

# **Factors Influencing on Consumer Behaviours and Perceptions of Top Personal Care Nivea Vs Pond's (Case Study in Thaketa Township)**

**Aye Aye Khaing**

## **Abstract**

The purpose of this study is to identify the critical factors which are mainly influence on the consumer behaviours and perceptions on brand choice among the personal care brands. This study is only competition between Nivea and Pond's Brand choice. Factor Analysis and binary logistic regression analysis are used in the study to meet the respective objectives. In this study, four factors are most critical factors that mainly influence to making buying signal and brand loyalty. These four factors are quality and confidence, availability, promotions and brand Image. According to the results, it is observed that the factors influencing on consumer behaviors and perceptions of Nivea are less likely to be influencing on quality and confidence, and brand image but they are more likely to be influencing on availability and promotions of the product. In addition, Factors influencing on consumer behaviors and perceptions of non-Nivea user (Pond's) are less likely to be availability and promotions of the product but they are more likely to be influencing on quality and confidence, and brand image of the product.

**Keywords:** Consumer behaviours and perceptions, Factors influencing.

## **1. Introduction**

Behaviours of consumers is a key factor for the success of business organizations. Marketing persons are constantly analyzing the patterns of buying behaviours and purchase decisions to predict the future trends. Consumer behaviours can be studied as the analysis of "how, when, what and why" people buy. It is an essential for marketer to study the consumer behaviours. Moreover it helps not only the marketer but also to understand the purchase of consumer for any business.

The forecast for beauty and personal care brand segments is Retail Value RSP-611275 million (Myanmar Kyat) current-2004-2023 with 20.5 growth year on year. Nivea has top eleven competitor brands. There are Vaseline, Pond's, Clinique, Johnson & Johnson, Lakme, Dove, Olay, Garnier, Estee Lauder, Shiseido and Neutrogena (Bhasin, 2018). In Myanmar, Beauty and personal care category in Myanmar included top 20 companies. Pond's Company is standing on second rank and Nivea Company is standing on sixth rank (Euromonitor, 2019).

Both of these two brands have a good product line and the products launched by the company to enhance the brand value. Nivea and Pond's products selling with consumer's affordable prices and also strongly distribution in market. Therefore Nivea is considered Pond's as one of the top Nivea competitors. The competition between these two brands are very high in the red ocean market. Company's marketers need to know which factors are influencing on consumer behaviours and perceptions of these two brands. In this study, to explore factors influencing on consumer behaviours and perceptions of top personal care brands Nivea vs Pond's. It can be supported to get more market share of the brand. In the current Myanmar market, Pond's face category is getting more share. Other side of Pond's, Nivea is also maintaining their share of face and others category also. Hence, factors influencing on consumer behaviours and perceptions of top personal care band Nivea Vs Pond's is studied. It is an effective tool to use market insight of current situations. The objectives of the study are "to examine the demographic and socioeconomic characteristics of Nivea and Pond's users "and "to investigate the influencing factors of consumer behaviors and perceptions of the respondents on Nivea Vs Pond's".

## **2.Data and Method**

Descriptive statistic is used to examine the demographic and socio-economics characteristic of the respondents and their behaviors and perceptions on two brands of personal care Nivea and Pond's. In addition, factors analysis and binary logistics regression analysis is employed to investigate which factors are influencing on these two brands. The study is based on primary data. A sample survey is conducted in Thaketa Township, Yangon Division in September, 2019. There are 19 wards in Thaketa Township. The required sample size of 306 households is obtained by Cochran's method. In this study, two stage sampling method is used. In the first stage,

3 wards are selected from 19 wards by simple random sampling method. In the second stage, 306 households were chosen from three selected wards by 1 in 28 systematic sampling method.

### **3. Result and Discussion**

This study was done to identify predictors influencing on consumer behaviours and perceptions of top personal care brands in Thaketa Township. The overall objective of providing value to customers continuously and more effectively than the competition is to have highly satisfied customers, this strategy of customer retention market it in the best interest of customers to stay with the company rather than switch to another firm. In almost all business situations, it is more expensive to win new customers than to keep existing ones. Small reductions in customer defections produce significant increases in profit because (1) loyal customers buy more products (2) loyal customers are less price sensitive and pay less attention to competitor's advertisement (3) servicing existing customers who are familiar with the firm offerings and processes is cheaper (4) loyal customers spread positive word of mouth and refer other customers.

According to the results, the younger aged respondents used more than older age respondents in these two brands. Moreover, it can be observed that the female respondents are nearly double of the male respondents. Most of the users of Nivea and Pond's can be found that the group of workers and a few users of these brands can be found in high school students.

Based on the findings, the highest group with monthly income above 7 lakhs is found in 24% of Nivea respondents. The highest group with monthly income 2.5 lakhs- 3.5 lakhs is found in 23% in Pond's. Most of the respondent are educated in Nivea is 96% and in Pond's is 74%. All of the respondents used face category. Those who are Face category of the Ponds are nearly three times than Nivea those face users. One of the main reasons is the respondent who need to go to their job for longer time and necessary to apply face crèmes to maintain their complexion. Two thirds of the respondents have trust in beauty blogger's recommendation. According to the results, One third of the Nivea respondents are loyal users who are using for above 5 years of consuming time. In this study of brand switching to and from, Nivea to Ponds brand switching is 31% of Ponds respondents. It means that Nivea is losing customer share

and Ponds is gaining more customers. And also Nivea is gaining other brand's customers which is 64% of the Nivea respondents as well as Ponds is gaining customers from other brand's users 46% of the Pond respondents. It can be observed that the consumer's affordable price which is above 2000 kyats. It is nearly ninety percent of the respondents. The reasons for choice of the respondents is mainly the cause of product quality which is found in 75%, price is in 56% in Nivea and also product quality in Pond's is found in 69% and price is found in 44%. Brand famous is more in Nivea but friend's recommendation is more in Pond's. The results of the study revealed brand awareness of these two brands are through advertising channel which is 63% and 65% of Nivea and Pond's respondents. Nowadays, most of the customers prefer to buy from modern trade store like City Mart Super Market. If the consumers think that the promotion is good, the consumer have decided to buy the products. Among the promotions, Nivea respondent are interested in premium gift and lucky draw promotion. Pond's respondents are interested in lucky draw and FOC promotion.

This reliability analysis was referred to measure the accuracy and consistency of collected data. This method was divided into two broad categories, there was external consistency procedures and internal consistency procedures. The reliability statistics results is described in the following table.

**Reliability Analysis Result**

| <b>Cronbach's Alpha</b> | <b>No. of Items</b> |
|-------------------------|---------------------|
| .912                    | 24                  |

Data Source: Thaketa Township Survey Data 2019

Cronbach's alpha reliability coefficient of overall items is calculated as 0.912 which was greater than 0.7, high level of internal consistency for the overall items.

Bartlett Test of Sphericity test sampling adequacy values were 0.915 and yielded a value of 3246.278 and an associated degree of significance smaller than 0.001. KMO measure of sampling adequacy was 0.915. This means that the collected sample was adequate significantly correlation among these collected variables. It can be said that the correlation matrix is not identity matrix. Therefore this factors are suitable.

| <b>KMO and Bartlett's Test</b>                   |                    |          |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | 0.915    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 3246.278 |
|  | df                 | 276      |
|  | Sig.               | 0.000    |

Data Source: Thaketa Township Survey Data 2019

According to factor analysis, output of total variance was presented to extract associated eigenvalues with 4 common factors which was eigenvalue greater than 1. The percentage of total variance was described as 35.136%, 10.014%, 5.825% and 5.288% respectively. This was 56.263% of the total variance attributable to 4 factors. According to the observations, the four factors are quality and confidence, availability, promotions and brand image factors.

#### **Reliability for each Factors**

According to the Cronbach's Alpha coefficients of the four factors are range from 0.714 to 0.864. The results found that indicate to internal consistency of the factors and reliability of the each scale.

#### **Cronbach's Alpha Coefficient of each Factors**

| <b>Factors</b>         | <b>Cronbach's Alpha</b> | <b>No. of Items</b> |
|------------------------|-------------------------|---------------------|
| Quality and Confidence | 0.864                   | 8                   |
| Availability           | 0.863                   | 5                   |
| Promotion              | 0.788                   | 6                   |
| Brand Image            | 0.714                   | 5                   |

Data Source: Thaketa Township Survey Data 2019

#### **Analysis of Binary Logistics Regression Model**

Based on the data of consumer behaviors and perceptions on top personal care Nivea Vs Pond's (Thaketa Township) in Yangon Region, the significant four factors

are studied by using Binary Logistic Regression Model. The binary logistics regression model can be written as follows:

$$\log[\pi(Y)] = \log\left[\frac{\pi_i}{1-\pi_i}\right] = \beta_0 + \beta_1 F_1 + \beta_2 F_2 + \beta_3 F_3 + \beta_4 F_4 + \varepsilon_i$$

Where,

$Y_i$  =1, if the respondent was using Nivea personal care products.

=0, if the respondent was not using Nivea personal care products.

$F_1$  = Factor of quality and confidence

$F_2$  = Factor of availability

$F_3$  = Factor of promotions

$F_4$  = Factor of brand image

In the Omnibus tests of model coefficients, the four predictor variables give Chi square of 21.528 on df 4. It has been concluded that the model of factors influencing on consumer behaviours and perceptions on top personal care brands are significant at 1 percent level. There is no evidence lack of fit based on the H-L statistics (Chi square= 8.477, df=8, p-value= 0.388). Since -2 log likelihood statistics is 402.625, it can be said that the existence of a relationship between the independent variable and dependent variables is support. The model fitting information included two different ways of estimation R square (Cox & Snell  $R^2$  and Nagelkerke  $R^2$ ). The pseudo  $R^2$  estimate indicates that 68% of variation on factors influencing on consumer behaviours.

#### Parameter Estimates for Binary Logistic Model

|                        | B        | S.E. | Wald       | df | Sig. | Exp(B) | 95% C.I.for<br>EXP(B) |       |
|------------------------|----------|------|------------|----|------|--------|-----------------------|-------|
|                        |          |      |            |    |      |        | Lower                 | Upper |
| Quality and Confidence | -.451 ** | .126 | 12.89<br>2 | 1  | .000 | .637   | .498                  | .815  |
| Availability           | .075     | .122 | .377       | 1  | .539 | 1.078  | .849                  | 1.369 |
| Promotion              | .100     | .120 | .694       | 1  | .405 | 1.105  | .874                  | 1.397 |
| Brand Image            | -.315 ** | .122 | 6.673      | 1  | .010 | .730   | .575                  | .927  |
| Constant               | .027     | .118 | .053       | 1  | .817 | 1.028  |                       |       |

\*\* denote statistically significant 1% level.

Data Source: Thaketa Township Survey Data 2019

According to above table, quality and confidence factor has negative influence on consumer behaviours and perceptions of Nivea users and statistically significant at 1% level. The odds ratio of quality and confidence factor suggests that it is 0.637 time less likely to influence on Nivea users. The odds ratio of brand image factor suggests that it is 0.730 time less likely to influence on Nivea users. Availability and promotions factors have positive influence on consumer behaviours and perceptions of Nivea user. But these factors are not statistically significant. Therefore, availability and promotions factors are not statistically influencing on consumer behaviours and perceptions of Nivea users. On the other hand, it can be said that quality and confidence, and brand image of the product are more likely to influence on the Nivea users than the based category (Pond's user).

#### **4. Conclusion**

In this study, some recommendations would like to be made with the quality and confidence factor, availability factor, promotions factors and brand image factors are influencing on the consumers of both brands. The consumers making more buying decision on the brands because of they like and get personal confidence and brand image. It is recommended that Nivea should be more focused on the quality control level of each product because consumers are using face category, body category and deodorant category. Brand image factor also influencing on consumer behaviours and perceptions of making buying decision. Nivea brand should be maintained on product availability and promotions to get more share of the product. As Pond's brand, quality and confidence factor and brand image factor are more influencing on behaviours and perceptions of non-Nivea users' (Pond's) buying decision. The availability factor and promotion factor are less likely influencing on consumer behaviours and perceptions of non-Nivea users (Pond's). Product availability is performance of the company distribution. The customers are making buying decision on wherever the customer sees the product in store. The attractive promotions can generate volume sales.

Therefore Pond's brand should be focused on availability and promotions of the products.

## ACKNOWLEDGEMENTS

Firstly, I would like to express my sincere gratitude to Professor Dr. Tin Win, Rector of Yangon University of Economics and I would like to express deepest my thanks to Professor Dr. Maw Maw Khin, Professor and Head, Department of Statistics, Yangon University of Economics and very thank for your favor to me in Yangon University of Economics' journal.

## References

Bhasin, H. (2018). *Top Nivea Competitors*. Marketing 91.

DeCoster, J. (1998). *Overview of Factor Analysis*. University of Alabama: Department of Psychology.

Euromonitor. (2019). *Beauty and Personal Care in Myanmar Analysis*. Thailand.

Ho, R. (2014). *Handbook of Univariate and Multivariate Data Analysis with IBM SPSS*, Second Edition. NY: CRC Press.

Kotler, Philip & Keller, Kevin,(2008). *Marketing Management*, 13teen Prentice Hall.

Ms.M.NANDHINI. (n.d.). *A Study on Consumer Satisfaction Towards Ponds Skin Care Product*.

Lautiainen, T. (2015). *Factors affecting consumers' buying decision in the selection of a coffee brand*. Finland: Saimaa University of Applied Sciences.

Richard A. Johnson, D. W. (1992). *Applied Multivariate Statistical Analysis*. Englewood Cliffs: Prentice Hall.

Schiffman, Leon G. & Leslie Kanuk.(2004),*Consumer Behavior: 8<sup>th</sup> Edition*, International Edition.

Strategy, M.I. (2014). *The Influence of Brand Image on Purchase behavior through Brand Trust*. Vol.5.

Vishesh. (2016). Factors Affecting Consumer Buying Behavior Towards Mobile Phone. *Journal of Management (JOM)*, Vol.5, 2018.