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BRAND BUILDING STRATEGIES AND CUSTOMER BUYING DECISIONS: A STUDY ON GROWING UP MILK POWDER MARKET OF SRI LANKA

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Abstract

Growing up Milk Powder Market of Sri Lanka seems to be an aggressively a competitive context since multinationals largely operate with extended brand building strategies. The promotional budget and operational investments undertaken by those brands should be rationalized in par with brand performance. Researcher has focused this context in building the research problem and accordingly conceptualized the study with three independent variables namely brand values, brand benefits and brand personality as brand strategies. The dependent variable was customer buying intention. It has followed a deductive approach as the overall research design. Three hypotheses were tested in this study by using correlation analysis and descriptive statistical analysis was conducted to reveal the customer responses towards branding strategies undertaken by practitioners. It has given the conclusion along with key recommendations as contribution to practice at the end of the paper.

Key words: Growing up Milk Powder Market, Branding Personality, Brand Values, Brand Benefits and Customer Buying Intention

1. Background of the Study

Sri Lanka is recognized as a fast growing economy since the peaceful stability pushes economic hygines after 30 years of war. Fast Moving Consumer Goods sector is one of the clusters in Sri Lankan economy which records a tremendous contribution even though service sector still leads the economy. Further Perera (2012) argued that FMCG industry is the thriving sector in Sri Lankan economy after the post war optimism. He further emphasis that listed companies in FMCG sector staggering 42% of growth after three decades long

civil war. Those facts are clear evidence to say, prevailing marketing condition is favorable to the FMCG brands in Sri Lanka. Generally milk powder is main product category in FMCG sector. According to Neilson retail audits, milk powder belongs to top ten FMCG product categories continually for last several years. Even though marketing environment is favorably influenced to the brands of the consumer goods, prevailing competition has become crucial barrier to the new brands in the consumer market. Therefore failures of new brands become well known matter in FMCG sector in general and milk powder in special for last decades in the country. According to Kotler, (2000) , noted that most of new products become failure regularly due to poor management of new product development process. Further Rogers (1983) argued that customers may adapt to a new product based on five stage mental process. Therefore customers may not become loyal to the new brands in the competitive market within short period. Further to same, Kotler and Armstrong (2006) noted that marketing programs of new products should be designed after carefully assessing the marketing climate of the respective industry.

1.1 Research Problem Rationale

However, the growing up milk powder category of Sri Lanka is dominated by multinational companies including Fonterra and Nestle. Thos brand have undertaken different brand building strategies to motivate consumer behavior. The investment made for marketing promotions and brand building needs to be justified with return on investment (ROI). The performance of brand in terms of financial and non financial perspectives needs to be rationalized for the said against brand building investments. Even literature has suggested different thoughts on how branding does impact of consumer behavioral responses towards the brand performance. Accordingly, researcher has figured out the research problem as "how far brand building strategies could impact of consumer purchasing decisions of growing up milk powder brands in Sri Lanka".

1.2 Objectives of the Study

In order to pursue the main purpose of the study several specific objectives have been figured out;

- To examine how brand personality related dimension do impact on consumer buying decisions
- To assess how brand benefits related components do impact on consumer buying decisions
- To determine how brand valued do impact on consumer buying decisions
- To provide recommendation as contribution practice in building successful brand equity referring to growing up milk powder category

2. Literature Review

Researcher has attempted to study the theoretical background and previous studies relating to the branding and consumer behavior. The main purpose of reviewing previous literature is to define research scope and develop a rational basis for the conceptual framework of the study.

2.1. Branding

Kotler (2000) mentions branding as “a major issue in product strategy.” The tangible part of the brand includes elements such as colours, symbols, words and slogans, the labelling and packaging. Keller (2003) argues that those are elements of brands. While the intangible part is made up of the values, beliefs, and philosophy by which the brand is inspired (Kapferer, 1997). Kapferer’s view of brand value is monetary and it is an intangible asset. Brand intangibles are a common means by which marketers portray their brands to consumers as different from the others in the market (Park, Jaworski, and MacInnis, 1986) and it transcends from mere physical products (Kotler and Keller, 2006).

According to Aaker (1996) in contemporary marketing, branding is central, as it integrates all the strategic elements into one success formula. Simon and Sullivan (1990) add that the whole marketing programme - objectives, strategies and tactics are derived from brand positioning. Aaker (1996) developed a comprehensive brand identity planning model. At the heart of this model is a four-fold perspective on the concept of a brand. To help ensure that a firm’s brand identity has texture and depth, brand strategists’ advice that, it is important to consider the brand as (1) a product; (2) an organization; (3) a person; (4) a symbol, and each perspective is distinct. The purpose of this system is to help managers of brands to consider different brand elements and patterns that can help clarify, enrich and differentiate the brands identity. According to the abovementioned facts, branding can be considered as strategic tool of organizations

2.2 Brand Behavior and Brand Benefits

It is said that brand behavior is the role of the brand in the target market (Keller, 2003). However in the brand positioning process, brand behavior should be specified based on tangible and intangible attributes of the brand. Further marketers can use POD and POP for developing unique brand behavior. On the other hand brand benefits refer to perceived benefits of brand promise to deliver for increasing the value of the brands (Kotler and Keller, 2006). Further Keller noted that brand benefits can be divided in to three groups such as functional, emotional and self-expressive benefits. Functional benefits are associated with product attributes and directly involve with functional utility. Further to same, emotional benefits are positive feelings of customers towards the brand and it is directly associated with psychological benefits. Finally Self-expressive benefits provide an opportunity for

customers to build up self image by consuming particular brand. According to Kotler (2006), both brand behavior and benefits are interdependence concepts and both are link with brand emotions. Therefore those two concepts can be employed for assessing the impact of branding on customers behavioral intensions.

2.3. Brand Values

Brand values are heart of the successful brand development process. Further in brand management literature it is known as "core brand values". According to Keller (2003), core brand values are "set of abstract concepts or phrases that characterize the five to ten most important dimensions of the mental map of a brand". Therefore customer decides to pay premium price to a particular brand based on its values. According to Kotler and Keller (2006), core values of the brand should be incorporated with mental map of customers and it should be deliver to customers through comprehensive brand mantra. Keller (2003) defined "a brand mantra is a short 3-5 words expression of the most important aspect of a brand and its core brand values". Therefore it is an "articulation of the "heart and soul" of the brand" and it is similar to "brand essence" or "core brand promise". Further Kapferer (1997) noted that brand values should be communicated by brand mantra with considering brand functions, descriptive modifier and emotional modifier. Therefore it is clear that brand values become important element of developing successful brands along with functional and emotional contents.

2.4 Consumer Buying Behaviour

Consumer behaviour (CB), though very complex, is an important phenomenon in developing successful brands in competitive markets. Even though CB has been defined in different perspectives, it simply refers to the behaviour that consumers displays in searching for, purchasing, using, evaluating and disposing of products and service that they expect to satisfy their needs (Schiffman and Kanuk, 2009).

Belch and Belch (2007) explain that consumers undertake both internal (memory) and an external search. Internal search means retrieving information from long-term memory on products/services that might solve an impending problem. Marketers should develop effective branding strategies to create brand awareness and develop effective promotional tools to convince people of the values of their brands. Adding to same, post purchase consonance or dissonance may directly affect repeat purchasing, value perception and word of mouth recommendations (Kotler, 2000). Therefore, behaviour of consumer in post purchase evaluation stage will have an influence on purchasing decisions and information search in future buying process. Based on all the discussion about consumer buying behaviour, in brand management perspectives, it should be considered behavioural intensions of customers. According to Tsai and Huang (2002), noted that behavioural intention represent in repeat purchasing and recommend others to buy the product.

3. Conceptualization of Variables & Research Design

3.1 Conceptual Framework

In conceptualizing the study, researcher has attempted to build relationship between key variables i.e., brand building dimensions (independent variable) and customer behavioral intentions (dependent variables). The conceptual model was developed for the study based on the detail literature bases as a deductive approach.

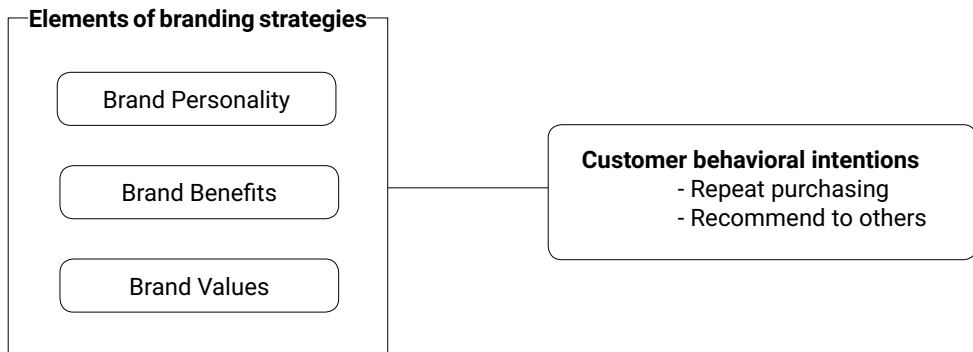


Figure 3.1: Conceptual Framework
Source: Developed by Author

According to the conceptual framework, it has figured out three branding strategies as independent variables and consumer behavioral intentions have been recognized as dependent variable. Researcher attempts to find the relationships between those two main dimensions.

3.2. Building Hypotheses

Based on the conceptualization of the study, the researcher were developed four hypotheses to assess the impact of branding strategies on customer buying behavior intentions. All hypotheses have been developed with identifying relationship between variables of conceptual framework.

- H1** Brand personality and customer behavior intentions are significantly correlated in growing up milk powder context
- H2** Brand Benefits strongly influence on customer behavior intentions in growing up milk powder context
- H3** Brand values and customer behavior intentions are significantly correlated in growing up milk powder context

3.3. Variable Operationalization

It has operationalized the variables of dependent and independent concepts followed by deductive approach as given in the Table 3.1

Table 3.1: Operationalization of variables

Concept	Variable	Indicators	Measure Criteria
Elements of Brand Positioning	Brand personality	1. Credible	To what extent customer believe brand is credible
		2. Caring child	To what extent customer believe brand is caring her child.
		3. Expertness	How far customer believe that brand is expert of child development
	Brand benefits	Nutrition (Quality)	How far brand is rich in nutrition with brain nutrition system
		Value for money	How far brand provide high value for money compared to the other competitors
	Brand values	Educator	How far brand is sharing new discoveries in child nutrition for educating mothers
		Child development partner	How far brand is performing as child development partner
Buying Behavior	Behavioral intention	Repeat purchasing	To what extent customers like to purchase the brand continuously
	Recommend to others	To what extent customers are willing to recommend the brand for others.	

3.4. Research Design

3.4.1. Research Method

As this study is empirical in nature, mainly primary data were collected via a field survey supported by a questionnaire. However both primary and secondary data were used in the study. As mentioned in the above section internal records of companies were mainly used as secondary data. Further some published data of Central Bank and Census of Statistic Department were useful in designing the sample.

3.4.2. Collection of Primary Data

As survey method was selected as the research approach to conduct main study, the researcher utilized questionnaire method for collecting the primary data. Questionnaire method was selected as best method for collecting primary data due to several reasons including the empirical nature, larger population, time and cost factors too. Questionnaire was constructed according to conceptualization and operationalization of variables as the data collection tool.

3.4.3. The Sample Plan

The present study focused on consumer behavior on grown up milk powder market. Therefore, target population was defined as all mothers with kids between the ages of 1-5yrs who are currently using a Growing Up Milk Powder products. Purposive sampling method was adopted due to practicability of data collection. Accordingly 100 respondents were selected from three provinces due those three provinces were recorded as significant sales territories as per the industry intelligence (statistics are not published in this article due to information ethics).

Table 3.2 Number of Respondents

Province	Sample Size
Western Province	42
Southern Province	30
Central Province	28

Source: Survey Data 2013

The researcher decided sample size of each province based on the sales performances. However in selecting respondents in each area, field investigators randomly selected mothers in front of retail outlets or supermarkets. Further data were collected from the mothers who are interested to spend time on answering the questions that are raised by the investigators. The sample profile has been given in the following table (see Table 3.3).

Demographic Variable	Categories	No. of Respondents	Percentage
Age	18-24	12	12.0
	25-34	47	47.0
	35-44	31	31.0
	Above 45	10	10.0
No. of children	One Child	21	21.0
	Two Children	53	53.0
	Three or more	26	26.0
Income	Below 15000	18	18.0
	15000-25000	24	24.0
	25000-40000	44	44.0
	40000≤	14	14.0
Education level	Upto GCE OL	08	8.0
	Upto GCE AL	56	56.0
	Degree	22	22.0
	Diploma, professional	14	14.0

Source: Survey Results 201

3.4.4. Data Processing methods

Both descriptive statistical techniques and some inferential statistic tools were utilized to analyze the data. The major descriptive statistical techniques, which were used in this study, were central tendency measurements. In addition, correlation analysis and regression were used for testing hypotheses.

4. Data Analysis and Presentation

The empirical data which had been collected through a questionnaire had been analyzed in terms of descriptive and inferential statistics. It has used SPSS software as to facilitate the statistical analysis.

4.1 Reliability and Validity

After developing data base, researcher tested the internal consistency and reliability of measurement instrument based on the Cronbach's Alpha reliability coefficient. According to the accepted practice, Cronbach's Alpha value should be above 0.7 to consider measurement instrument is acceptable. The results of reliability test (see table 4.1) revealed that each measurement instrument was reported acceptable level of reliability. Those values have been in the following table (see Table 4.1).

Table 4.1. Reliability Analysis

Dimension	Number Of items	Cronbach Alpha
Brand personality	03	0.816
Brand benefits	02	0.819
Brand value	02	0.772
Behavioral intensions	02	0.813

Source: Survey Results 2013

4.2 Key Purchasing Determinants (KPD) of Growing up Milk Powder Purchasing

It is said that KPDs are the key indicators for designing the products and brands in any industry. Those criteria should be considered by marketers in designing their overall marketing programs. The KPDs considered by target customers in purchasing growing up milk powder were tested in question no four in the questionnaire. The summary of the results is given in table 4.2. Here, it is only first and second priorities of variables were considered.

Table 4.2 Analysis of Key Factors Considered in Purchasing Decision

Factors consider in purchasing growing up milk powder	1 st Priority		2 nd Priority	
	Frequency	Percent	Frequency	Percent
Quality (Above the average)	22	22.0	21	21.0
Price	34	34.0	42	42.0
Brand name	31	31.0	24	24.0
Availability	11	11.0	16	16.0
Other (Pls Specify)	02	2.0	01	1.0
Total	100	100%	100	100%

Source: Survey Results 2013

The finding shows that 34% of respondents give first priority and 42% of customers give second priority to price or cost of the product as important factor in respect of selecting growing up milk powders. According to industry norms, growing up milk powders should be maintained certain standards of quality. Therefore, researcher special asked above the average quality as a KPD. The findings revealed that 22% of customers are given first priority and 21% of customers are given second priority to the above the average quality in selecting growing up milk powder. Most interesting finding was that brand name becomes the second important KPD in the market. Altogether 55% of mothers have given first or second priority for the brand name in their buying decisions. Availability is not important determinant for the most of customers.

4.3 Descriptive Statistical Analysis on brand related features: Customer Perception Perspective

According to the findings, customers have highly rated value for money as most important factor related to brand they do buy. The respective mean value of 4.58 belongs to the very high score category. Further nutrition (quality) of the product perceived by customer is at moderate level (M = 3.46, SD = 1.0686). Accordingly, researcher has provided the snapshot of the analysis in table 4.3 to visualize how consumers have been perceived the items related to branding strategies which were executed by the competitive brands in growing up milk powder sector of Sri Lanka.

Table 4.3: Descriptive Statistics for brand positioning strategies

Variable	Minimum	Maximum	Mean	SD
Brand personality			3.21	1.0545
Credible	2	5	3.36	1.1809
Caring child	2	5	3.13	1.1242
Expertiseness	1	5	3.15	.8584
Brand benefits			4.02	.8994
Nutrition (Quality)	2	5	3.46	1.0686
Value for money	3	5	4.58	.7303
Brand values			2.87	1.1034
Educator	2	5	3.32	1.1201
Child development partner	1	4	2.42	1.0867

Source: Survey Data 2013

4.4 Customer Behavioral Intentions towards Brands

According to the conceptual model, dependent variable of the study is customers' behavioral intentions towards the purchasing decisions of growing up milk powder brands. APP. Based on the literature it was operationalized in to two aspects namely the repeat purchasing intention and recommending to others. The descriptive statistics given in table 4.5, noted that overall ratings for the behavioral intentions of customers towards the brands is at moderate level (M = 3.57, SD = 0.8471). However it is the average mean value of the behavioral intension of the customers. As far as repeat purchasing intension is concerned, most of the mothers in selected sample have higher degree of intension to buy the brand used to purchase continuously. The respective mean value is 3.96 ant it belongs to high score range. However they have not intension to recommend the brand for others similar to their repurchasing intension due to the respective mean value was at moderate level.

Table: 4.4: Descriptive Statistics for Behavioral Intension

Variable	Minimum	Maximum	Mean	SD
Behavioral Intention			3.57	0.8471
Repeat purchasing intensions	2	5	3.96	0.9809
Recommending to others	2	5	3.19	0.7134

Source: Survey Data 2013

4.5 Correlation Analysis and Testing Hypotheses

The summer of the correlation analysis is given in the table 4.5 which has been sourced to discuss the hypotheses testing content carried out subsequently (See Table 4.5) .

Table 4.5: Correlation Matrix

	BP	BB	BV	BI
Brand personality(BP)	1.000			
Brand Benefits(BB)	.373**	1.000		
Brand Values (BV)	.161	.259*	1.000	
Behavioral Intension(BI)	.474**	.628**	.184	1.000

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

**. Correlation is significant at the 0.05 level (2-tailed).*

Source: Survey Data 2013

Source: Survey Data 2013

According to the Pearson correlation among the constructs, it is noted that except brand values all other branding dimensions show significant correlation with behavioral intensions of customers. Especially highest correlation coefficient was reported as 0.628 between brand benefits and behavioral intensions. In addition, almost all the branding dimensions were reported strong positive correlation each other. However brand personality did not significantly correlate to brand values as per the coefficient value indicates as .161. Brand personality into behavioral intention indicates somehow a significant correlation showing .474 at a 90% confidence level.

4.10. Testing Hypothesis

- H1 Brand personality and customer behavior intensions are significantly correlated in growing up milk powder context**

The Pearson correlation between brand personality and behavioral intension was .474 and it was at 0.01 significant levels. It is clear that brand personality has significant impact on customer buying decisions. Therefore, the hypothesis number one can be accepted.

H2 Brand values and customer behavior intensions are significantly correlated in growing up milk powder context

Brand benefits of APP were operationalised into two variables such as quality and value for money. Further correlation between brand benefits and behavioral intension was .628 and it was significant at 0.001 confidence level. Therefore, this hypothesis can be accepted at a significant level.

H3 Brand values and customer behavior intensions are significantly correlated in growing up milk powder context

According to the descriptive statistics, most of mothers have not clear idea about brand values of communicated to mothers. Therefore mean value of the variables were relatively low. Further correlation between brand values and behavioral intensions were not significant. It records .184 of lower value compared other two brand related dimensions. Hence, this hypothesis is rejected.

5. Conclusion and Recommendations

According the analysis carried out oh this study; following highlights could be presented as to conclude the contribution.

Value for money and nutritional values connected to brand benefits still find as important purchasing determinants as per the consumer perspectives. Therefore, it is recommended for the practitioners to consider these areas in developing value proposition for the brands and even to unique selling preposition in integrated marketing communication (IMC). Further to same, it may be an useful strategy to use brand ambassadress or testimonials referring to quality sign in convincing the brands to target audience as per the hindsight found in descriptive statistical analysis. It may consider to have quality/nutritional value association endorsed through celebrities or expert characters to position brands.

According to the descriptive analysis, credibility has been found as most important factor referring to brand personality dimensions. It indicates how brand managers to be alert on developing petitioning strategies to reflect the brand as a credible solution rather focusing more on emotional appeals. Mothers do expect trust and credibility as brand promise. Practitioners may consider this area in developing brand equity especially considering the fact that "judgment" and "performance" as integral components in customer based brand equity.

As per the hypotheses testing results, brand benefits found to be as most influential variable into buying intension. Therefore, the early said conclusion can be further verified for the practitioners in emphasizing more on nutritional/quality and value for money appeals in 360* branding strategies. Strong positioning and brand association could be executed to make brand perception as a quality option which may be convinced through the credibility associated via brand personality. However, it was found that the brand value message is not being perceived to target market. Therefore, it is wise to focus on relevant IMC strategies in communicating brand values to target market in an appropriate manner rather making the message too emotional or too technical.

The “big idea” of growing up milk powder brand could do more rational for the brand performance provided IMC does significantly connect with purchasing determinants. It is in overall, recommendation is made to practitioners to concern brand building via customer based approach by incorporating the emotional and rational appeal in a “brand relevance” manner. The point is brand value message has not been perceived to target customers significantly. Probably, the media strategies must be revisited for the same.

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