EXPLORATION OF CRITICAL SUCCESS FACTORS AND CONSUMER BUYING BEHAVIOR AND CUSTOMER ACCEPTABILITY FOR DETERGENT BRAND SELECTION IN NCR

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ABSTRACT:

With the increase in per capita income and wide range of choices being available, consumers are main focus for many detergent manufacturing organizations. With competition at its all time peak and with changing trends in demand the companies are finding it hard to survive or to retain their market share. In order to lure the consumers, companies study the quantity being purchased by consumers and at what price.

Our objectives were to find out what are the main features consumers look in detergents while buying, brand loyalty towards a particular brand, major reasons of switching from one brand to the other and many other factors effect the demand of consumers for detergents.. To gather the data we used the questionnaires method.

The main area of the study was Delhi & NCR . Target customers were mainly housewives. The age group was not defined. The sources of data collection used in the study are both primary and secondary in nature. A questionnaire was prepared and distributed to 250 respondents in Delhi and Ghaziabad (NCR). Sampling technique used was simple random

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sampling. The research design used in our research was descriptive incorporating knowledge from primary and secondary information analysis. In our research we used weighted average and percentage method for analysis and interpretations of the collected data.

In conclusion, the findings of the analysis showed that the customers (housewives) are mostly brand loyal in their purchase of detergents and do not change their brand easily. The reason behind changing their previous brand was lack of special features as usage with the rough water, better cleaning factor etc. It shows that if a brand has to increase its demand and market share it should concentrate on providing special features. The television advertising is an effective tool of creating customers in detergent sector today. The research also shows that price is the most important factor in selecting a detergent followed by brand image and suggestion by friends/ family members.

KEYWORDS: Detergent, Brand loyalty, Brand Image, Price

INTRODUCTION:

The earliest detergent substance was undoubtedly water; after that, oils, abrasives such as wet sand, and wet clay. The oldest known detergent for wool-washing is stale (putrescent) urine. Other detergent surfactants came from saponin sand oxbile. The detergent effects of certain synthetic surfactants were noted in 1913 by A. Reychler, a Belgian chemist. The first commercially available detergent taking advantage of those observations was Nekal, sold in Germany in 1917, to alleviate World War I soap shortages. Detergents were mainly used in industry until World War II. By then new developments and the later conversion of USA aviation fuel plants to produce tetrapropylene, used in household detergents, caused a fast growth of household use, in the late 1940s. In the late 1960s biological detergents, containing enzymes, better suited to dissolve protein stains, such as egg stains, were introduced in the USA by Procter & Gamble.

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INDIAN DETERGENT MARKET:

The first companies to manufacture detergents in India were HLL and Swastik. HLL test marketed Surf between 1956 and 1958 and began manufacturing it from 1959. Swastik launched Det, a white detergent powder, in 1957.

By 1960, Det had made rapid inroads in eastern India. Surf, a blue detergent powder, became the national market leader with dominant positions in the west, north and south.

In the early 1960s, the total volume of detergents manufactured in India grew from around 1600 tonnes to 8000 tonnes. HLL dominated the market with a share of almost 70 % compared to Det's 25%. In 1966, another player entered the fray. Tata Oil Mills Company (TOMCO) launched its detergent powder 'Magic'.

In 1973, TOMCO introduced 'Tata's Tej' in the low-priced segment. TOMCO unveiled another economy detergent powder called OK in 1977.

Hindustan Unilever (HUL) is the market leader in Detergent market (approximately 38% market share) followed by other majors like Ghari, Nirma & Henkel. The major brands in these segments are Wheel, Ghari, Nirma, Surf, Tide, Rin.

CRITICAL SUCCESS FACTORS IN DETERGENT MARKET:

The critical success factors in detergent industry are :

➢ Brand Equity

➢ Has distinctive Superior & Consistent quality

➢ Satisfies customer needs

➢ Provides better value for money than other competing brands

➢ Distribution Network

➢ Availability near the consumer

➢ Low unit value products & frequently purchase

INDIAN DETERGENT INDUSTRY SEGMENTATION:

Detergent market in India can be segmented in three broad categories:

Premium Category : It includes Ariel Ultramatic, Spring clean Surf Automatic, Quick Wash etc.

Mid-Priced Category : It includes Surf Excel Blue, Tide & Stain Champion etc.

Mass Market Category : It includes Nirma, Ghari, Wheel, Fena etc.

BRIEF PROFILE OF DETERGENT MAJORS:

Hindustan Lever Ltd: Hindustan Lever Ltd (HLL) is India's largest Fast Moving Consumer Goods (FMCG) company. HLL's brands like Lifebuoy, Lux, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Sunsilk, Clinic, Pepsodent, Close-up, Lakme, Brooke Bond, Kissan, Knorr-Annapurna, Kwality Wall's are household names across the country and span a host of categories, such as soaps, detergents, personal products, tea, coffee, branded staples, ice cream and culinary products. Presently, HLL has over 16,000 employees including over 1,200 managers. Its mission is to "add vitality to life." the erstwhile Tata Oil Mills Company (TOMCO) merged with HLL, effective from April 1, In February 2007, the company has been renamed to "Hindustan Unilever Limited" to strike the optimum balance between maintaining the heritage of the Company and the future benefits and synergies of global alignment with the corporate name of "Unilever". The detergent brands by HUL in India are Surf Excel, Rin & Active Wheel.

Procter & Gamble : William Procter, a candle maker, and James Gamble, a soap maker, immigrants from England and Ireland, respectively, who had settled earlier in Cincinnati, who met as they married sisters, Olivia and Elizabeth Norris, formed the company initially. Alexander Norris, their father-in law, called a meeting in which he persuaded his new sons-in-law to become business partners. On October 31, 1837, as a result of the suggestion, Procter & Gamble was born.

In the 1880s, Procter & Gamble began to market a new product, an inexpensive soap that floats in water. The company called the soap Ivory. The company began to build factories in

other locations in the United States because the demand for products had outgrown the capacity of the Cincinnati facilities.

The detergent brands by P&G in India are Ariel & Tide.

Nirma Ltd : A Humble Beginning In 1969, Karsanbhai Patel (Patel), a chemist at the Gujarat Government's Department of Mining and Geology manufactured phosphate free Synthetic Detergent Powder, and started selling it locally. The new yellow powder was priced at Rs. 3.50 per kg, at a time when HLL's Surf was priced at Rs 15. Soon, there was a huge demand for Nirma in Kishnapur (Gujarat), Patel's hometown. He started packing the formulation in a 10x12ft room in his house. Patel named the powder as Nirma, after his daughter Nirupama. By 1985, Nirma washing powder had become one of the most popular detergent brands in many parts of the country. By 1999, Nirma was a major consumer brand – offering a range of detergents, soaps and personal care products. Nirma's success in the highly competitive soaps and detergents market was attributed to its brand promotion efforts, which was complemented by its distribution reach and market penetration. Nirma's network consisted of about 400 distributors and over 2 million retail outlets across the country. This huge network enabled Nirma to make its products available to the smallest village.

The detergent brands by Nirma in India are Nirma Washing Powder,Super Nirma Washing Powder& Nirma Popular Detergent Powder

Rohit Surfactants Private Limited :A family business started around 1970 for manufacturing & marketing of oil soap with a turnover of a couple of Lac turned into a corporate in the year 1998 along with the manufacturing of detergent With the passage of the time, by adopting latest technology & using premium quality raw material. Company does the manufacturing and trading of detergents, toilet soaps and other FMCG products. It developed detergent powder under the brand name 'Ghari' .

OBJECTIVES OF THE STUDY:

Consumer behaviour is the study of when, why, how, and where people do or donot buy Product It blends from psychology, sociology, social anthropology and economics. It

attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

The subject of our study involves to interact with the housewives and know their buying behaviour, preferences and expectations from the detergents they use. In our study we defined our research objectives as follows:

➢ To find the brand loyalty of the customers

➢ To find the qualities they look for while buying a detergent

➢ To study the reasons that made the customer switch from their previous brands

➢ To find the mode of communication through which they came to know about the qualities

➢ To find the features of their present brand

➢ To find the number of times the customer switches from one brand to another.

➢ To understand the effect of advertisements.

➢ To find the number of times the customer switches from one brand to another.

➢ To find the role of packaging in the purchase behavior of a product- quantity.

➢ To find out the relative importance customer gives to Brand image, Advertising, Price, Fragrance, Packaging, Recommendations by friends/family members

The objectives hence set paved the way for the exhaustive research that we conducted in the field to elaborate and analyse separately in order to get a complete and a dynamic overview.

RESEARCH DESIGN:

A research design is the selection of methods for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in procedure. It constitutes the blue print for the collection, measurements and analyze of data. The research design for this study is Descriptive Research. Descriptive studies are well structured, they tend to

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be rigid and its approach cannot be changed every now and then. The objective of this kind of study is to answer the why, who, what, when and how of the subject under consideration. This research is undertaken with an idea to assess the level of customer satisfaction and factors affecting customer satisfaction. The main aim of such a design is to ensure that the required data are collected objectively, accurately and economically.

SAMPLING:

For the purpose of this research, non-probability sampling approach was used. Non-probability sampling is arbitrary and subjective, due to the fact that a participant does not have a known non-zero chance of being included (Cooper and Schindler, 2006). A sample was drawn from East Delhi(Mayur Vihar, Patparganj, Preet Vihar, Shahdara)and Ghaziabad(Kavi Nagar & Raj Nagar). Total sample size taken was 400(Delhi 250 & Ghaziabad 150) out of which 32 were defaulter respondents whose filled questionnaires were incomplete. Hence, effective sample size was 368.

DATA COLLECTION:

Primary data regarding the topic is collected directly by interacting with the customers by using structured questionnaire and interview method. The secondary data was collected from the existing data sources, company records, internet and World Wide Web.

Following prominent questions were asked :

➢ Which is the most appropriate form of detergent for washing clothes?

➢ Do you consider using different products considering seasonal variations ?

➢ Which is the detergent you are using now ?

➢ For how long you have been using your present brand ?

➢ How many detergent brands you have tried in past five years ?

➢ What is the reason behind shifting to your current brand from the previous one ?

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➢ From where did you learn about the brand you are using currently ?

➢ When you think of detergents, which advertisement you can recall now ?

➢ What influences you in the advertisement?

➢ If you don't find the brand at a particular Shop, what would you do?

DURATION OF THE STUDY:

The research was conducted in the month of March & April 2011& hence forth the study took two months to complete.

STASTICAL TOOLS USED IN STUDY:

In our research we used weighted average and percentage method for analysis and interpretations of the collected data. These are cases were to relative importance of the difference items is not the same. When this so, the research can use the weighted average mean same. The weight stands for the relative importance of the different items.

The formula is:

$$W.A. = \frac{W_1X_1+W_2X_2+\ldots+W_nX_n}{N}$$

Where,

W.A = the weighted average,

X = the variable values,

W = Weighted allotted to each factor (Very important 5…..4…..3…..2…..1 Very unimportant)

N = the total no. of respondents

FINDINGS AND ANALYSIS:

- In response to the question "Which is the most appropriate form of detergent for washing clothes? ", the responses of 368 customers was that most people were using powder for their washing of clothes. This data can be used well by detergent producing organization. The data shows that people are using more of powder form detergent which are mostly compatible with washing machine, which presents a big market share which can be satisfied by moving towards powder form of detergent (Table1).

Table1: Most appropriate form of detergent for washing clothes

Detergent	No of Respondents	Percentage of Respondents
Bar	40	10.8
Liquid	24	6.6
Powder	304	82.6
Total	**368**	**100**

- In response to the question "Do you consider using different products considering seasonal variations?", The table 2 shows that people are more season conscious while choosing their detergent. This means that people want their detergents to be adaptive to different clothes as the season demands.

Table 2: Usage of different products considering seasonal variations

Response	No of Respondents	Percentage of Respondents
Yes	148	40.2
No	220	59.8
Total	**368**	**100**

- In response to the question "Which is the detergent you are using now?", the table 3 shows that Surf Excel is the most preferred brand followed by Tide, Ariel & Ghari .

Table3: Most preferred brand

Brands	No of Respondents	Percentage of Respondents
Surf Excel	111	30.16
Ghari	57	15.48
Ariel	61	16.58
Tide	72	19.56
Rin	37	10.06
Others(Nirma, Wheel, Fena etc.)	30	8.16
Total	**368**	**100**

- In response to the question "For how long you have been using your present brand?", the table 4 shows that most of the customer are brand loyal and do not change their brand easily. 70% of the sample says that they are using their present brand since last 4-5 years or more.

Table 4: Duration of using the present brand

Duration	No of Respondents	Percentage of Respondents
Less than 1 yr	8	2.3
1-2 yrs	17	4.5
2-3 yrs	54	14.8
3-4 yrs	34	9.1
4-5 yrs	184	50.0
More than 5yrs	71	19.3

Total	368	100	

- In response to the question "How many detergent brands you have tried in past five years?", the table 5 suggests that most of the customers are very brand loyal towards the brand they are using and do not change easily and hesitate to go to a new brand.

Table 5: No of detergent brands tried in past five years

No of detergent brands	No of Respondents	Percentage of Respondents
One	196	53.3
Two to three	120	32.6
About five	12	3.3
Don't remember	21	5.8
No other brand	19	5.1
Total	**368**	**100**

- In response to the question "What is the reason behind shifting to your current brand from the previous one?", the table 6 summarizes that the reason behind changing their previous brand was lack of special features. Special features could be like usage with the rough water etc. it has been shown has the most effective reason for changing of the previous brand. After this has been the better cleaning factor with 21.4%. Therefore we can conclude that if a brand was to increase its demand and market share it should concentrate on providing special features.

Table 6: Reason behind shifting to current brand from the previous one

Reason behind shifting	No of Respondents	Percentage of Respondents
Price	27	7.1
Additional special features	221	60.7

Availability	4	1.2
Packaging	4	1.2
Offers associated with the brand	2	0.6
Better cleaning	79	21.4
Friendliness	31	8.3
Total	**368**	**100**

- In response to the question "From where did you learn about the brand you are using currently?, the table 7 summarizes that most people have learned from the means of TV advertisements. This shows us as to how effective is TV advertisements as a means of promotion of brands.

Table 7: Learning about the brand used currently

Learning from	No of Respondents	Percentage of Respondents
News paper/magazine	2	0.6
Radio broadcast	3	0.8
TV advertisements	264	71.7
Shopkeeper/ friends advice	56	15.3
Banners/ hoardings	5	1.2
Mall promotion	15	4.1
Others	23	6.3
Total	**368**	**100**

- In response to the question "When you think of detergents, which advertisement you can recall now?, the table 8 summarizes that the most preferred brand is surf excel and its reason could be well explained with the help of the advertisement recall data. Surf excel tops the list with 44.7%. We think: "Dhag Acche Hai" is the most popular tagline which

is associated with Surf excel. Nirma comes second with its advertisement with tide coming third.

Table 8: Advertisement recall

Brand name	No of Respondents	Percentage of Respondents
Surf Excel	164	44.7
Ghari	23	6.3
Ariel	15	3.9
Tide	57	15.4
Rin	10	2.6
Nirma	82	22.4
Others	17	4.7
Total	**368**	**100**

- In response to the question "What influences you in the advertisement?", the table 9 summarizes that the most people said that overall presentation of advertisement, followed by punch line & features.

Table 9: Influencer in advertisement

Influencer	No of Respondents	Percentage of Respondents
Celebrities/Models	43	11.7
Features of the product	62	16.8
Content like punch line, Logo etc.	79	21.5
Overall presentation of Advertisement	173	47

No influence	11	3
Total	**368**	**100**

- In response to the question "If you don't find the brand at a particular Shop, what would you do?", the table 10 summarizes that the most people said that they will go to another shop and buy same brand. It shows that people are more brand loyal than store loyal.

Table 10: Brand loyalty Vs store loyalty

Influencer	No of Respondents	Percentage of Respondents
Go to another shop and buy same brand	278	75.6
Buy another brand	63	17.1
Postpone buying at that time	27	7.3
Total	**368**	**100**

- In response to the question "Arrange the following factors in importance in selecting a detergent on a scale of 1-5, 1 being very important ,the table 11 summarizes the responses :

Table 11: Importance of factors

Factors	Very important	Important	Can't say	Unimportant	Very unimportant	Total weighted	Weighted average	Rank
Brand image	178 (890)	12 (488)	488 (96)	19 (38)	17 (17)	1529	4.15	2
Advertising	54 (270)	165 (660)	47 (141)	92 (184)	10 (10)	1265	3.44	4
Price	199	96 (384)	62 (186)	5 (10)	6 (6)	1581	4.30	1

	(995)							
Fragrance	1 (5)	12 (48)	205 (615)	123 (246)	27 (27)	941	2.56	5
Packaging	5 (25)	12 (48)	65 (195)	256 (512)	30 (30)	810	2.20	6
Recommendations by friends/family members	165 (825)	69(276)	69 (207)	34 (68)	31 (31)	1407	3.82	3

This table shows that price is the most important factor in selecting a detergent followed by brand image and suggestion by friends/ family members.

RESEARCH RESULTS:

After analyzing the findings, the following inferences can be drawn :

➢ Most of the customers are brand loyal and do not change their brand easily with the hesitation to go to a new brand. 70% of the sample says that they are using their present brand since last 4-5 years or more.

➢ The reason behind changing their previous brand is lack of special features. Special features could be like usage with the rough water etc. it has been shown has the most effective reason for changing of the previous brand. After this has been the better cleaning factor with 21.4%. Therefore we can conclude that if a brand has to increase its demand and market share it should concentrate on providing special features.

➢ People want their detergents to be adaptive to different clothes as the season demands.

➢ Surf Excel is the most preferred brand followed by Tide, Ariel & Ghari .

➢ Most people learn from the means of TV advertisements. This shows us as to how effective is TV advertisements as a means of promotion of brands.

➢ The most preferred brand is surf Excel in terms of advertising recall. We think: "Dhag Acche Hai" is the most popular tagline which is associated with Surf excel. Nirma comes second with its advertisement recall with tide coming third.

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➢ Most people are influenced by overall presentation of advertisement, followed by punch line & features.

➢ Most people said that they will go to another shop and buy same brand. It shows that people are more brand loyal than store loyal.

➢ Price is the most important factor in selecting a detergent followed by brand image and suggestion by friends/ family members.

SCOPE FOR FURTHER STUDY:

Every year a single person consumes over 7 kg of detergent powder. For a typical family of four persons, this amounts to 28 kg of washing powder. Apart from clothes washing the alternate uses of detergent powder like cleaning utensils, as insecticide, as vehicle washer, as ingredient in cosmetics n shampoos etc., increase its consumption by a common man. Hence we could say that Detergent powder is been used in every household as a necessity not the choice. This study will help the researchers to know about consumer's views, beliefs, usage styles and consumption patterns regarding detergent powder.

On the basis of this study the researchers in future would be able to find out new marketing techniques, new preferred attributes in the product, designing an effective marketing mix, designing promotion mix for the product called detergent powders. So this study will provide a framework for complete analysis of Consumer behaviour in future researches and also will provide the answers to certain aspects like how to attract more customers, how to make customers more loyal, which promotional offers should be introduced etc.

Scientists could use this study as a base for finding more eco-friendly agents that can be used in detergent powder to make it environment friendly because in the last detergent powder is discharged in water that could be harmful for the domestic water bodies leading to adverse impacts on natural resources.

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