

BRAND PREFERENCES FOR PERSONAL CARE PRODUCTS: AN ANALYSIS OF MARKET MIX WITH RESPECT TO INCOME SEGMENTATION

¹*Dr. (Mrs.) Kiran Mor*

Professor, Humanities and Social Sciences, NIT, Kurukshetra (India)

²*Sulekha*

Research Scholar

Abstract Income segmentation is very important segmentation used in the developing countries like India where there is lot of income discrimination. Income segmentation is most commonly used segmentation as consumers from different income do behave in different manners. The present study is related with the purchase behavior influenced by income with respect to brand preferences affected by market mix. Market mix affects the purchase decision for personal care product as they are substitute or very close to each other. The present study analyzes the impact of market mix on the brand preferences of different brands of HUL and ITC for different income segments. The brand preferences are taken on nominal scale by allowing multiple ticks for brand preferences. A scale consisting 15 statements on likert scale is used to get the responses about market mix. Five factors of market mix are taken into consideration for the present study namely price, promotion, distribution, product and packaging. Each factor is reliable as cronbach α is above 0.7 for every factor. Income class are divided into three category.

Keywords: Brand preference, Personal care products, market mix, income

Introduction:

Today where the world is being recognized as global village marketing has become vital ingredient for every business success. It is almost become difficult to every competitor to survive in market for a prolonged period because competition is cut to throat. **Change or die** is the core faith of marketing.

That is why development of right marketing strategy over time is required. Right marketing Strategy is something that helps companies achieves marketing objectives. Marketing objectives help achieve corporate objectives and corporate objectives aim to achieve a competitive advantage over rival organizations. Effective marketing strategies or marketing campaigns often consist of a combination of several marketing tactics that work together in a synergistic way to establish your brand, reduce sales resistance, and create interest and desire for your product or service. Today marketing is every where, formally or informally, people and organization engage in vast number of activity that we call as marketing. But still there is one constraint before all companies that they can not connect to all customers in large, broad or diverse market Every company want to focus on customers within there capacity and with customers intimacy . For this market is to divide into groups of consumers or segments with distinct needs and wants. This strategy of dividing the market in homogenous group is known as segmentation. Even companies, who have mass marketing phenomena, are now adopting this new world's strategy i.e. segmentation. From the time Wendell smith (1956) proposed the concept of market segmentation, more than fifty years ago, it recognized as distinct strategic alternatives. Market segmentation consists of group of customers who share the similar set of needs and preferences in all. Instead of offering the whole market the same value, the companies now trying to take the benefits of fulfilling the need of that customer group whose requirements are actually fitted by the product. This fit will be more beneficial than the misfit to the other customers whose requirements are not fitted to the product. A flexible market offering consists of two parts: a naked solution, containing the product and service elements that all segment member value, and discretionary options that some segment members value (Marketing Management, Kotler& Keller, 13th edition).Segmentation refers to a process of bifurcating or dividing a large unit into various small units which have more or less similar or related characteristics. Market segmentation is a crucial marketing concept which divides the complete market into smaller subsets comprising of consumers with similar taste, demand and preferences.

The chosen segmentation characteristics of consumers should allow the resulting clusters to be homogeneous within and heterogeneous between the segments. Some studies show that income describe the characteristics of consumers that other socio- demographics variables like gender, age cannot capture. Income appears to be extremely relevant in explaining difference in attitude that affect the buying behaviour.

Major Objective:

To study the impact of market mix on brand preferences for personal care products with respect to income.

Hypothesis:

H₀: There is no impact of market mix on the brand preferences for personal care products with respect to income.

Research Methodology:

The present study focus on the eight brands of different segments of personal care sector offered by HUL and ITC and their preferences over different income group.

Brands in hair care segments:

Brand of HUL: Dove Shampoo

Brand of ITC: Fiamma Di wills shampoo

Brands in skin care segment:

HUL: Fair & Lovely

ITC: Vivel active fair

Brands in body wash segment:

HUL: Lux, Dove Soap

ITC: Vivel, Fiamma di wills gel bar

Socio-demographic variable used in study:

- Income

Data collection and sampling design:

The present study is conducted in region of Haryana and a sample of 400 consumers is selected from the four districts of Haryana which are randomly selected out of each zone of the state. Multistage random sampling is used to draw the sample.

Analytical Methods:

In order to analyze the impact of market mix on the brand preferences of personal care industry **logistic regression** is used. Logistic regression is a branch of regression which deals with non metric data. Here in the present study market mix data was of metric in nature but preferences are of nominal type that is why regression cannot be applicable.

Results and Findings**Income-wise Analysis of market mix affecting the brand preferences:**

Table 1.1
Income Wise Analysis Of Market Mix For Fiamma Di Wills Soap

Income(in lacs)		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	.059	.168	.121	1	.728	1.060
	promotion	.162	.177	.840	1	.360	1.176
	product	.140	.176	.634	1	.426	1.151
	Dist	-.126	.193	.429	1	.512	.881
	Package	-.137	.191	.514	1	.473	.872
3,50,000-6,50,000	Price	-.216	.136	2.517	1	.113	.806
	promotion	-.140	.155	.822	1	.365	.869
	product	.297	.145	4.220	1	.040	1.346
	Dist	.112	.151	.551	1	.458	1.119

above 6,50,000	Package	.207	.151	1.875	1	.171	1.230
	Price	.072	.170	.177	1	.674	1.074
	promotion	-.062	.174	.127	1	.721	.940
	product	.167	.179	.869	1	.351	1.182
	Dist	-.035	.211	.028	1	.867	.965
	Package	-.098	.164	.355	1	.551	.907

Sig. at 95% level of confidence

Table 1.1 shows that the middle income group consumers are influenced by the product characteristics as the p-value for product is below 0.05. The main reason behind this is that the middle income group always tries to find the best quality product at reasonable price whereas lower and upper class have the different requirements. The lower income group may not prefer any product as these are not covered under necessity whereas upper class purchase according to their status and psychographic requirements.

Table 1.2
Income Wise Analysis of Market Mix For Vivel Soap

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	.089	.164	.296	1	.586	1.093
	promotion	-.036	.171	.043	1	.835	.965
	product	.036	.171	.045	1	.833	1.037
	Dist	-.194	.190	1.036	1	.309	.824
	Package	-.009	.182	.002	1	.961	.991
3,50,000-6,50,000	Price	.000	.122	.000	1	1.000	1.000
	promotion	-.005	.143	.001	1	.972	.995
	product	.197	.140	1.995	1	.158	1.218
	Dist	-.049	.136	.130	1	.719	.952
	Package	-.248	.142	3.038	1	.081	.780
above 6,50,000	Price	-.034	.170	.039	1	.843	.967

promotion	-.092	.173	.282	1	.596	.912
product	.002	.178	.000	1	.992	1.002
Dist	-.041	.210	.038	1	.846	.960
Package	.106	.164	.417	1	.518	1.112

Table 1.2 shows the income wise analysis of market mix for vivel soap. The table indicates that the income do not have any relation with the market mix and brand preferences. The table 1.18 discusses that vivel soap preferences do not affected by income and any of market mix. It means that vivel is not for any single income, it is basically related to the psychographics of the individuals.

Table 1.3
Income Wise Analysis of Market Mix For Dove Soap

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	-.250	.170	2.149	1	.143	.779
	promotion	-.103	.175	.347	1	.556	.902
	product	.002	.178	.000	1	.992	1.002
	Dist	.333	.194	2.928	1	.087	1.395
	Package	.020	.187	.011	1	.915	1.020
3,50,000-6,50,000	Price	.079	.122	.415	1	.519	1.082
	promotion	-.104	.140	.552	1	.457	.901
	product	-.029	.136	.045	1	.833	.972
	Dist	-.097	.137	.500	1	.479	.908
	Package	.035	.141	.061	1	.804	1.036
above 6,50,000	Price	.280	.184	2.326	1	.127	1.323
	promotion	.408	.191	4.572	1	.032	1.504
	product	-.511	.194	6.918	1	.009	.600
	Dist	-.230	.228	1.017	1	.313	.794
	Package	-.116	.172	.457	1	.499	.890

Table 1.3 discusses that dove soap is the popular brand among upper class. It means company is successfully positioned it as premium brand but in the upper class only promotion and product are significantly affecting the brand preferences of dove but in the lower and middle class no market mix is affective. The p-values of promotion and product in the upper class are lower than 0.05. Table is showing that brand is not working in the lower and middle class because the demand profile of these income groups is matched with the brand. As dove is the premium brand still some of the market mixes are ineffective even in the upper class.

Table 1.4
Income Wise Analysis of Market Mix For Lux Soap

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	-.220	.176	1.569	1	.210	.802
	promotion	-.026	.183	.020	1	.888	.975
	product	-.255	.183	1.946	1	.163	.775
	Dist	.433	.202	4.601	1	.032	1.541
	Package	.028	.196	.021	1	.885	1.029
3,50,000-6,50,000	Price	-.086	.126	.462	1	.497	.918
	promotion	-.011	.147	.005	1	.941	.989
	product	-.169	.142	1.419	1	.233	.845
	Dist	.102	.141	.531	1	.466	1.108
	Package	-.006	.147	.002	1	.967	.994
above 6,50,000	Price	-.186	.174	1.137	1	.286	.831
	promotion	-.101	.175	.330	1	.565	.904
	product	.104	.183	.323	1	.570	1.110
	Dist	.105	.213	.242	1	.622	1.111
	Package	.006	.165	.002	1	.969	1.006

The above table 1.4 shows that lux is popular among low income group but not in other section of the society. In the low income group only distribution of the brand is affecting the preferences

of the brand. It means brand is not supported by other factors of market mix. The table discussed that lux is popular because it is available at every store due to its vast distribution and the low income group customer use to buy what is available. But the brand is not hitting the middle and upper class of the society.

Table 1.5
Income wise analysis of market mix for vivel active fair

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	.135	.164	.678	1	.410	1.145
	promotion	-.079	.172	.213	1	.645	.924
	product	-.026	.172	.024	1	.878	.974
	Dist	.197	.191	1.061	1	.303	1.217
	Package	-.085	.183	.217	1	.641	.918
3,50,000-6,50,000	Price	-.043	.121	.127	1	.721	.958
	promotion	-.222	.143	2.412	1	.120	.801
	product	.088	.135	.424	1	.515	1.092
	Dist	.121	.135	.802	1	.370	1.129
	Package	.153	.140	1.190	1	.275	1.166
above 6,50,000	Price	.233	.175	1.772	1	.183	1.262
	promotion	-.104	.175	.353	1	.552	.901
	product	-.087	.180	.231	1	.631	.917
	Dist	-.181	.216	.702	1	.402	.834
	Package	.043	.166	.068	1	.794	1.044

The table 1.5 shows that vivel active fair is not affected by any of market mix. It means that the company is not properly offering the market mix because consumers are not getting the brand ideas through the market mix.

Table 1.6
Income Wise Analysis of Market Mix For Fair And Lovely

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	-.257	.170	2.278	1	.131	.773
	promotion	.083	.174	.227	1	.634	1.086
	product	.165	.174	.902	1	.342	1.180
	Dist	-.038	.190	.039	1	.843	.963
	Package	.088	.186	.225	1	.635	1.092
3,50,000-6,50,000	Price	-.110	.122	.821	1	.365	.896
	promotion	.116	.142	.667	1	.414	1.123
	product	.066	.137	.232	1	.630	1.068
	Dist	-.310	.138	5.008	1	.025	.734
	Package	.075	.141	.283	1	.595	1.078
above 6,50,000	Price	-.293	.177	2.751	1	.097	.746
	promotion	.052	.175	.089	1	.766	1.053
	product	.136	.181	.565	1	.452	1.145
	Dist	.230	.218	1.121	1	.290	1.259
	Package	-.040	.166	.057	1	.811	.961

The table 1.6 shows that fair and lovely preferences are affected by the distribution as this type of consumer do not search for their product and use to buy whatever available. But in other section of the society the product is not offering the right type of the market mix which is the main problems with the brand.

Table 1.7
Income Wise Analysis of Market Mix For Fiamma Di Wills Shampoo

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	.121	.166	.535	1	.464	1.129
	promotion	.259	.177	2.131	1	.144	1.295

	product	.048	.174	.075	1	.784	1.049
	Dist	-.185	.191	.942	1	.332	.831
	Package	-.279	.188	2.202	1	.138	.756
3,50,000-6,50,000	Price	.145	.121	1.430	1	.232	1.156
	promotion	-.140	.142	.968	1	.325	.869
	product	.125	.137	.832	1	.362	1.133
	Dist	.099	.136	.530	1	.467	1.104
	Package	-.084	.142	.349	1	.555	.920
above 6,50,000	Price	-.048	.171	.080	1	.777	.953
	promotion	.211	.177	1.413	1	.235	1.235
	product	-.010	.180	.003	1	.956	.990
	Dist	-.058	.212	.075	1	.785	.944
	Package	-.186	.165	1.267	1	.260	.830

Table 1.7 shows that the premium brand of ITC in the segment of hair care is not supported by its market mix. Consumers are not in a state to understand the offering of the company as none of the market mix is significant affect the preference of the brand in any of the income groups.

Table 1.8
Income Wise Analysis of Market Mix For DOVE Shampoo

Income		B	S.E.	Wald	df	Sig.	Exp(B)
up to 3,50,000	Price	-.128	.164	.609	1	.435	.880
	promotion	.135	.173	.604	1	.437	1.144
	product	-.078	.172	.205	1	.651	.925
	Dist	.145	.189	.588	1	.443	1.156
	Package	-.094	.182	.267	1	.605	.910
3,50,000-6,50,000	Price	-.106	.122	.761	1	.383	.899
	promotion	-.070	.141	.244	1	.621	.933
	product	-.170	.139	1.509	1	.219	.843
	Dist	-.072	.136	.276	1	.599	.931

above 6,50,000	Package	.292	.146	3.993	1	.046	1.339
	Price	-.221	.186	1.409	1	.235	.802
	promotion	-.085	.186	.209	1	.647	.918
	product	-.084	.193	.191	1	.662	.919
	Dist	.075	.230	.107	1	.743	1.078
	Package	.090	.178	.257	1	.612	1.095

Table 1.8 depicts logistic regression of market mix on brand preferences for different income groups. It is evident from the analysis that only distribution is significantly affecting the preferences for brand only in the middle income group ($p\text{-value} < 0.05$). But other factors of market mix are not important in any of the income group.

Results shows that the product, promotion, packaging and distribution are affecting the brand preferences of personal care product but price which is an important factor is not found significant in case of personal care product. It may be because personal care products are the products which are to be used regularly and need low investment. It is noted that the market mix is very important factor but importance of different market mixes dependent on the income class of consumers.

Conclusion and Suggestions:

To sum up it can be safely conclude that companies like HUL and ITC are not taking income segmentation seriously, as not a single brand is having complete market associated to a special income class. Income is the most important base of difference between the purchase behaviors of consumers. As the consumers of low class search for a valuable product at low price and the high income group will never go for price but want to get best quality products. Middle income group consumers search for the product which suit to their social class as well as give a good quality. Here in the study it is shown that personal care companies are not performing good income segmentation. In respect of this situation following suggestions are provided:

- Companies of personal care industry should focus on the income segmentation as it is one of the very important bases of purchase behavior differences among consumers.
- Market mix should be matched according to demand profile of consumers of different income class of society.

- At least products should be given specifically for each and every income class of market.

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