

The Ethical Value of Brand feelings in Rural Society – A micro level study

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Brand feelings are customers' emotional responses and reactions with regard to the brand. Brand feelings are associated with the social currency evoked by the brand. These feelings can be mild or intense and can be positive or negative. The emotions evoked by a brand can become so strongly associated that they are accessible during product consumption or use¹. More specifically, what distinguishes a brand from its unbranded commodity counterpart is the sum total of consumers' perceptions and feelings about the products' attribute and show they perform, about the brand name and what it stands for, and about the company associated with the brand. Brands take on unique, personal meanings to consumers that facilitate their day-to-day activities and thus enrich their lives. As consumers' lives become more convoluted, rushed and time starved, the ability of a brand to simplify decision making and reduce the risk is invaluable. If consumers recognize a brand and have some knowledge about it, then they do not have to engage in a lot of additional thought or processing of information to make a product decision². Thus, from an economic perspective, brands allow consumers to lower search costs for products both internally and externally.

The relationship between a brand and the consumer can be seen as a type of bond or pact. Consumers offer their trust and loyalty with the implicit understanding that the brand will behave in certain ways and provide them utility through consistent product performance and appropriate pricing, promotion and distribution programs and actions.

Brands can serve as symbolic devices, allowing consumers to project their self-image. According to Susan Fournier "relationships with mass brands can soothe the "empty selves" left behind by society's abandonment of tradition and community and provide stable anchors in an otherwise changing world. The formation and maintenance of brand-product relationship serve many culturally-supported roles within postmodern society"³.

In India, rural people account for 73% of the population. In Tamil Nadu, the rural population is 56% (Source CII). Despite, the strong potential, the rural markets are by and large less exploited. Out of five lakhs villages in India only one lakh have been tapped so far. 70 % of India's population lives in 627000 villages in rural areas. 90 % of the rural population is concentrated in villages with a population of less than 2000. According to the NCAER projections, the number of middle and high-income households in rural India is expected to grow from 80 million to 111 million by 2007. In urban India, the same is expected to grow from 46 million to 59 million.⁴ The corporate world is targeting the rural consumers. The rural market share for the fast moving consumer goods (FMCG) is greater than ever. The perceptions of the rural consumers are different from the urban and semi-urban societies. The market share of the regional brands is decreasing and national brand market share are in increasing trend. The corporate social responsibility of a business firm is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources⁵. Marketers have begun to invest money in creating separate sales and marketing teams for rural markets and have also begun to appoint specialist agencies to advise them on rural marketing.

The branded products' image is creating an ethical value in the mind set of the customers. Due to stiff competition the marketers also adhere to ethical values, to market their product.

In this context, a **micro-level study** was conducted to find out the ethical values perceived by rural customers by the **national brands**. To explore the cause and effect relationship between the branded products and ethical value, a study was conducted in three villages in Coimbatore district at Tamil Nadu.

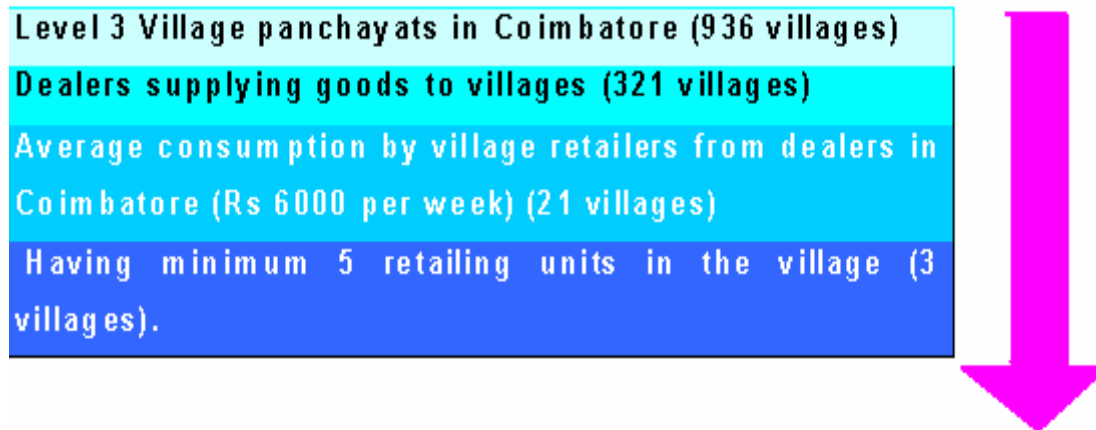
The **main objectives** of the study are to find out the answers the for following questions.

- What are the ethical values perceived by the rural consumers due to brand usage ?
- Whether branded products create good ethics and degrade unethical practices among rural people?
- Is there any relationship between brand feelings and ethical values in rural markets?

Methodology

Stage I – A feasibility study was organized to identify the villages. Based upon the information about the average supply of goods to rural market gathered from branded product dealers in Coimbatore district, three villages were identified. The procedure is depicted in the exhibit 1.

Exhibit 1. Sampling Design



Stage II - Based upon the pilot study conducted with a sample of 90 household units, interview schedule was prepared. The First section takes account of the questions regarding demographic profile that includes size of the family, literacy rate, income level and occupation. The Second section includes questions regarding brand usage, brand feelings and brand perception for seven products coming under the FMCG category. Only national brands are considered for analyse is. The Third section contains Factors regarding the ethical values created by the brand.

Stage III – The study was undertaken among 930 households (out of 963) in three villages. Only a household family is considered as a respondent. Automatic Interaction Detector (**AID**) is used to identify the respondent brand usage uniquely associated with each of several demographic patterns. **Chi square** analysis is used to measure the association between the brand usage and ethical values at 95% level of confidence. **Proportional Reduction in Error statistics** are used with the contingency table. The coefficient **lambda** is used to find out how well the frequencies of one nominal variable offer predictive evidence about the frequencies of the other. The **factor analysis** is used to identify the factor that is mostly associated with the ethical value and brand usage.

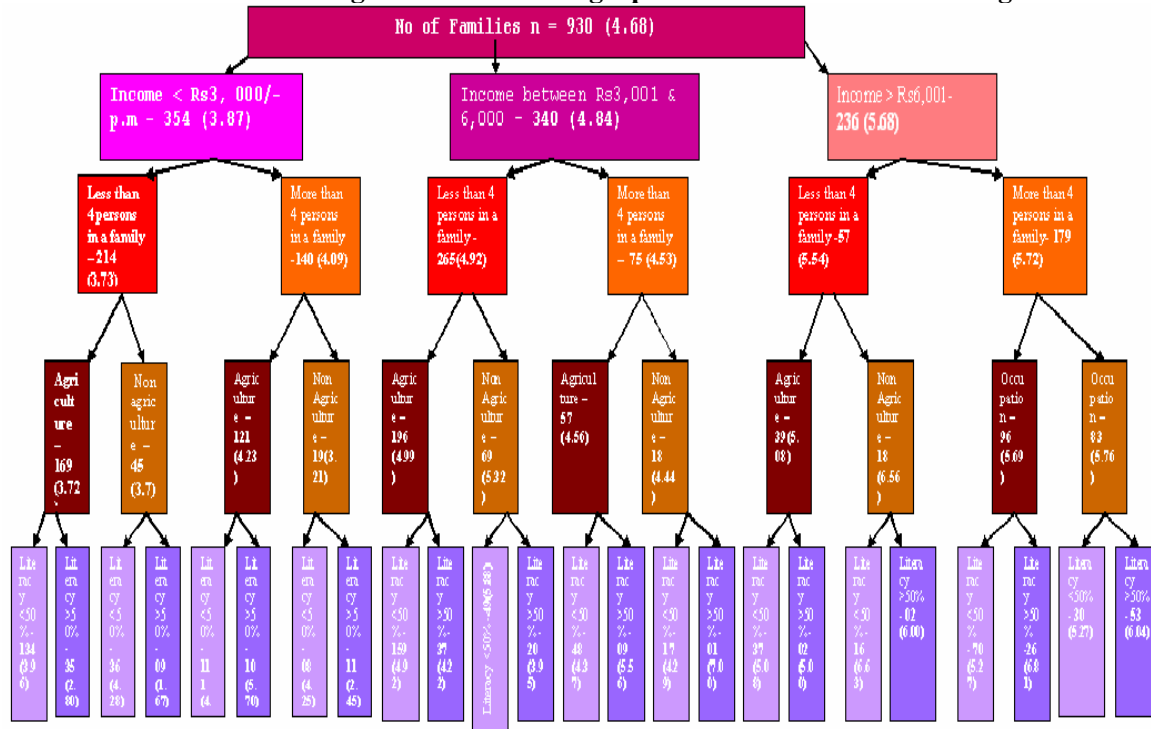
To analyse the branded products usage, seven products rolled up under the category of FMCG were selected (Toothpaste, toilet soaps, detergent soaps, edible Oil, confectionary items, cosmetics and durable food making products) based upon the wholesalers and dealers notion.

Demographic Prototype

The demographic variables along with the brand usage means are depicted in AID tree diagram. The average number of brand usage is 4.68. Dendrogram is used to find the average linkage (Between Groups) among the demographic variables. Exhibit 2 depicts the demographic prototype along with average brand usage. The economic environment is a significant force that affects the marketing activities.⁶ Chi-square analysis is done to identify the relationship between the income level of the family and brand usage. There is a significant linear relationship between both variables. If the income level increases, brand usage also increases.(Based on co-efficient of Lambda) The association is also symmetric. It is depicted in the exhibit 3. The brand mark may become the dominant marketing feature if potential customers cannot read and must recognize the

article by the picture on the label⁷. In the rural India, during 2004-05, about 64 per cent of men and 45 per cent of women were literate.⁸ The study revealed that there is no association among the literacy rate and brand usage in the rural area. 57% of the rural households depend upon the agriculture. But there is no relationship among the agriculturists and non agriculturists with the brand usage.

Exhibit 2. AID Tree diagram for the Demographic variables and Brand usage mean



- Average number of Brand usage appears inside the bracket (Clusters are based on “distance” formula)

Exhibit 3. Income level and Brand Usage

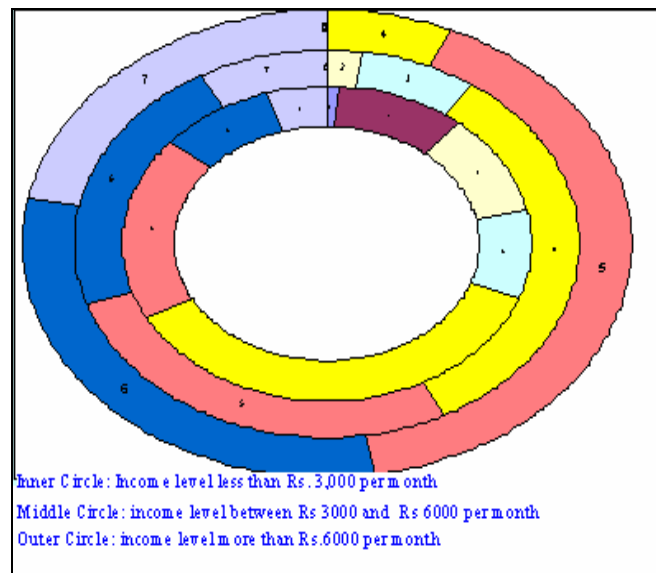


Exhibit 4. Sample Village identified for Micro level Study



Brand Feelings

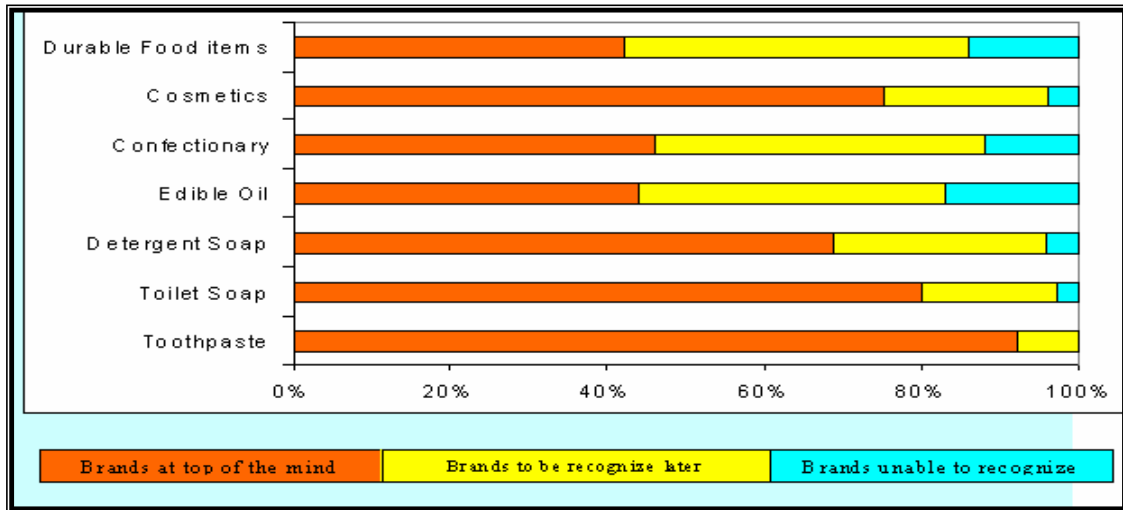
Researchers have defined transformational advertising as advertising designed to change consumer’s perceptions of the actual usage experience with the product. Lynn R. Kahle and Basil Poulous in their article titled “Changes in Social Values in the past decades” (1988) mentioned that warmth, fun, excitement, security, social approval and self respect are the six important types of brand-building feelings⁹. The main influence on purchase intention is an existing brand feeling, which is a product of personal experience, advertising and other marketing. Unlike emotion, or attention or news, it is a large and stable resource that is not easily changed. Over time, brand feeling increases brand stock and is the most important contributor to increased purchase intentions.¹⁰ The study attempted to bring the rural customer under this classification. 35% of the rural customers by using the brand feel a sense of peacefulness and self respect. 21 % feel sentimental, warm-hearted, or affectionate about the brand.18% of the rural consumers feel that brand makes them fun, playful and cheerful. 14 % feel that the brand produces a feeling of safety, comfort, and self-assurance. 10 % of the consumers feel that others look favourably on their appearance, behaviour, and so on. Only 2% of the respondents feel a sense of elation.

Emotional feelings

Through emotion mining, a marketer gains the ability to discern unmet customer needs through deconstructing the customer experience; explain product/service failures, deficiencies, and vulnerabilities - as well as successes, strengths, and advantages - in customer language; and prioritize the emotional, rational, and social aspects of a brand to guide external and internal marketing investments. Emotion Mining uses a "sonagram" to plot the breadth and depth of conscious and subconscious feelings towards a brand or concept.¹¹

To determine the emotional feelings about the brand for seven FMCG products, three level scaling was used. The respondents who are able to identify a national brand immediately are ranked under ‘brands at the top of mind’ category. The respondents who are able to recognize later after giving clues are scaled under ‘brands recognized later’ category. Those who are using the brands but unable to recognize are mentioned under ‘brands unable to recognize’ category.

Exhibit 6. Emotional Feelings



The FMCG sector has been looking at rural markets for quite sometime, it is consumer durables sector that is growing faster in the rural areas now.¹² The research demystifies the depth of brand feelings for FMCG products used in rural market. The depth of conscious and subconscious feelings towards toothpaste, toilet soap , detergent soap and in cosmetics products’ brands are more. The favourable brands in this categories are exhibited in table no 7. In edible oil, confectionary and in durable food products, respondents are able to recognize the brand later on.

Exhibit 7. Brands ‘at top most’ among the brand users

Product	Most Favourable Brand	Percentage of usage
Toothpaste	Colgate	72
Toilet soap	Hamam	26
Detergent Soap	Rin	23
Cosmetics	Fair & Lovely	21

Ethical Values Perceived by the brand:

American Marketing Association formulated code of ethics to be followed by marketers.¹³ Business ethics is a form of applied ethics that examines ethical rules and principles within a commercial context; the various moral or ethical problems that can arise in a business setting; and any special duties or obligations that apply to persons who are engaged in commerce. Business ethics is a normative discipline, whereby particular ethical standards are advocated and then applied. It makes specific judgements about what is right or wrong that makes claims about what ought to be done or what ought not to be done. While there are some exceptions, business ethicists are usually less concerned with the foundations of ethics (meta-ethics), or with justifying the most basic ethical principles and any specific duties that might apply to business relationships." ¹⁴

Fishbein and Ajzen have proposed what has been probably the most influential multi-attribute model. As applied to marketing, this expectancy-value model views brand attitudes as a multiplicative function of the salient beliefs that a consumer has about the brand (i.e; the extent to which consumers think that the brand possesses certain attributes or benefits) and the evaluative judgment regarding those beliefs (i.e.; how good or bad it is that the brand possesses those attributes or benefits)¹⁵. Thus, overall brand attitudes depend on the strength of association

between the brand and salient attributes or benefits and the favorability of those beliefs. Eight ethical code applicable for rural consumers and brand feelings are identified and tested

Safety and Core value of Branded Products: According to AMA, participants in the marketing exchange process should be able to expect that products and services offered are safe and fit for their intended use. Brand performance relates to the ways in which the product or service attempts to meet customers' more functional needs. Thus, brand performance refers to the intrinsic properties of the brand in terms of inherent product or service characteristics. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy utilitarian, aesthetic, and economic customer needs and wants in the product or service category? Brand performance transcends the ingredients and features that make up the product or service to encompass aspects of the brand that augment these characteristics. The ethical value of safety is tested with the hypothesis that "all branded products are safe and fit for their intended uses". 48.1% of the total respondents mentioned that all branded products are safe and fit for their intended uses. It is accepted at 95% confidence level with the association of brand usage. It is associated with brand usage also (Chi-square). Out of that trivial brand users (ie brand usage less than or equal to 4) are 25.5%.

Communication about branded Products: According to AMA ethical values, communication about offered products and service are not deceptive. A good brand mantra should define the category (or categories) of business for the brand and set the brand boundaries. It should also clarify what is unique about the brand. To create an impact, the advertisers pit creative message-makers against blunt sophisticates, hardened by thousands of commercials.. Advertising ethics affects the practice of our lives and also the practice of business, in subtle and prominent ways. Indeed, ethics in ads concern us all in one way or the other. Some of the ads of cosmetics that say nothing about the long-term effects of regular usage of their products. Vijay Jacob of Brand David Communications, contend that fairness creams constituted a Rs. 1500-crore market in the country. Of this, 28 per cent of fairness creams consumers were males. According to a survey carried out by the company, several users were aware that the cream did not make them fairer but used it nevertheless as sun block or moisturiser¹⁶. Advertising can be seen as an important source of information for consumers in a quantitative and qualitative sense. It can help consumers oversee which products are in the market and what their qualities are. Consumers can take advantage by using this information in their decision-making. The aim of an advertiser, however, is to sell as much as possible. This interest brings pressure to bear upon the value of the given information. In general, in advertising, the good side of a product will be overexposed and the bad side underexposed. It often occurs that product information is not optimal. Consumers should be aware of this and should not take everything for granted. They have a responsibility of their own to investigate and ask questions before buying. The ethical value of communication is tested with the alternative hypothesis that "Communication about the all branded products is not deceptive and misleading." It is accepted at 95% confidence level with the association of brand usage. 45.6% of the total respondents mentioned that communication about the all branded products is not deceptive and misleading. It is associated with brand usage also (Chi-square). Out of that trivial brand users (ie brand usage less than or equal to 4) are 39.6%.

Disclosure of Risk: When consumers evaluate information about purchase alternatives, they may weigh not only a product type in relation to other types of products but also differences in brand within a product type risk and the stores where the products may be available. The ethical value of risk associated with the branded products is tested with the alternative hypothesis that "in all branded products all substantial risks associated with product and usage is disclosed". It is accepted at 95% confidence level with the association of brand usage. 45.2% of the total respondents mentioned that in all branded products all substantial risks associated with product and usage is disclosed. Out of that trivial brand users (ie brand usage less than or equal to 4) are 65.9%.

Predatory pricing is the practice of providing services at prices that are low enough to drive competitors out of a market, so as to monopolize the market. There is considerable debate about what prices and what conduct constitute predatory pricing. While the competition laws of various countries differ, it is generally agreed that a number of elements must exist to constitute predatory pricing. The pricing policy for the brand can create associations in consumers' minds to the relevant price tier or level for the brand in the category, as well as to its corresponding price volatility or variance (in terms of the frequency or magnitude of discounts, etc.). In other words, the pricing strategy can dictate how consumers categorize the price of the brand (e.g; as low, medium, or high priced) and how firm or flexible consumers see that price (e.g; as frequently or infrequently discounted). Finally, the pricing policy for the brand can create associations in consumer's minds to the relevant price tier or level for the brand in the category, as well as to its corresponding price volatility or variance (in terms of the frequency or magnitude of discounts, etc.). In other words, the pricing strategy adopted for a brand can dictate how consumers categorize the price of the brand (e.g; as low, medium, or high priced) and how firm or flexible that price is seen (e.g; as frequently or infrequently discounted). Price is a particularly important performance associated because consumers often have strong beliefs about the price, and value of a brand may organize their product category knowledge in terms of the price tiers of different brands. The ethical value of price associated with the branded products are tested with the hypothesis that "all branded products' prices are not predatory and provide exact value to the product". 66.1% of the respondents mentioned that all branded products prices are not predatory and provide exact value to the product. Out of that trivial brand users (ie brand usage less than or equal to 4) are only 43.2%.

Quality worthiness: Perceived quality is the customer's perception of the overall quality or superiority of a product or service relative to relevant alternatives and with respect to its intended purpose. The ethical value of quality associated with the branded products are tested with the alternative hypothesis that "all branded products are almost standardized products and prove quality worthiness.". It is accepted at 95% confidence level with the association of brand usage. 53.5% of the respondents mentioned that branded products are almost standardized products and prove quality worthiness. Out of that trivial brand users (ie brand usage less than or equal to 4) are only 28.7%.

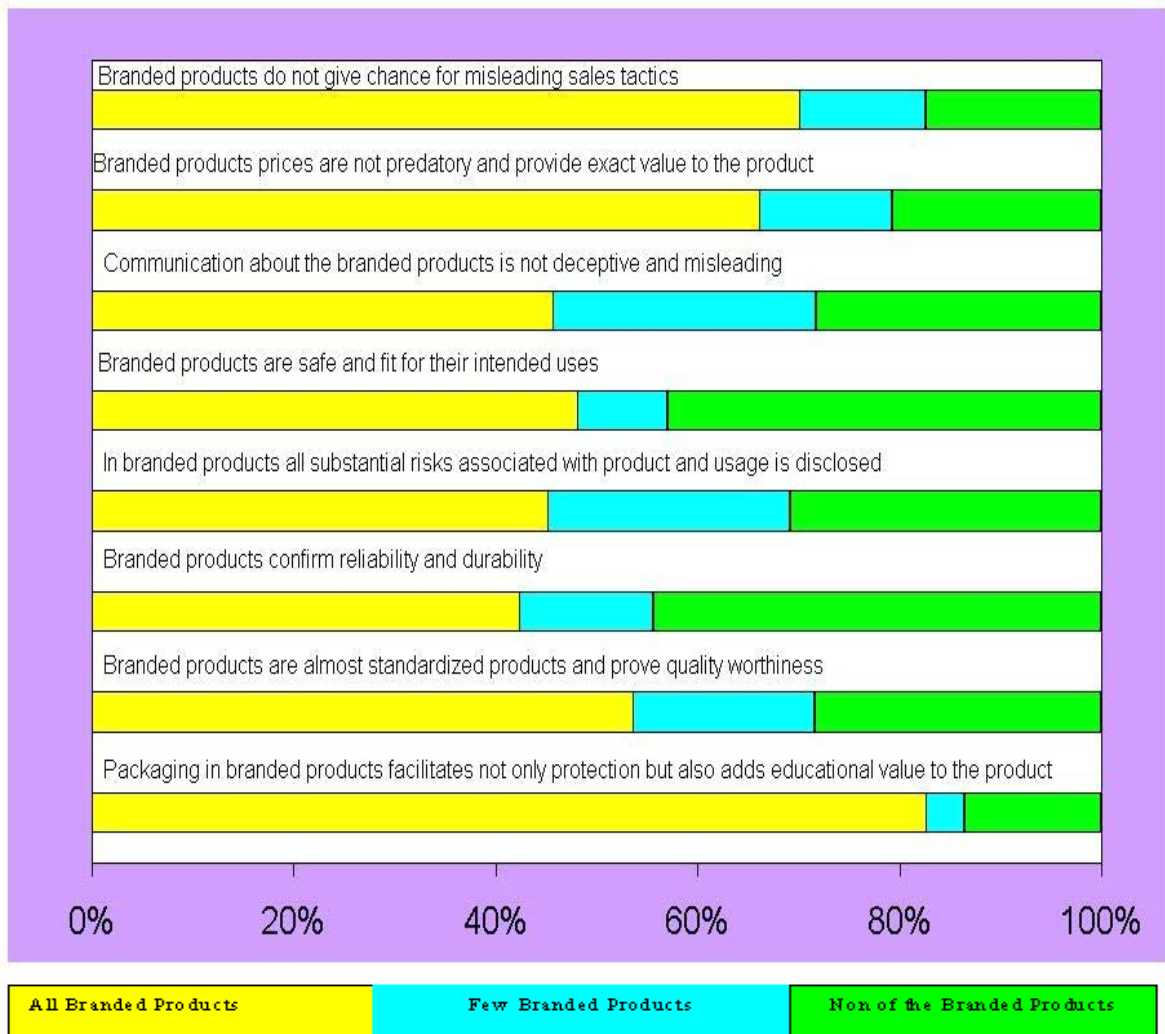
Packaging of Branded Products: Package design also has become more important in recent years as brand proliferation continues and advertising is seen as becoming less cost-effective. Packaging can be a means of having strong appeal on the shelf and standing out from the clutter. Along these lines, packaging is sometimes called "last five seconds of marketing" as well as "permanent media" or "the last salesman". The importance of packaging is reflected in the fact that some marketing observers refer to it as the "fifth P" of the marketing mix. Packaging can play an important role in building brand equity directly through points of difference created by functional or aesthetic elements of the packaging or indirectly through the reinforcement of brand awareness and image. The reason for putting packaging out of the product as a special focus area is that due to low literacy levels the importance of symbols and packaging become more important in having a high brand recall. The ethical value of packaging with the branded products are tested with the alternative hypothesis that "packaging in all branded products facilitates not only protection but also adds educational value to the product." It is accepted at 95% confidence level with the association of brand usage. 82.6% of the respondents mentioned that packaging in branded products facilitates not only protection but also adds educational value to the product. Out of that trivial brand users (ie brand usage less than or equal to 4) are only 42.6%.

Reliability of Branded products: More specifically, what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumer's perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand. Customers can view the performance of

products or services in a broad manner. Reliability refers to the consistency of performance over time and from purchase to purchase. Durability refers to the expected economic life of the product. Serviceability refers to the ease of servicing the product if it needs repair. Thus, perceptions of product performance are affected by factors such as the speed, accuracy, and care of product delivery and installation; the promptness, courtesy, and helpfulness of customer service and training; and the quality of repair service and the time involved.¹⁷ The ethical value of reliability with the branded products is tested with the alternative hypothesis that “all branded products confirm reliability and durability”. It is accepted at 95% confidence level with the association of brand usage 42.4% of the respondents mentioned that Branded products confirm reliability and durability. Out of that trivial brand users (ie brand usage less than or equal to 4) are only 36.5%.

Sales tactics: The ethical values associated with the sale of branded products are tested with the alternative hypothesis that “ all branded products do not give chance for misleading sales tactics “It is accepted at 95% confidence level with the association of brand usage 70.1% of the respondents mentioned that all branded products do not give chance for misleading sales tactics. Out of that trivial brand users (ie brand usage less than or equal to 4) are only 44.3%.

Exhibit 8. Ethical Values



Even though most of the ethical factors of brand have been accepted, packaging and ethics created by it, is the best factor among the mass users of brand. (Factor Comparison test). There is a linear relationship between brand usage and ethical values associated with packaging. The brand usage increases due to full information disclosed in branded products packages. Principal component analysis of factor comparison test also reveals that rural customers prefer branded products mainly for the packaging values associated with the product.

People tend to equate ethics with their feelings. Feelings frequently deviate from what is ethical.

¹⁸ But being ethical is clearly not a matter of following one's feelings. The mass users feel that the value created by packaging by the branded products is ethical. The trivial users of brand feel that value created by communication media is ethical. (Based on highest factor on factor comparison test)

John Moore mentioned that a good packaging creates a brand checkbook that has credits and debits in the form of brand credits and brand debits. "Brand credits" are business activities that enhance the reputation and perception people have for a brand, and "brand debits" are those that detract from the reputation and perception of the brand.¹⁹

To conclude, the ethical value of the brand feelings in the rural society is predominantly perceived by the packaging in the FMCG category. The rural customers seek sentimental and self-respect value from the brands. Since brand images are strong-willed by the packaging in rural area, the marketers targeting the rural market should impart emphasis to packaging which confer more promotion effect than it could get with advertising. Since the rural customers are perceived with the ethical value of packaging along with brand, it has a propensity to create brand equity for marketers in the long run. In rural markets a good packaging builds not only strong brand but also a bond.

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