

Consumer survey concept testing and after usage test marketing essay



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For a long time, as regards to personal cleanliness, there was only one frontline fighter: bar soap. Of course, bar soap came in many guises square bars and rounded bars, scented and unscented, clear and opaque but its essential look and function went unchanged for hundreds of years. Then Bar cleansers were joined by liquid products, which were first used primarily for hand washing. The market eventually became flooded with shower gels, also known as body washes, which quickly became a popular alternative to bar soap.

This study focuses on the factors that lead to the popularization of body washes. People have become more conscious about their skin nowadays. They want more than just cleansing their body like moisturize to take care of their skin. So which is better -- bar soap or liquid soap? In bar soap or liquid soap which brand is better? The study also focuses on the usage habits of soaps, which brands used, how much used, Why is it used , when is it used, what is used by the rest of the family, what was the brand previously used (both body wash/bath soap), why and how the shift happened from bar soaps to body wash.

This study is divided into three phases Consumer Survey, Concept Testing and After Usage Test. In phase one user profiling and usage consumption were extracted from the questionnaire based survey. The attitude and expectation was derived from Regression Analysis. In phase two advantages of body wash like Moisturizing, Hygiene, Perfume and Massaging were broken down individually and were introduced as concepts to users. In phase three the post usage test will determine the real fact how really people think that body wash is more advantages to bar soap.

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Consumer's response revealed the various reasons for changing from Soap to Body Wash. Study also revealed the Brand loyalty in the body wash industry tends to decrease. From the survey respondents are likely to try new products and use various brands depending on their habit. The quality of product seems to be an important factor for purchasing of body wash. The most important product attributes in the product factor are non-allergic, non-irritating, non-skin drying, added moisturizers and easily available respectively.

The study is presented in five chapters; first chapter is the introduction explaining background, objective and scope of study. Second chapter is literature review of various studies related to consumers' buying behavior towards soaps and the existing usage patterns of consumers. The third chapter explains the research method adopted for the study. Chapter four presents the analysis of the responses of 120 respondents. Finally chapter five explains the findings, conclusion and recommendation based on the study.

CHAPTER 1

Introduction

Over the last few years, a debate has flared up over which is better: stalwart bar soap or showy shower gel. Before one choose sides, it is necessary to be reading to learn more about the main contenders. The bathing and showering experience has not only become a task to cleanse the body but achieving evolved needs like skin nourishment and spa treatment. Indian body wash market is dominated by bar soaps, which contributes over 90% of

total market. Penetration is 94%[1], while the market share of liquid soap is 10% of total market. Liquid soaps offer convenience; they hold scents longer, lather better. They are better for moisturizing and hygiene.

As Indian consumers are obsessed and spend lot of money over their grooming and care, they are getting more demanding about even mundane activities such as their daily shower, with an increasing number of urban households beginning to use shower gels and body washes instead of a good old soap bar. The aspiration is also being fuelled by marketers looking at shoring up sliding profits in traditional soaps.

With an estimated Rs6, 500 crore annual business, the traditional soaps category has become increasingly cut-throat with new brands and rising raw material costs putting intense pressure on margins. Meanwhile, the Rs300 crore annual shower gel and body wash segment appears poised to grow at a much faster pace in the next three to five years and commands better margins, at least for now.

" India still has a very low penetration of shower gels but the category is growing especially in the urban centres. Higher disposable incomes and the trend to indulge self will fuel the growth of the segment," said Anil Chug.

Body care products are a part of FMCG industry[2]. In some words we can say that body care products are the backbone of FMCG industry. As per the time passes away, the demand of personal care products are also increasing day per day and future of these products are also very bright and profitable. Modern media and advertisement plays an important role in the increasing of demand of personal care goods. People of metro cities are too much brand
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conscious but if we look at the people of semi urban and rural areas, they are also looking for a good brand for the particular product.

Background

Overview of the Indian Soap Category

India is a vast country with a population of 1, 030 million people. Household penetration of soaps is 98%. People belonging to different income levels use different brands, which fall under different segments (see table below), but all income levels use soaps, making it the second largest category in India (detergents are number one). Rural consumers in India constitute 70% of the population. Rural demand is growing, with more and more soap brands being launched in the discount segment targeting the lower socio-economic strata of consumers.

Soap Price (per 75 gram cake)

Segment in rupees in US\$

Carbolic* 5. 00 10 cents

Discount 7. 00 15 cents

Popular 11. 00 23 cents

Premium 17. 00 36 cents

Super Premium 35. 00 75 cents

* The carbolic segment consists of soap that has crysellic acid (e. g. carbolic acid) as an active ingredient to remove body odor. These soaps have a strong medicated/germ killing connotation.

Brand Positioning Then and Now

Soap manufacturers originally targeted their products to the lowest income strata in urban as well as rural areas, positioning their brands as a way to remove dirt and clean the body. For some brands, that positioning persists even today with a focus on removal of body odor and keeping the user healthy. However, soap positioning are moving towards skin care as a value-added benefit.

Consumer Use Today

Toilet soaps are always used in the bar form-there is no other form in the Indian market-and they are used in the bath. Showers are a distant dream for 70% of India's population, who live in the villages where there is not even a regular supply of drinking water. In the urban areas, people bathe by using a bucket of water, mug, and a bar of soap. In villages, they usually bathe by the river bank or village ponds. Although most of the urban houses have a shower facility, showers are seldom used because of the scarcity of water.

Consumer Preferences

Consumer preferences are varied and are more regionally specific : North, East, West, and South.

Consumers in the North prefer pink colored soaps, which have floral profiles. Here the fragrance preference is for more sophisticated profiles reflecting

their lifestyles. Freshness soaps with lime and citrus notes are also popular preferences as the climate in the North is very hot and citrus/lime scented soaps are seen to be refreshing.

The East is not a big soap market; hence no particular preference skews.

Consumers in the West exhibit preferences for strong, impactful fragrances and somewhat harsher profiles compared to the North. Preferences are more for the pink soaps with floral fragrances, primarily rose, which are positioned on the beauty platform.

In the South, the skew is towards specific soap segments like the Herbal/Ayurvedic profiles and also the Sandal profiles. Consumers here do not exhibit high brand loyalty and are ready to experiment and try out new brands. Hence, most fast moving consumer goods companies tend to launch their new brands in these markets, which they call test launch markets.

Marketing

Soap is primarily targeted towards women, as they are the chief decision-makers in terms of soap purchase. Medicated positioning like germ killing and anti-bacterial are marketed to families.

Problem Statement

As is the case in many other markets, the soap and personal products industry is being driven to a large extent by the changing age composition of the population, specifically by the bulge of the baby boom " passing through the snake." For example, baby boomers have established anti-aging preparations as the chief benefit of cosmeceuticals (products aimed at

correcting or improving the physiological condition of the skin). Now turning age 50 at the rate of one every 7 seconds, India baby boomers have put anti-aging on the top of the cosmeceutical benefit list. Two-thirds of this group approve of concealing aging signs, which resulted in driving the cosmetic surgery market up 47% and spurring an increase in wellness product growth[3]. It is for good reason, then, that baby boomers are the focus of many personal care product manufacturers. They have led the broad personal care sector of the economy to focus on the potential in aging consumers and their expanding pocketbooks. Growth is occurring in a variety of age-sensitive product markets, from soaps and skin creams to massagers and body fat analysis machines. Other trends are discernable as well. Not only are the boomers aging, which will drive spa and wellness categories to new heights, but they are entering their peak earning years. As their lives get busier, stress relief products will become more important to them.

Baby boomers are not, however, the only group important to the growth of this industry. The number of personal care products designed specifically for children is increasing. Health and beauty aids suppliers are using licensing to tap into the growing demand of children. Estimates suggest that money spent for children between the ages of 4 and 12 are around Rs 10000 each year[4]. Recognizing children's power to influence parents' purchases, suppliers have adorned their products with the images of characters from popular child-oriented movies and television programs. Doy Care, has developed unique shape soaps that resemble cute animals and cartoon characters. Marketers of kids' personal care products that are not licensed are more likely to utilize advertising or promotions.

Bar soap sales accounted for 62.7% of rupees sales for bath and hand soaps in 2010[5], making bar soap by far the largest segment in the hand and bath soap category. While liquids and gels for personal cleansing have become a fact of life, the traditional soap bar is fighting back, initially with translucent soaps and now with transparent products. A number of manufacturers of liquids and gels are now also looking at the new clear bars as a way of extending their market coverage. Increasingly popular are specialty soaps, such as those with some sort of historical connotation or with protection from ultraviolet (UV) radiation. Smaller companies are attempting to break into the market with such specialized goods. For example, Medieval, based in Los Angeles, CA, offers oils, soaps, bath blends, perfumes, and lotions with a Camelot theme.

While bar soaps remain the largest segment and have been growing at a low rate in absolute terms, there has been a relative shift away from bar soaps toward liquid soaps. Many women feel that body washes are superior because they both moisturize and provide long-lasting fragrance. Shower gels are focusing as much on exotic fragrances as on offering effective cleansers. Fiama Di Will notes that the Generation Y groups are very interested in the kinds of fragrances they use. "Customers come into a store and see rows of shower gels and liquid soaps, many of which come in very colorful containers and have exotic scents that say, 'escape from your troubles,'" says a store manager." Those fragrances, as well as the moisturizers that these products contain now, make them more popular than bar soaps."

Purpose of the Study

The study aims at understanding the consumer habits which should answer questions related to usage habits which brands used, how much is used, why shift from soap to body wash, awareness on body wash and opinion on body wash among users

Objective of the Study

The object of this study is to

To assess the purchase habits/preference of body wash products.

To examine the factors influencing consumers to prefer particular brands.

To assess the possible need Gap in the body wash category.

Research Questions

What is the current purchase habits/preference of body care products?

What are the factors influencing consumers to prefer particular brands?

What is the impact of brand promotion on purchasing behaviour?

Scope & Limitations of Operation

This study is confined to the consumers in Mumbai Metropolitan. Due to time constraint only one metropolitan city is considered. Hence the results cannot be generalized. Given the changes in market and consumer behaviour results may be valid only for the study period.

CHAPTER 2

Literature Review

This chapter presents the review of the relevant literature concerning consumers' buying behavior towards soaps and the existing usage patterns of consumers. To understand the attitudes of consumers towards different brands of soaps, it is imperative to understand the soap market in general, and also factors influencing consumers to prefer particular brands in the Indian context.

The literature review is classified as Conceptual Review, Empirical Evidence and contextual Review.

Conceptual Review

Purchasing Behaviour

Leko-simic (1999) focused his survey on the use of marketing in 23 companies of the food industry in East Croatia. The results showed that only just over half of these companies had an organized and purposeful marketing policy. Their evaluations of most business elements (their own supply and demand coordination, competitive ability, business activity efficiency, and analysis of their own advantages and possibilities on the home and international markets, etc.) were significantly better than those companies without such a marketing strategy.

Siguaw and Enz (1999) conducted an overview of recent study on champions of best practice in hotel marketing strategy. First, those companies that had excelled in sales management were examined, and this was followed by a discussion of champions in the area of promotions. Next, the practices of <https://assignbuster.com/consumer-survey-concept-testing-and-after-usage-test-marketing-essay/>

these champions in other key areas of marketing were explained, including channel relationships, target marketing, marketing research, product development, and pricing.

Vignali and Vrontis (1999) in their study investigated the possibility of Dairy Crest, the UK dairy foods company, launching its milk products on the German market. The study gave a brief overview of the company's activities, including its recent joint venture with Yoplait (France) and analysed its internal capabilities. It then examined the German market - its structure, the competition in the dairy sector, and the existing retail outlets and the impact that these might have on any marketing strategy. Finally, strategies and marketing approaches that could be used by Dairy Crest in optimizing performance when targeting the German market were proposed.

Scrimgeour and Wilson (2000) in his paper discussed future directions for the New Zealand dairy industry with particular reference to industry structure and marketing strategy. Contractual relationships between farmers and the marketing chain and off-farm investments were also considered.

Orth (2000) study of a consumer survey was conducted in a German city of 40, 000 inhabitants to assess the competition at the local market for floricultural products and services. 294 out of 300 distributed questionnaires could be utilized. The consumer barometer provided information on consumer shopping behaviour and on market shares of various competitors (retail institutions like garden centres, retailing growers, retail floral shops, etc.). Additional findings extend on individual strengths and weaknesses of relevant retailers, structured by product groups and performance features

indicating their current position in the competition. For one selected garden market an adequate marketing strategy had been developed to increase its competitiveness and to ensure future existence of the company. The paper concluded with considerations on an application of the method for evaluating marketing measures and to develop a marketing controlling system.

Lages (2000) in his study discussed that Portuguese wine manager's views on the following determinants of export performance: internal and external forces, business orientation and marketing strategy. The research on these marketing and business topics was supported by qualitative data obtained through internal sources, semi-structured interviews and open-ended questionnaires. The interviews were initially conducted with the chairmen of institutions that played a key role in the Portuguese wine industry. Research was then carried out with the export managers of port and table wine companies. Theoretical links with the contingency perspective, business orientation, export marketing and performance literatures were illustrated. Insights for future research were also presented.

Elam et al. (2000) study found that when the planting time, price of December cotton futures was high relative to the long-term average, the harvest price would tend to be lower; and vice versa. This process was called mean reversion. Hedging/speculation strategies, devised to take advantage of mean reversion, showed significant returns in a 19-year simulation.

Gonner (2001) study dealt with the local resource use in Lampung, a Dayak Benuaq village in East Kalimantan, Indonesia, which consisted of hundreds of forest gardens (rattan, rubber and mixed fruit gardens), swidden fields and

follows. Studying the local resources use over several years revealed substantial dynamics with frequent switching between different income sources as well as significant variation in the number and kind of swidden fields. These irregular temporal patterns were the result of general resource use strategies and individual decision-making rationales. The plausibility of the latter can be shown by analysing causal webs, which integrated economic, ecological, social, religious, political, historical and emotional aspects.

The most relevant livelihood strategies were based on three principles:

- (1) Food security through subsistence;
- (2) Flexible use of diversified resources; and
- (3) Use of natural dynamics.

Shivakumar and Giram (2004) in this paper states consumption of various products was an integral part of human life. Hence everybody was engaged in buying different types of goods. Consumer tried to obtain maximum satisfaction from the goods purchased. It required the study of consumer behaviour. Now it was up to the industrial unit to fix the marketing strategy so as to attract the consumer towards its products. Consumers were influenced by the factors like price of goods, quality, brand name, advertisement, consumer income, discount and free gifts etc.

Strydom and Museler (2005) studied the strategic position of the Namibean Red meat industry was international business and meat companies in

Namibia were global role players. Poultry consumption had increased at the <https://assignbuster.com/consumer-survey-concept-testing-and-after-usage-test-marketing-essay/>

expense of beef, primarily due to quality and price. A study was commissioned to determine the strategic success factors, approaches and options of the major beef and sheep meat exporting industries of the world for extrapolation on Namibia. The most common business strategy involved cost orientation, although a differentiated marketing strategy with innovative and branded products targeted into niche markets was required for Namibian businesses. Developments in trace ability, quality control, branding, added value and consistency should satisfy the concerns consumers have over health and safety issues.

Brand preferences and advertisement

Consumers learnt about FMCG products from many sources, mainly from friends and families, through advertisement and from their own experience. Whether a promotion and advertising hurt or help a brand is under-researched (Mela, Gupta & Lehman, 1997). In the long-run, advertisement help brands by making consumer less price sensitive and more loyal. Exposure of an ad is crucial to be effective in changing consumer knowledge, attitude and behaviour (Evans, Moutinho & Van Raaj, 1996). And for the ad to be seen, it must grab the attention of its target audience. 'Ads originality' as defined from Pieter, Warlop and Wedel, (2002) were easier for customer to remember than ordinary ads by increasing attention to it. This thus increased attention to the brand being advertised. However, regardless of the content, ads for brand leaders are more successful due to the influence of the brand (Simon, 1970). Ads for less popular brands may be less successful even though the content may be good.

Liking towards the brand itself can influence liking for the brand (Hawkins, Best & Coney, 1992). However according to study by Biehal, Stephens and Curlo (1992) whether consumers like or dislike an ad does not necessarily lead to brand acceptance or rejection. So, even though consumers may like the ad that they see, it does not necessarily mean that they will go out and buy the brand advertised. Usually the consumer uses their attitude towards the ad (Aad) in brand choice equaled that of attitude towards the brands (AB)

Brand preference and product attribute

Attributes are the characteristic or features that an object may or may not have and includes both intrinsic and extrinsic (Mowen & Minor, 1998) .

Benefits is the positive outcomes that come from the attributes. People seek products that have attributes that will solve their problems and fulfills their needs (Mowen & Minor, 1998). Understanding what consumer choose a product based upon its attributes helps marketers to understand why some consumers have preferences for certain brands (Gwin & Gwin, 2003). In the study by Gwin and Gwin (2003), the Lancaster model of consumer demand (1966, 1979), also referred to as the product attributes model, was used to evaluate brand positioning. This model assumes that consumer choice is based on the characteristics (or attributes) of a brand. Each product is a bundle of attributes and that choice is based on maximizing utility/satisfaction from the attributes subject to budget constraints. However there were two limitations of the model: (1) the model is static and deterministic and (2) the model does not explain how the preferences for

attributes were formed. This article also did not mention if experience with the product played a part in influencing attributes preferences

Both tangible and intangible attributes of a product are equally important in choosing a product or brand (Myers, 2003). There is no evidence that certain attributes are more related to customer loyalty than others (Romariuk & Sharp, 2003). It was, found though, that the more attributes (non-negative) associated with a brand, the more loyal the customer (Romariuk & Sharp, 2003). Romariuk and Sharp (2003) suggested that marketers should focus more on how many attributes the brand should be associated with and not what attributes. However, this study did not specify what sort of attributes marketers should associate the brand with; i. e. whether they should be relevant or irrelevant attributes, tangible or intangible etc. This is because it is important that consumer accurately learn about product attribute performances since it would influence their interpretations of product performance by causing memory encode and retrieval bias. Unfounded product attribute relationship beliefs can mislead them into expecting something that is not there.(Mason & Bequette, 1998). Hence if products fall short of customer expectations, then dissatisfaction would result.

Nevertheless, it was found that through irrelevant, some attributes may still be important in influencing consumer choice. Persistent preferences for product attributes occurs when there is low ambiguity in the initial potential choice for salient attributes coupled with experience , although those attributes maybe irrelevant (i. e. an attributes usually not associated with favourable brand outcomes (Muthukrishnan & Kardes, 2001). Consequently, Mason and Bequette (1998) also said that perceptions on product

performance based on salient attributes are more important in influencing the consumer purchase behaviour than actual product attribute performances. Similarly, Myers (2003) concluded that brand equity may be more influenced by attribute knowledge more than consumer preference.

However perception of product performance on the salient attributes are more important than actual performance (Mason & Bequette, 1998). Mowen and Minor (1998) suggested that marketing managers should know the attributes that consumers expect in a product and how positively or negatively they rate these attributes to help develop and promote a successful product. Retailers need to be knowledgeable of the product attributes perceived as the most important by each individual consumer group in order to build and maintain market share (Warrington & Shim, 2000). It is the consumer who determines which attributes matter to them. Different consumer groups place different importance on different attributes (Warrington & Shim, 2000). It was found that consumers categories as LP/SB (low product involvement/strong brand commitment) placed greater importance on product attributes and product orientations than LP/WB (weak brand commitment) consumers, which placed the most importance on price.

Empirical Evidence

A study was conducted by the Faculty of Science, University of Kelaniya, Sri Lanka (Gihan Wijesundera, Ruwan Abeysekera, 2009) to explore how the marketing mix & demographical factors influence the brand preference & purchasing behaviour of beauty soap among the female consumers in the greater Colombo region. The usage of beauty soap among Sri Lankan

consumers had been declining since 2003 to 2009, while globally accepted & <https://assignbuster.com/consumer-survey-concept-testing-and-after-usage-test-marketing-essay/>

fully localized brands were recording a negative growth in terms of the usage.

Sample consisted of 91 female consumers in greater Colombo region. Data were gathered by administering questionnaires. The independent variables are 4Ps, Age, Income Level, Education, Marital status, Occupation, skin type, social factors, substitute products & dependent variable is the brand preference. Analysis was done using the Chi-square method at the significant level of 0.05. The research model was designed as below as per the above variables, Which describes the price, place, promotion, product, age, income level, education, marital status, occupation, skin type, social factors, substitute products as independent variables while brand preference becomes the dependent variable.

Figure 2. 1: The Research Model

In Sampling Method the questionnaires were only distributed among the female consumers who lived in greater Colombo. Also Questionnaires were only given to the consumers who use toilet soap at home. It was ensured that the sample would cover adequately all the considered brands in the study, sampling method were convenience judgmental quota sampling. Sample size was 91 and which covers all the brands used by different respondents. Moreover all the demographical variables were covered in the sample.

In Data Analysis the statistical data analysis was done mainly thorough descriptive statistics, using Chi-Square method. The SPSS software was used to execute the analysis process. Methods such as bar charts and tabular
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formats were used to derive and summarize the data. The MS Excel was also used in data summarization process. The desired level of significant is 0.05 with the chi square test.

Finding of the study concluded that there was a statistical significant relationship between price & product with the brand preference at 0.05 significant level.

In the study (Karlsted University, Per Skalen, Sofia Molander, 2010) of factors affecting on Men's Skin Care Products Purchasing, Particularly In Karlsted, Sweden examines in some depth the influences of marketing mix, social factors, emergence of the metro sexual, evolution of femininity and masculinity, self-esteem and customer decision making on the male consumer behaviour in purchasing skin care products in Sweden, particular in Karlstad. In do so, the theories of masculinity and femininity, customer behaviour theory, customer decision making's theory, theory of metro sexual and theory of the four Ps in marketing mix strategy are employed as a theoretical framework and also adapted with theory of the self esteem involvement. It also endeavours to find out the reasonable impacts of perception on the relationship between variables and consumer behaviours. A questionnaire was developed and distributed to men who are in the age range between 15-45 years old and living in Karlstad, Sweden. The total sample consists of 94 respondents. Further, the returned questionnaires were analyzed by using factor analysis, correlation and path analysis in SPSS version 16.0.

Additionally, the factors influencing the purchase at the purchasing point, such as choices of products, packaging, product odor, promotion and etc, are studied whether it can affect to decision making at that moment. To do so, the study can permit to understand more the customer's behaviours, market trends and purchasing evaluation in skin care market of men in Sweden.

The research methodology was deductive approach. According to Brymen & Bell (2007) and Greenspum (2010) noted that deductive approach begins with a general ideas (such as theory, laws, principles) and based on them, specific hypotheses are formed which can be tested in order to support the general ideas. Then observation will be conducted to test all issues.

Regarding the sample size the study was concentrated in Sweden's market only instead of the global market due to time limitation and point's focusing. And in order to keep away from the cultural differences between nation that can be one factor to affect customer's purchasing decision making, doing survey across multi-nationality is avoided in this study.

Principally the data were analyzed by SPSS version 16. 0. The descriptive statistic is employed for the basic features of data in this study. It offers simple conclusions about the sample and the measures (Trochim, 2008). At first part of analysis, summarizing the data deriving from mean value by frequency is mainly considered. Corresponding with simple graphics analysis, it shapes the basic of virtually every quantitative analysis of result.

Unlike descriptive statistics, inferential statistics are highly inv