

A Review study on Factors influencing the buying decision of Branded Biscuits

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Abstract

This article reviews various research studies on Consumer Behaviour and factors related to purchase decision making. The literature explores topics such as packaging, retail outlet, nutritional value and other factors related to purchase decision making of biscuits. Various studies that are reviewed are categorized into different types depending upon the focus of these studies. The literature review has been based on a variety of studies ranging from phenomenal studies to articles focussed on the aspect of Consumer Decision Making and related attributes identified for the study.

Key words: packaging, retail outlet, nutritional value, Decision making and Biscuits.

Introduction

Understanding the buying behaviour of the target market is the essential task and always a big challenge. The consumer market consists of all the individuals and households who buy or acquire goods and services for personal consumptions. The Study on consumer market and buying behaviour tries to find out the answers for the questions, Do they buy? Who buys? How do they buy? From where do they buy? There are four major factors that influence the buying behaviour such as cultural factors, social factors, personal factors, and psychological factors.

In the Consumer Behaviour, the buying decision making is the crux of the process and buying roles and it has major role to play in decisions such as initiator, influencer, decider and buyer. Now a days the customers are more dynamic, their tastes, needs and preferences are ever changing.

Reviews on Factors:

Packaging

According to Rundh (2005) package attracts consumer's attention to particular brand, enhances its image, and influences consumer's perceptions about product. Also package imparts unique value to products (Underwood, Klein and Burke, 2001; Silayoi and Speece, 2004), works as a tool for differentiation, i.e. helps consumers to choose the product from wide range of similar products, stimulates customers buying behaviour (Wells, Farley and Armstrong, 2007). Thus package performs an important role in marketing communications and could be treated as one of the most important factors influencing consumer's purchase decision. In this context, seeking to maximize the effectiveness of package in a buying place, the researches of package, its elements and their impact on consumer's buying behavior became a relevant issue.

Some of researchers try to investigate all possible elements of package and their impact on consumer's purchase decision (Silayoi and Speece, 2004; Silayoi and Speece, 2007; Butkeviciene, Stravinskiene and Rutelione, 2008), while others concentrates on separate elements of package and their impact on consumer buying behaviour (Vila and Ampuero, 2007; Madden, Hewett and Roth, 2000; Underwood et al., 2001; Bloch, 1995). Moreover some researchers investigate impact of package and its elements on consumer's overall purchase decision (e.g., Underwood et al., 2001), while others – on every stage of consumer's decision making process (Butkeviciene et al., 2008).

Kotler (2003) distinguishes six elements that according to him must be evaluated when employing packaging decisions: size, form, material, color, text and brand. The research result of Rita Kuvykaite (2009) shows the impact of package elements on consumers purchase decisions can be stronger. In their study they took two types of package elements, visual and verbal. Graphic, colour, size, form and material are considered as visual elements, while product information, producer, country-of-origin and brand as considered as verbal ones. They conclude that Package could be treated as one of most valuable tool in today's marketing communications, necessitating more detail analysis of its elements and an impact of those elements on consumers buying behaviour.

Bed Nath Sharma (2008), studied New Consumer Products Branding, Packaging and Labelling in Nepal. This paper focuses on existing practice of branding, packaging and labeling of new products in consumer product manufacturing units. The study method was Descriptive presentation of facts collected through questionnaire survey concerned with different section of consumer new products soap, biscuit, noodles, cigarettes and the study further investigates the new consumer product packaging and labelling status in manufacturing units. They are aware about the value of packaging and labelling. Majority of the consumer products 84.37 percent (27 out of 32 responses) are using product label as a simple tag attached to the product or an elaborately designed graphic that is part of the package.

Alice Louw (2006) has studied the power of packaging the people belonged to Age 20-30 years old university graduates were taken for research. 20 respondents were asked to rank 5 water bottles in terms of their overall appeal. Following this, they were given a questionnaire and asked to rate each of the bottles on 20 statements related to their packaging. The other 20 respondents, the order of the process was switched: they rated the bottles first and then ranked them. The statements ranged from functional attributes (e.g. easy to drink from, right size) to more emotive, non-functional attributes (e.g. I like the colors, high quality). For both groups there was a clear winner and a clear loser in terms of the rankings. However, although the top brand chosen was consistent in both groups, the worst brand differed. The group that ranked the bottles first showed more variance in terms of their responses (Variance 1.33) than the second group who rated the attributes first (variance 0.89). This Packaging plays an important role in the marketing context. His research results that right packaging can help a brand carve a unique position in the marketplace and in the minds on consumers.

In categories in which children are the end consumers, appealing packaging can be a means of driving brand choice. Research has found that “pester power” can come from an attraction to packaging (Gelperowic and Beharrell) and as a result packaging can heavily influence mothers’ choices.

John Th Gersen (2000) worked on The Ethical Consumer. Moral Norms and Packaging Choice published in Journal of Consumer Policy Kluwer Academic Publishers. printed in the Netherlands. The paper presents a study of a case with these two characteristics: A majority of Danish consumers have developed personal norms about choosing environment-friendly packaging and the personal norm is a significant predictor of their (self-reported) propensity to choose environment-friendly packaging in the supermarket.

Renaud Lunardo (2007) has a great research on the influence of label on wine consumption. its effects on young consumers' perception of authenticity and purchasing behaviour. The main objective of the paper is to identify the effects of authenticity on purchase behaviour. They used a repertory grid (RG) approach as a methodological framework in order to know which pattern of features is better at inducing purchase. All the relationships between authenticity provided by the label of bottles and consumer behaviour attributes (performance risk, perceived price and purchase intentions) were all tested by using linear regressions. This study was intended to provide a more complete understanding of the influence of the authenticity perceive from the label of bottled wine. As an attempt to extend the research on the influence label of bottled wine can have on consumers' decisions of buying, it is clear from these findings is the major role played by labels which is a part of packaging.

L Renaud 2007 worked on The Influence of Eco-Labeling on Consumer Behaviour. The main objective of this study was to assess the relative importance of the labeling in Packaging compared to other product attributes (like brand, price, etc.) for the consumers' buying decisions. The methodological approach that they chose was discrete choice analysis, which is particularly powerful for this kind of analysis. Further this study attempts to analyze if the importance of the labeling and packaging differs between product groups. They surveyed a total of 302 customers; Two thirds of the interviews were conducted in the German-speaking. The Variables chose within this study are, present mood, time, buying purpose with regard to sustainability marketing, Time. The most important result of analysis is the significant willingness to pay for Packaging energy efficient products.

Adelina Broadbridge and Henry Morgan (2007), consumer buying behaviour and perception toward retail and baby brand products. A two-stage research methodology consisting of both qualitative and quantitative research techniques was adopted. The population was defined as 'parents of children under the age of five who use baby care products'. Both the qualitative and quantitative research showed that respondents adopted similar risk reduction strategies in their purchase of baby care products. This research investigated consumer perceptions and buying behaviour of baby care products. The results of the primary research indicated that consumers need to feel confident with the product in terms of reliability and performance and packaging.

Bytyqi Hysen, Vegara Mensur (2008) have done the research on analysis of consumer buying behaviour in regard to dairy products in kosovo. This survey was carried out by the Department of Livestock and Veterinary Sciences, Agriculture Faculty of Prishtina, Kasovo during 2007. Interviews of 304 respondents were conducted in super-markets (677) and mini-markets (397) and later 23 interviews were completed in green market mainly for Sharri cheese and curd. To study the reasons for choosing milk products upon supply, a coding approach from 1- 5 was used (1 = very important; 2 = highly important; 3 = average; 4 = less important; 5 = not important). Perception of consumers about dairy products was assessed using different variables i.e. habits, trust, price, quality, package, age of consumer, origin of product, type of shop, brand and gender of consumer. It was concluded after the analysis that the packaging has great effect on the purchase of dairy products.

Retail outlet

Store Name and Perceived Quality: Retail stores have image of their own that serves to influence the perceived quality of products they carry, as well as the decision of consumers as to where to shop. In order to create a distinctive identity, many retailers put their own labels on the clothes of popular designers. Consumers perceive high quality and value in clothing that bears a well-known retail name. Because of this trend, private-Label fashions in many cases are squeezing well-known designer clothing off the racks (Schultz, 1998).

Consumers develop store images based on advertising, merchandise in the store, opinions of friends and relatives, and shopping experiences. Store images often influences brand image. A positive store image produces a positive brand image, even when the product and price at which it is available are identical in most of the stores (Schiffman and Kanuk). The type of product the consumer wishes to buy influences his or her selection of retail outlet. Conversely the consumer's evaluation of a product often is influenced by the knowledge of where it was bought. A consumer wishing to buy an elegant dress for a special occasion may go to a store with an elegant high fashion image. Regardless of what he/she actually pays for the dress, he selects (regular price or marked down price), he will probably perceive its quality to be high. However, he may perceive the quality of the same dress to be much lower if he buys it in an off-price store with low-price image (Schiffman and Kanuk).

Retailers have a particular stake in establishing a positive store image, as their image is directly tied to sales results. Hence, many retailers tried to upgrade their image by repositioning their line to higher - quality merchandise (Walters). Most studies of the effects of extrinsic cues on perceived quality have focused on just one variable either price or store image. However, when a second extrinsic cue is available (e.g. price and store image), perceived quality is sometimes a function of the interaction of both cues on the consumer.

Nutritional value

Yee and Young (2001), aimed to create awareness of high fat content of pies, studied consumer and producer awareness about nutrition labeling on packaging. For this, seven leading pie brands were analyzed for fat content and are ranged from 7.1 to 19.2percent fat. Potato topped or cottage pies had the lowest fat content (7.1-9.2percent fat). Most pies did not display nutritional labelling on packaging. Over half of the consumers (52percent) who responded to the survey (42percent response rate) were aware of the campaign. It is possible to produce acceptable lower fat pies and food companies should be encouraged to make small changes to the fat content of food products like pies. Potato topped pies are lower in fat and are widely available. Regular pie eaters could be encouraged to select these as a lower fat option.

Colours

Colors can also influence customers' emotions, positively or negatively. Previous research has shown a consistent association of colors with certain feelings and experiences. For example, the color "Blue" is soothing and associated with wealth, trust, and security, whereas "Red" the Impact of Color connotes excitement and stimulation (Pride and Ferrell 2003). In this study, the relationship is examined among color associations and brand personality, to determine if certain colors tend to create certain reactions about a product. For example, it is expected that viewers' perceptions of a brand's image/personality will reflect the image associated with the ad's background color (e.g., a brand will be judged to be more vibrant and exciting when it is advertised with a red background versus a more calming blue background).

Looking at daily life experiences with products some, simple examples can be found in which the package influences people's expectations. For example, people would seldom expect a cherry taste from brown packaging. Most of the time, they would think of chocolate or coffee flavor due to the color. Wouldn't it be irritating if the color did not coordinate with the final taste? Another example is if a

package is not transparent, like Tetra-Pak or drinks cans, one would not expect that it contains water. Normally juice or lemonade is filled in this kind of packaging and water in glass or transparent plastic bottles. Again, the result would probably lead to surprise or confusion. Schoormanns and Robben (1997) showed that that a new package design can negatively influence taste perception. Due to convention and past experiences people seem to form expectations and draw conclusions by just looking at the packaging design.

Color seems to have several emotional and cognitive effects on people during product experience as well. It influences arousal (Crowley, 1993) and generates pleasant feelings (Bellizzi and Hite, 1992). Birren (1956) stated that color can effectively be used to suggest certain product characteristics. Furthermore, people are able to match the taste of a dessert to the right color of packaging (Smets and Overbeeke, 1995). This indicates that color can transpose information to consumers.

Generally the emotional response to colour has been found to be consistent (Kastl and Child, 1968). A common finding in literature is that people prefer colours made up from short wavelengths over colours made up from long wavelengths. Not only the hue but also the saturation and brightness of a colour can affect emotional experience. Valdez and Mehrabian (1994) studied the effects of different colours using the Pleasure-Arousal-Dominance (PAD) emotion model (Mehrabian and Russell, 1974). They used 10 hue groups from the Munsell Colour System printed on cards and provided representative variations of brightness and saturation for each hue. The participants' emotion was measured with the PAD scales with selected emotion terms for each factor. Brighter and more saturated colours were rated as more pleasant, brightness having a stronger effect. In addition saturation positively influenced arousal, while brightness had a negative effect. They found that less bright and more saturated colours induced greater feelings of dominance. In this case brightness had a stronger influence on perceived dominance of colour than saturation. Effect of packaging design on taste experience in this study the effect of a yoghurt cups' colour saturations on the perception of a following product experience will be investigated. It is assumed that the more dominant colour saturation is, the stronger will be the subsequent taste experience. Thus, a more saturated colour will lead to a stronger taste experience than a less saturated colour.

Consumer choice

Consumer choices concerning the selection, consumption may be difficult and are important to the consumers, to marketers, and to policy makers. As a result, the study of consumer decision processes has been a focal interest in consumer behaviour for over 30 years (Bettman 1979; Hansen 1972); Howard and Sheth 1969; Nicosia 1966). One can infer from recent trends in the nature and structure of the market place that the importance of understanding consumer decision making is likely to continue. Rapid technological change, for instance, has led to multitudes of new products and decreased products lifetimes. In addition, new communications media such as the World Wide Web have made enormous amounts of information on options potentially available (Alba al. 1997). Further, consumers are often asked to make difficult value tradeoffs, such as price versus safety in purchasing an automobile, environmental protection versus longevity in complex health care decisions.

How do consumers cope with the decisions they make, some of which involve difficult trade-offs and uncertainties? One approach to studying consumer decisions has been to assume a rational decision maker with well defined preferences that do not depend on particular descriptions of the options or on the specific methods used to elicit those preferences. Each option in a choice set is assumed to have a utility or subjective value that depends only on the option. Finally, it is assumed that the consumer has ability or skill in computation that enables the calculation of which option will maximize his or her received value and selects accordingly. This approach to study consumer decisions, often attributed to economists and called rational choice theory, has contributed greatly to the prediction of consumer decisions. Over the past twenty five years, an alternative, information processing approach to the study of consumer choice (Bettman 1979) has argued that rational choice theory is incomplete and/or flawed as an approach for understanding how consumers actually make decisions. The information processing approach endorses bounded rationality (Simon 1955), the notion that decision makers have limitations on their capacity for processing information. Such limitations include limited working memory and limited computational capabilities. In addition, decision makers are characterized by perceptions attuned to changes rather than absolute magnitudes and diminishing sensitivity to changes to stimuli (Tversky and Kahneman 1991).

Product option

Product option selection is an important issue in consumer decision making because many product categories (for example, cars, computers, houses, home theaters, cameras and so forth) come with such an offer. How product options are presented to consumers can influence the way information is processed and the final purchase decision. Decisions may be framed by asking consumers to add product options they want to a base model (additive framing) or to delete product options they do not want from a fully equipped model (subtractive framing). For instance, when selling a wedding package, a bridal shop can offer a basic package that provides a wedding gown and a two-piece suit for the bride and groom. Additional services such as a bridal car, bridal bouquets, and specially designed invitation cards and so on can be added to the package if the couple desires.

Prior to choice decision or repurchase intention, consumers place a number of attributes in his or her choice sets, in order of importance and relevance. Among these attributes are price and quality, and consumers tend to use price as a proxy to quality (Lichtenstein, Bloch, and Black, 1988; Bloch and Black, 1988; Dodds, Monroe, and Grewal, 1991; Ofir, 2004). However, studies also reveal that, besides price and quality, other cues that are also considered as more important to assess the products worth, are attributes such as brand, store name, past experience, attitude and product information (Cury and Riesz, 1988; Stafford and Enis, 1969; Erikson and Johansson, 1985; Zeithaml, 1985; Tellis and Geath, 1990, Dodds, Monroe, and Grewal, 1991). Brand name, for example, often signals as a cue or as a surrogate of product quality use by consumers in their evaluation of goods or services before they decide to purchase. Some researchers argue that the effect of price tends to be stronger when it is presented alone as compared when it is combined together with brand name (Dodds and Monroe, 1985; Dodds, Monroe, and Grewal, 1991).

On the other hand, Bristow, Schneider, and Schuler (2002), suggest that if consumers believed that there are differences among brands, then the brand name becomes the center piece of information in the purchase decision or repurchase intention and the dependence on the usage of brand name in the search information will likely increase. Another branch of consumer behaviour research related to brand, is that, consumers use brands to create or communicate their self-image or status (O’Cass, and Frost, 2002). Consumers, sometimes, associate

themselves to a given brand when they make brand choice, and also make their brand choice based on associations with manufacturer's brand name (Aaker, 1997; Fugate, 1986). Besides, brand names contribute value to the consumers image, as well as the economic success of the businesses, and it also can affect preference, purchase intention and consequently, sales (Alreck and Settle, 1999; Ataman and Ulengin, 2003).

Choice criteria include the various factors that affect the decision-making. Different roles in buying centre can use different choice criteria. For example engineers can respect the technical qualities more as the purchase managers appreciate low costs. The choice criteria can be divided into technical, economic, social and personal factors. (Jobber and Fahy 2009)

Technical choice criteria are usually related to the performance of the certain product. For example qualities such as: durability, comfort, reliability and use convenience play an important role on technician's criteria. If the product is industrial, the buying organization respects more the quality than the price. Reliability of the product is extremely important factor, especially in healthcare industry, where people's lives are dealt with. (Jobber and Fahy 2009) Technical quality includes also the continuity of supply. This means that the supplier has to have the ability to avoid major delays or disruptions while delivering the product. Suppliers that can guarantee functional service in supplying, have significant advantage while evaluating the tenders. (Jobber 2007)

Social choice criteria include features such as: status, social belongings, and convention. This means that the purchase decision are made by the person's own relationships and the influence of social values. On the other hand, the personal criteria consist of the product correlating with the image of the company and its personnel. Emotions are concerned to be a very important factor on decision-making. (Jobber and Fahy 2009)

Business buyers are definitely not just calculating and impersonal, but human and social and therefore, react both to reason and emotions. (Armstrong and Kotler 2009) Especially, if certain market is small and every operator on the industry knows each other, the personal likes and dislikes play a big role. That is why the suppliers do not afford to make many unsuccessful business acts or mistakes in the customer service.

Consumers' information

Keller (1998) believes that brands serve to identify the source or maker of a product and allow consumers to assign responsibility as to which particular organisation should be held accountable for the experience gained by using the product. Because of past experience with a product and the marketing programme over a period of time, consumers learn more about a brand. Consumers collect information to help in the decision making process regarding which brands satisfy their needs and which do not. As a result, brands provide a shorthand device or means of simplification for making product decisions.

Product and Consumer Involvement

One of the factors most directly related to brand sensitivity is consumer involvement in a product category (Lachance et al., 2003; Amine, 1998). Involvement refers to the extent to which the product category is motivating for the consumer (Knox and Walker, 2001). Being more involved means that consumers are motivated to willingly search for and actively process product related information (Warrington and Shim, 2000). This leads to more time and effort spent in search related activities, greater perceived differences in product attributes and the establishment of brand preferences. This is in line with Laurent and Kapferer (1985), who argue that the extensiveness of consumers' purchase decision processes will differ depending on their level of involvement.

Amine (1998) comments that perceived differences between brands depend on the consumers' familiarity with the product category. High involvement in a product category enables consumers to identify more subtle differences between brands in both functional and psychological attributes, leading to higher functional, experiential and symbolic benefits (Keller, 1993). According to Warrington and Shim (2000), product involvement occurs when a product category is related to a person's centrally held values and self-concept.

Conclusion

The consumers are influenced by the demographic and socio economic factors in purchase decision making of biscuits. Various factors such as price, brand, product category and flavour influences the biscuit purchases. Keeping in mind the fact that a substantial percentage of Indian population stays in rural and semi-urban areas, biscuits, because of their economic pricing, become the most affordable snacks for this segment. For the high-end segment also, the affordability factor and the hygiene and convenience that biscuits offer, become a driving force.

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