

# An Empirical study of role of various government norms on brand image of food products in Indore city.

D. D. Bedia<sup>1</sup> & Arvind Malviya<sup>2</sup>

<sup>1</sup> Director Pt. J.N.B.I.M. Vikram University Ujjain,  
Madhya Pradesh, India

<sup>2</sup> Research Scholar Pt. J.N.B.I.M. Vikram University Ujjain  
Madhya Pradesh, India

## Abstract

This study examined the effects of government norms on creating a good brand image of food products in Indore city. Customers decide to purchase food product for their consumption on the basis of various norms and standards set by government. If companies can create better brand image of their food products for the customers on the basis of these norms then they can serve better to customers and also make better profits for themselves also. Exploratory method is adopted by surveying customers by designed questionnaire. Then data was analyzed by descriptive analysis and factor analysis method. It is found that consumers always like to purchase those brands of food products which are produced and delivered on the basis of government norms because customers have faith in these norms. It is also found that 74% of customers are aware of these norms and majority (63.7) of the customers is buying organized food products. Most important finding of this research is that government standards like AGMARK play important role in creating positive brand image for food products. Companies must get these standards and

show in their brand promotions and get benefits for creating a good brand image of their food products.

## 1. Introduction

Brand image of a product is depends upon the good quality and performance of the product for which customer's purchase the product to fulfill their need. Brand image of a product is the present image of the product in the minds of the customers. Customers perceive the product's overall ability to fulfill his/her need/desire by performing/delivering the promise

made in the form of a brand. To prove the quality of their food products organizations claim that they follow all government norms regarding ingredients, process, packaging, labeling, promotion and other norms as decided by the government. This helps them in creating good brand images of their food products. When they failed to follow these norms then government and consumers can take legal actions and even government may ban their food products. Such actions of government badly damage brand image of the products. This was happened in the cases of Maggi and Pepsi Cola for not maintaining the permissible limit of pesticides. Consumers easily trust brands which are approved by government and consume without any fear on their health. The best policy for any organizations is to follow government norms and enjoyed good brand image in the mind of consumers and also earn better profit.

## Conceptual overview

### What is food product?

Food product is a substance that can be used or prepared for use as food and consumed to provide nutritional support for an organism. Food is any substance that is usually composed of carbohydrates, fats, proteins, vitamins, minerals and water. Most of the foods are of plant or animal origin.

### Brand image

Brand image is defined as a "perception of a brand in the minds of persons. It is what people believe about a brand – their thoughts, feelings, expectations" (AMA). Another definitions by two prominent authors are, "set of associations, usually organized in some meaningful way" (Aaker, 1992) and

“perceptions about a brand as reflected by the brand associations held in consumer memory” (Keller, 1993). From these definitions we can say that Brand image is the current view of the customers about a brand and it is formed by a unique bundle of associations within the minds of target customers. Michael Korchia(1999), in his "A New Typology of Brand Image" has given 15 dimensions of brand associations on the basis of which consumers formed different associations about the brand and formed a brand image in their minds. One of the dimensions is “Other organizations” which consist of competitors, Government and charity funds etc. Government formed different rules and regulations for selling food products in the market. Government enacted various laws and creates various agencies through which it ensures healthy life of its people. Food Safety and Standards Authority of India (FSSAI) was established by Government of India in 2008. These regulations include standards relating to quality, adulteration, misbranding, pricing, food labeling, food hygiene, food additives and pesticide residues etc.

The individual food company associate their products with different standards set by government for brand image of food products in their advertising, like AGMARK, FPO, India Organic( organic/natural element), Vegetarian mark (green dot symbol) and the Non-vegetarian mark (brown dot symbol), Darjeeling tea certification mark etc.

## Rationale of study

Rational of the study lies in the fact that in India, food products market offers huge potential as continuously rising population and changing life style of people forced to shift from traditional foods to ready to eat type of foods. This has given the problems of adulteration and low quality of food which affects consumer’s health. Government has made several rules and regulation on food industry to supply better quality of foods to people. Companies must follow these norms to avoid problems like of Maggi brand and pepsicola.

## 2.2 Review of Literature

**Aishwarya Bhuta(2017)**- examined in the paper about Maggi brand of Nestle’s, smooth sailing received a complete setback in 2014, when a test laboratory in Gorakhpur proved that samples of Maggi contained lead and monosodium glutamate (MSG) much beyond the permissible limit. Nestle India challenged this decision but the results by Kolkata central laboratory in 2015 corroborated the

previous results. On June 5, 2015, a nationwide ban was imposed on Maggi by FSSAI (Food Safety and Standards Authority of India) and within a few days, Maggi was off the shelves. It reinforced the idea that customers build the brand. Enduring customer relationships are key to brand management. Those who do not deliver quality will not be able to survive in the long run.

**Awasthi Brijesh, Sharma Rajesh and Gulati Urvashi (2012)** - The paper explores if consumers get emotionally attached to a brand, and intends to study the long-term impact of offline and online anti-branding campaigns on customer-brand relationships. Anti-branding communities are often formed against a particular brand representing the failure of the brand to fulfill consumer expectations. The case study is focusing on, contamination of pesticides in soft drinks of PepsiCo and Coke as per reports of Centre for Science and Environment in 2003. The findings indicate that the impact of anti-branding in the long run is mitigated for strong brands, and emotional attachment based on regular usage of the brand.

**Nicole E. Negowetti (June 2014)**-This paper provides an overview of the recent food labeling litigation and explores the reasons for this flood of litigation. The litigation has exposed problems with the FDA’s regulatory oversight of food labeling. The lawsuits represent attempts by consumer groups and plaintiffs’ attorneys to influence marketing behavior of food companies—a task more properly undertaken by the FDA. Recognizing that consumers have the right to expect that the information on food labels is accurate and not misleading, the FDA has assured consumers, that the labels are truthful and not misleading. If a product is not properly labeled, the agency claims that it takes appropriate action.

**Shijiu Yin, Mo Chen, Yusheng Chen, Yingjun Xu, Zongsen Zou and Yiqin Wang (2016)**- The purpose of this paper is to focus on consumer trust in organic milk of different brands and its influencing factors. The data were collected from 876 randomly selected consumers in Shandong Province. Chinese consumers generally lack trust in organic milk. Consumer trust for different brands of organic milk was different, and was not high in general. Various factors, namely, age, education years, food safety awareness, evaluation of government regulation policy, evaluation of organic milk price, and purchase convenience, have a significant impact on consumer trust. Thus Organic certification system became important means to restore consumer confidence in China.

**Shambavi Rajagopal ,Sitalakshmi Ramanan. Ramanan Visvanathan and Subhadra Satapathy(2011)-** The purpose of this paper is to introduce Halal certification as a new marketing paradigm which marketers can use to differentiate their products and services in the current competitive environment. In total, 151 questionnaires were distributed to the business student population from different universities in United Arab Emirates (UAE). The self-administered questionnaire required the respondents to answer the specific question to determine if respondents actively seek Halal certification for various products and services and if they were aware of brands offering certification. The paper suggests that consumers are not exposed enough to Halal certification and Halal brands through marketing communication and suggests the greater use of marketing and branding to promote and sell Halal products and services.

**3. Objectives of study**

1. To know the awareness of consumers about the role of government on regulation and standardization of food products in Indore city.
2. To know the taste and preference of consumers about organized and unorganized food products in Indore city.
3. To know the effect of various government rules and regulations on brand image of food products in Indore city.
4. To know the effect of government standards like AGMARK on brand image of food products in Indore city.

**Hypothesis**

- H1: All the customers have same level of awareness about government rules and regulations on food products in Indore city.  
 H2: Consumers have same level of taste and preference for all types of organized and unorganized foods in Indore city.  
 H3: All the factors of government norms have same influence on brand image of food products.  
 H4: Government Standards like AGMARK has no influence on brand image of food products in Indore city.

**Research Methodology**

This research is exploratory research.

**Sample Design**

**Area of Study:** The study was conducted to ascertain the perception of customers of Indore city, towards the government norms for food products and its impact on brand image.

**Sample Size:** The determination of sample was 102; it was decided arbitrarily from different areas of Indore city.

**Sources of data collection:** Research data was collected from both primary and secondary sources. The primary data was collected by administering questionnaires to the respondents. Secondary data sources were also used to collect the data for this research study which include journals, industry reports and other publications.

Sample design is a definite plan of obtaining some items from the whole population, which is Indore city in this case. The sample design used in this study is convenience random sampling.

The total sample size is 102

**4. Data Analysis**

Cronbach’s Alpha is 0.960 Hence data is reliable because value is more than 0.5.

Table1:Reliability Statistics

Cronbach's Alpha	N of Items
.960	12

KMO value is greater than 0.5 is considered to be adequate (Kaiser and Rice, 1974).

Table2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.875
Bartlett's Test of Sphericity	Approx. Chi-Square	2.671E3
	Df	55
	Sig.	.000

The items in the individual category subjected to Principal Component Analysis(PCA) with Varimax rotation and Kaiser normalization using SPSS 16.0.

Table3 Communalities

	Initial	Extraction
Norms on ingredient	1.000	.947
Norms of processin(FPO)	1.000	.941
standards like AGMARK	1.000	.922
Norms on additive	1.000	.936
Norms for hazardous content	1.000	.839
Norms for packaging	1.000	.894
Norms for labeling	1.000	.858
Norms for content display	1.000	.776
Norms for showing expiry	1.000	.920
Norms for pricing	1.000	.909
Norms for promotion	1.000	.763

Extraction Method: Principal Component Analysis.

Table4 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.705	88.225	88.225	9.705	88.225	88.225
2	.515	4.686	92.911			
3	.277	2.517	95.428			
4	.160	1.453	96.881			
5	.121	1.101	97.982			
6	.091	.826	98.808			
7	.070	.634	99.442			
8	.030	.268	99.711			
9	.026	.240	99.951			
10	.003	.027	99.978			
11	.002	.022	100.000			

Extraction Method: Principal Component Analysis.

Five components are identified totaling cumulative contribution of ninety eight percent. It can be seen from table 4 that five factors namely ingredients of product, process, standards like AGMARK, additives for improving taste and durability of food product and permissible limit of hazardous content like pesticide are basic factors from which food product is made. Factor of expiry is important because if someone use expired food product then have great health problem. Customer always wanted fair prices of food products if the quality of product is good. Organizations used proper packaging as approved by the government.

Labeling on the food product should be done like date of manufacturing, expiry date, price and other necessary information in appropriate font and layout so that consumer can read it properly. Norms for content display should be followed as many company hide content from displaying in the name of their trade secret .Companies must not mislead in their promotion and make unrealistic claim about food products

### Test of Hypothesis

H1: All the customers have same level of awareness about government rules and regulations on food products in Indore city.

From the survey we found that out of total respondents nearly 41.2% strongly aware, 32.4% aware, 3.9% not properly aware, 13.7% not aware and 8.8% fully ignorant of government norms in Indore city. Thus our hypothesis is rejected and consumer's awareness varies from high level to ignorance.

H2: Consumers have same level of taste and preference for organized and unorganized foods in Indore city.

From the survey we found that nearly 63.7% consumers used organized food and unorganized food is used by 36.3% consumers. Thus our hypothesis is rejected because majority of the consumers are using organized food products.

H3: All the factors of government norms have same influence on brand image of food products.

From the principal component analysis(PCA) it is found that out of 11 factors of brand image, the factor of 'Ingredient' has highest value of 0.947. The second most important factor is processing method of food products' which has value of 0.941, Other factors of brand image are display of expiry, norms for pricing, norms for packaging, norms for labeling, display of content and norms for promotion have values 0.920, 0.909, 0.894, 0.858, 0.776 and 0.763 respectively. Thus our hypothesis is rejected and customers give different weightages to different norms given by government for selling food brands in the market.

H4: Government Standards like AGMARK has no influence on brand image of food products in Indore city.

From the survey we found that nearly 93% of customers like to purchase food products on the basis of government certification like AGMARK. Thus our hypothesis is rejected.

## 5. Findings

1. Consumers always like to purchase those brands of food products which are produces and delivered on the basis of government norms.

2. The awareness of the customers about these government norms varies nearly 42% of customers are very well aware and another 32% are aware i.e. 74% of customers are aware of norms.

3. Majority of the customers are buying organized food product because they believe that these products are safer than unorganized food products because they followed various government norms.

4. Most important finding of this research is that government standards like AGMARK play important role in creating positive brand image for food products.

## 6. Conclusion

We can conclude that government norms for manufacturing and delivering the food products play important role in creating a good brand image of food products in the mind of consumers. By following norms companies can assure customers that the brands sold by them, are of high quality and consumers can use these products without any fear and risk of their health. Consumers wanted those products which are made by good ingredients and process with hygienic methods without harmful additives and hazardous content. Consumers also wanted food products with proper packaging and labeling which also shows expiry and contents of food as per norms. Companies should not mislead them in promotions regarding any aspect of food product and its consumption as per government norms. Majority of the customers are aware of the government norms on food products and they use organized food products as they believe that these brands are safer for consumption. We can say that government norms are not hurdles but also great boon for the companies for creating good brand image of their food products. Government certifications like AGMARK help them in establishing the brands with great quality.

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