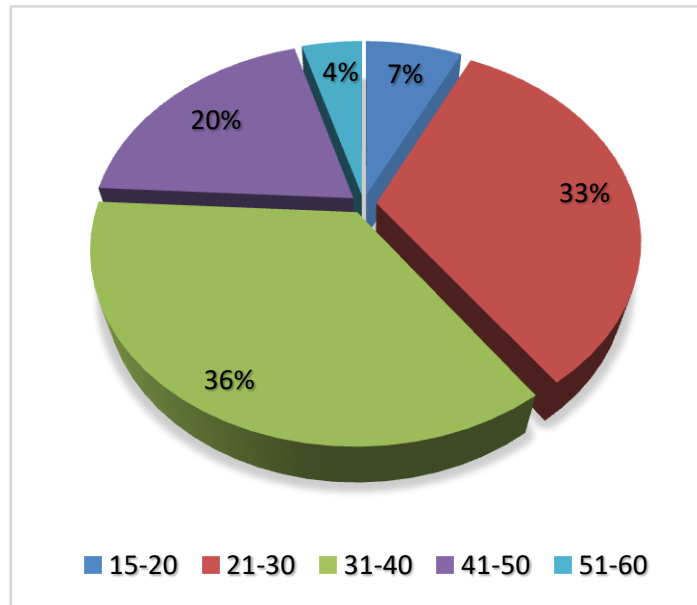
Figure 2. Classification of Respondents on the basis of Age Group

From the Figure 2 it is observed that the age group 31-40 is highest biscuit buying age group with 36%, followed by age group 21-30 with 33% and then 31-40 with 20% and age group 51-60 and 15-20 is 7% and 8% respectively.
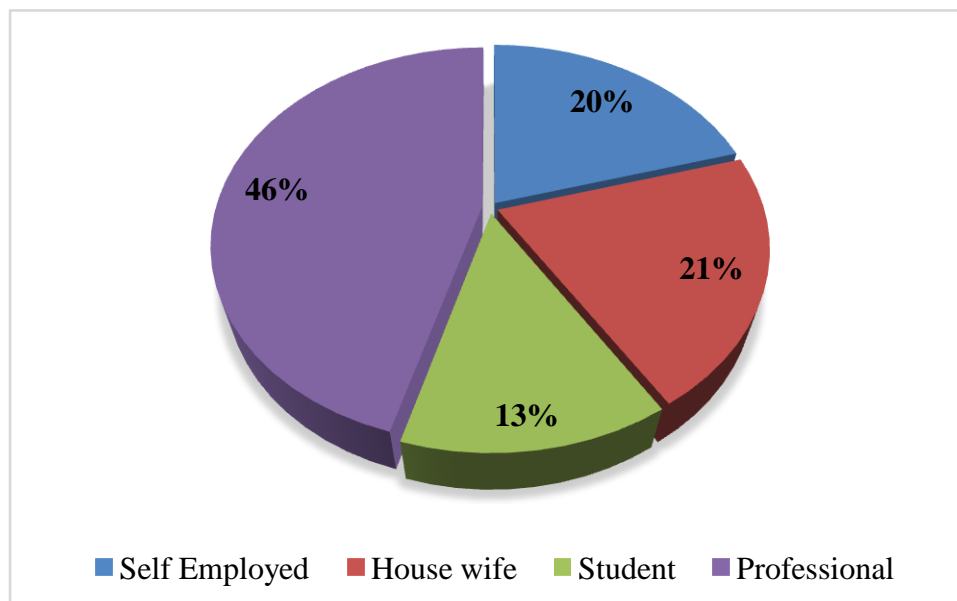

Figure 3. Classification of Respondents' on the basis of Occupation

The occupation plays important role while selecting the brand of biscuits. As shown in the Figure 3, there are 46% responses from professional / Employee. 21% responses were from house wife. Third highest responses were from Self Employed people with 20% and in the last 13% respondent were Students.

Hypothesis 1

H1: There is significant difference between the perception of consumers and retailers with respect to factors consumer consider while buying biscuits.

Table 1. ANOVA Test for H1

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
Consumers	5	112	22.4	116.3
Retailers	5	31	6.2	5.2

ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	656.1	1	656.1	10.8	0.011082	5.317655
Within Groups	486	8	60.75			
Total	1142.1	9				

From the above table, it is observed that P-value (0.011082)is less than the Alpha (0.05) therefore H1 isaccepted. Thus,there existsignificant difference between the perception of consumers and retailers with respect to factors consumer consider while buying biscuits.

Hypothesis 2

H2: There is significant difference between the perception of consumers and retailers with respect to areas of improvements consumer wants in Britannia biscuits

Table 2. ANOVA Test for H2

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
Consumers	4	112	28	116.6667
Retailers	4	31	7.75	33.58333

ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	820.125	1	820.125	10.91681	0.016325	5.987378
Within Groups	450.75	6	75.125			
Total	1270.875	7				

From the above table, it is observed that P-value (0.016325) is less than the Alpha (0.05) therefore H2 is accepted. Thus,there existsignificant difference between the perception of consumers and retailers with respect to areas of improvements consumer wants in Britannia biscuits.

Hypothesis 3

H3: There is significant difference between the perception of consumers and retailers with respect to alternate purchase plan if Britannia biscuits are not available.

Table 3. ANOVA Test for H3

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance
Consumers	3	112	37.33333	190.3333
Retailers	3	31	10.33333	92.33333

ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	1093.5	1	1093.5	7.737028	0.04974	7.708647
Within Groups	565.3333	4	141.3333			
Total	1658.833	5				

From the above table, it is observed that P-value (0.04974) is less than the Alpha (0.05) therefore H3 is accepted. Thus,there existsignificant difference between the perception of consumers and retailers with respect to alternate purchase plan if Britannia biscuits are not available.

Hypothesis 4

H4: There is significant difference between the perception of consumers and retailers with respect to price of Britannia biscuits in comparison with it's competitors

Table 4. ANOVA Test for H4

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance

Consumers	3	112	37.33333	1720.333
Retailers	3	31	10.33333	262.3333

ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	1093.5	1	1093.5	1.10306	0.352859	7.708647
Within Groups	3965.333	4	991.3333			
Total	5058.833	5				

From the above table, it is observed that P-value (0.352859) is greater than the Alpha (0.05) therefore H4 is not accepted. Thus,there does not existsignificant difference between the perception of consumers and retailers with respect to price of Britannia biscuits in comparison with it's competitors

6. Conclusion

The successes of many businesses depend on their ability to create and retain the customers. Companies that sell their products at standard price with good quality and make the brand available in all stores can attract new customers and maintaining existing customers. Brand loyalty provides companies a strong and competitive weapon to fight with competitors in the market. Promotional offers, availability of brands is so important that the companies must give sufficient consideration towards this end before the companies plan and implement their marketing strategies. This study has analysed such factors from two different perspectives i.e. Consumers and Retailers. The study has revealed that there is significant difference in the perceptions of consumers and retailers with respect to factors consumer consider while buying biscuits, areas of improvements consumer wants in Britannia biscuits and alternate purchase plan if Britannia biscuits are not available.

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