

A Study on Exploring Brand Equity as a Tool for Market Expansion on Aavin Products

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ABSTRACT

Brand equity is essential for influencing customer attitudes and propelling company expansion. Increased consumer loyalty, a competitive edge, and easier market expansion are all made possible by a great brand. This study examines the ways in which brand equity can be used as a strategic instrument for market expansion by examining its constituent elements: perceived quality, brand loyalty, brand awareness, and associations. The study looks at the ways in which these elements affect consumer choices and a business's capacity to enter new markets. In order to determine the impact that brand equity plays in bringing in new clients, maintaining market share, and growing business operations, this study combines primary and secondary data collection. The efficacy of branding tactics employed by businesses to build a strong market presence is also assessed by the study. The results of this study will assist companies in understanding how to use brand equity to boost consumer engagement and spur growth. Businesses can enhance their market positioning, boost profitability, and succeed in the long run by incorporating brand equity into their marketing plans.

Keywords: Brand Equity, Market Expansion, Aavin Products, Consumer Perception, Brand Awareness, Brand Loyalty, Perceived Quality, Competitive Advantage, Marketing Strategies, Consumer Engagement.

INTRODUCTION

In the highly competitive dairy sector of today, brand equity has become a critical component that drives consumer decisions and corporate success. Long renowned for its dedication to quality and client satisfaction, Aavin is the prestigious dairy brand owned by the Tamil Nadu Cooperative Milk Producers Federation Limited. In order to increase market share, boost consumer confidence, and seize new market opportunities, this study intends to investigate how Aavin might strategically draw on its brand image.

Brand awareness, brand associations, perceived quality, and brand loyalty are some of the essential elements that make up brand equity. Customers continuously place a premium on product perfection, therefore Aavin must maintain a high perceived quality. Continuously producing high-quality goods would help Aavin maintain its good name and increase client loyalty.

Increasing brand recognition and fortifying brand connections are also essential to Aavin's development. The business has started a variety of marketing initiatives, like expanding the number of Franchise Retail Outlets (FROs) in Chennai and its surrounding areas in order to fortify the supply chain. Additionally, in an effort to reach younger customers, Aavin has started selling milk products through mobile parlors and intends to open additional locations in universities and schools. Partnerships for home delivery services with online marketplaces like Grofers and Big Basket increase Aavin's consumer convenience and reach.

Innovation in product offers is essential for building brand value. After receiving feedback from customers, Aavin has been aggressively seeking diversification by launching new goods like sukku malli coffee, ashwagandha milk, and herbal milk. With these efforts, Aavin hopes to expand its clientele and meet changing consumer demands. Additionally, Aavin is concentrating on selling value-added goods including butter, ghee, khova, flavoured milk, curd, and buttermilk through unique stores in crowded regions to increase consumer satisfaction and reach.

Expanding the market requires improving operational capabilities. In order to expand its capacity for processing milk, Aavin has made important actions. The goal of the facilities being upgraded in Chennai, Tiruvarur, and Cuddalore is to increase the capacity of milk handling from 42 lakh liters per day to 56 lakh liters per day. Meeting the increasing demand and guaranteeing product availability as Aavin grows its market presence depend heavily on this infrastructural expansion.

In summary, Aavin is in a strong position to use its brand equity to drive significant market expansion by concentrating on upholding excellent product quality, diversifying its product offerings, increasing operational capabilities, and raising brand awareness through strategic marketing strategies. In addition to solidifying Aavin's place in the dairy sector, these all-encompassing tactics offer insightful information on how to best leverage brand equity for long-term commercial success.

NEED FOR THE STUDY

Particularly in the very competitive dairy sector, brand equity is a major factor in determining a brand's market success and influences consumer preferences. Since both national and local dairy brands compete with Aavin, it is critical to comprehend the elements impacting consumer decision. In order to influence consumer choices and brand success, factors including satisfaction, brand loyalty, perceived quality, and consumer awareness are crucial. In order to strengthen Aavin's brand positioning and increase its market presence, this study aids in identifying important tactics. The results of this study will help Aavin improve its marketing strategy and increase consumer involvement in order to develop its business.

OBJECTIVES OF THE STUDY

- To analyze the role of brand equity in the market expansion of Aavin Dairy Products.
- To assess consumer perception of Aavin's brand image, awareness, and loyalty.
- To determine how brand equity affects Aavin's competitiveness in the dairy industry.

METHODOLOGY

Descriptive research was done for this study. Both Primary and Secondary data are utilized in this study. The study uses convenience sampling, a non-probability sampling technique. One way to collect data to characterize a population, circumstance, or phenomena is through descriptive study design. First-hand information is gathered using a structured questionnaire to gather primary data. The number of samples used for this study is 150. Chi-square test is used as a statistical tool for analysing the data. By obtaining consumer feedback, this study seeks to examine how brand equity contributes to market expansion with an emphasis on Aavin Milk Products.

REVIEW OF LITERATURE

1. **Liu et al. (2014):** Liu and colleagues explored how brand equity influences consumer behaviour in the context of new product introduction. Their findings indicated that brand equity helps brands expand into new product categories and markets by reducing consumer risk perception and increasing the likelihood of new product acceptance.
2. **Teece (2014):** Teece explored dynamic capabilities in market expansion and noted that brands with strong equity benefit from sustained customer loyalty and market adaptability. He suggested that brand equity can help firms enter and thrive in new markets by leveraging existing trust and positive associations.

3. **Herstein et al. (2013):** This study analysed the influence of brand equity on consumer preferences, revealing that consumers are more likely to switch to or adopt a brand with high equity, which simplifies the process of market expansion.
4. **Melnyk, Van Herpen, and Steenkamp (2013):** Their study emphasized that brand equity facilitates market expansion by providing a foundation for premium pricing, greater brand loyalty, and a higher level of consumer trust. They found that these factors are particularly crucial for success in global markets.
5. **Kapferer (2012):** Kapferer highlighted the international dimension of brand equity, explaining that brands with strong equity are better positioned to expand globally. He emphasized the importance of brand recognition and customer loyalty in overcoming cultural barriers and entering new markets with minimal resistance.
6. **Nielsen (2012):** Nielsen's global study on brand equity showed that consumers are more likely to choose brands they recognize and trust. The study highlighted that high brand equity brands tend to capture a larger share of the market, facilitating both organic growth and expansion into new markets.
7. **Esch, Langner, Schmitt, and Geus (2006):** This study examined the impact of brand equity on consumer behaviour during market expansion. They found that brands with high equity were more likely to retain customer loyalty, making market entry more efficient and cost-effective.
8. **Barwise and Meehan (2004):** Their research focused on the link between brand equity and customer satisfaction. They argued that strong brand equity, which results from high customer satisfaction, is essential for expanding a brand into new markets. Satisfied customers are more likely to recommend a brand and continue purchasing it, even as it grows.
9. **Ehrenberg, Uncles, and Goodhardt (2004):** Their study highlighted that brand equity is largely built on habitual consumption and brand recognition, which are critical when expanding into new markets. Consumers are more likely to try a new product or enter a new market segment if the brand already has strong equity.
10. **Morimoto and Sashida (2004):** This study focused on the role of brand equity in emerging Asian markets. The researchers found that brands with high equity are able to create strong customer loyalty quickly, which facilitates their entry and success in new markets.

AREA OF STUDY

Profile of the company

- ☐ Aavin is a Tamil Nadu-based cooperative dairy brand managed by the Tamil Nadu Cooperative Milk Producers' Federation Limited (TNCMPFL).
- ☐ Established in 1958, Aavin plays a significant role in India's dairy industry by collecting, processing, and distributing milk and milk products.
- ☐ The brand is known for providing fresh and high-quality dairy products to consumers across Tamil Nadu and other regions.
- ☐ Aavin operates under the cooperative model, ensuring fair prices for dairy farmers while delivering affordable dairy products to customers.

ANALYSIS AND INTERPRETATION**TABLE-1****GENDER OF THE RESPONDENTS**

S. No	Particulars	No. of Respondents	Percentage
1	Female	107	71
2	Male	43	29
	Total	150	100

INTERPRETATION:

The above data shows the Gender of the respondents. Among 150 respondents, 71 percentage of the respondents are female and 29 percentage of the respondents are male.

The majority, 71 percent of the respondents were female.

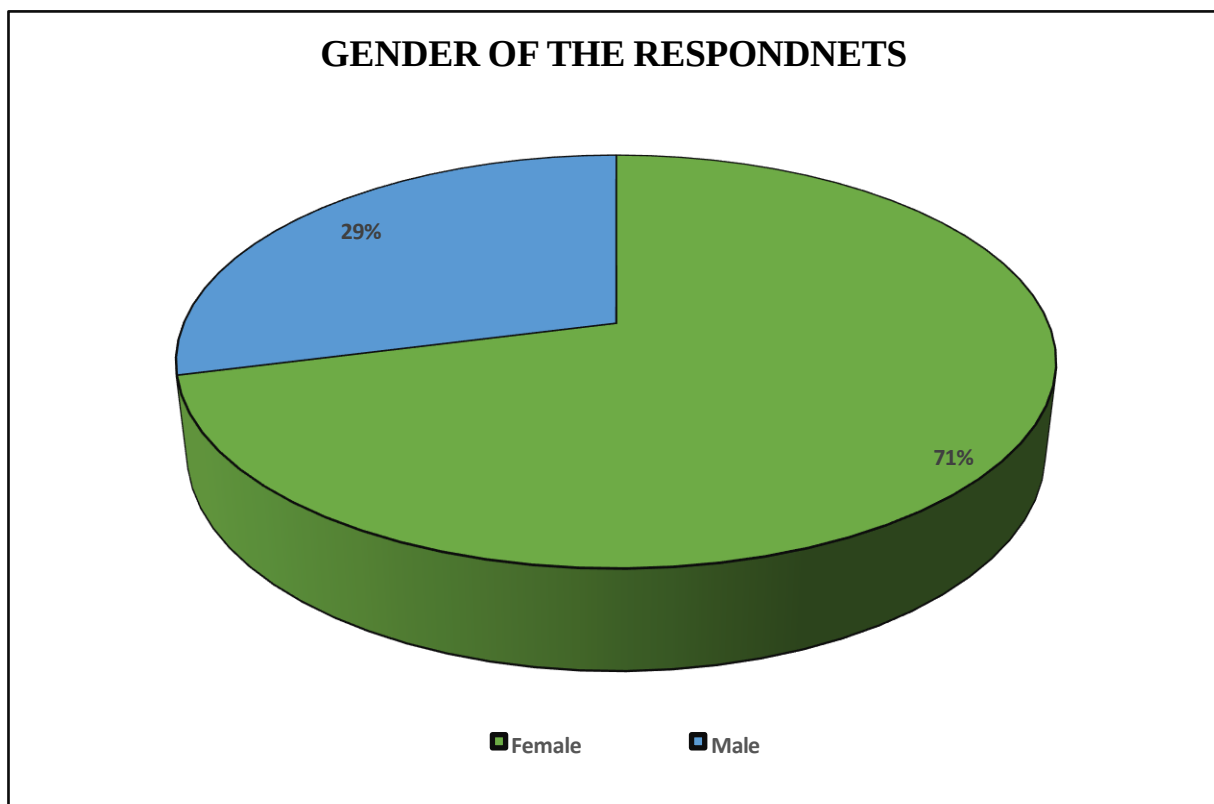
DIAGRAM-1

TABLE-2
PERCEPTION ON AAVIN MILK PRODUCTS COMPARE TO OTHER MILK PRODUCTS

S. No	Particulars	No. of Respondents	Percentage
1	Much Better	90	60
2	Somewhat Better	50	33
3	Somewhat Worse	3	2
4	Much Worse	0	0
5	About the Same	7	5
	Total	150	100

INTERPRETATION:

The above data shows the perception of the respondents on Aavin milk products compare to other milk products. Among 150 respondents, 60 percentage of the respondents says Aavin milk products are much better, 33 percentage of the respondents says somewhat better, 2 percentage of the respondents says somewhat worse and 5 percentage of the respondents says both the Aavin milk products and other milk products are same.

The majority, 60 percent of the respondents says that Aavin milk products are much better compare to other milk products.

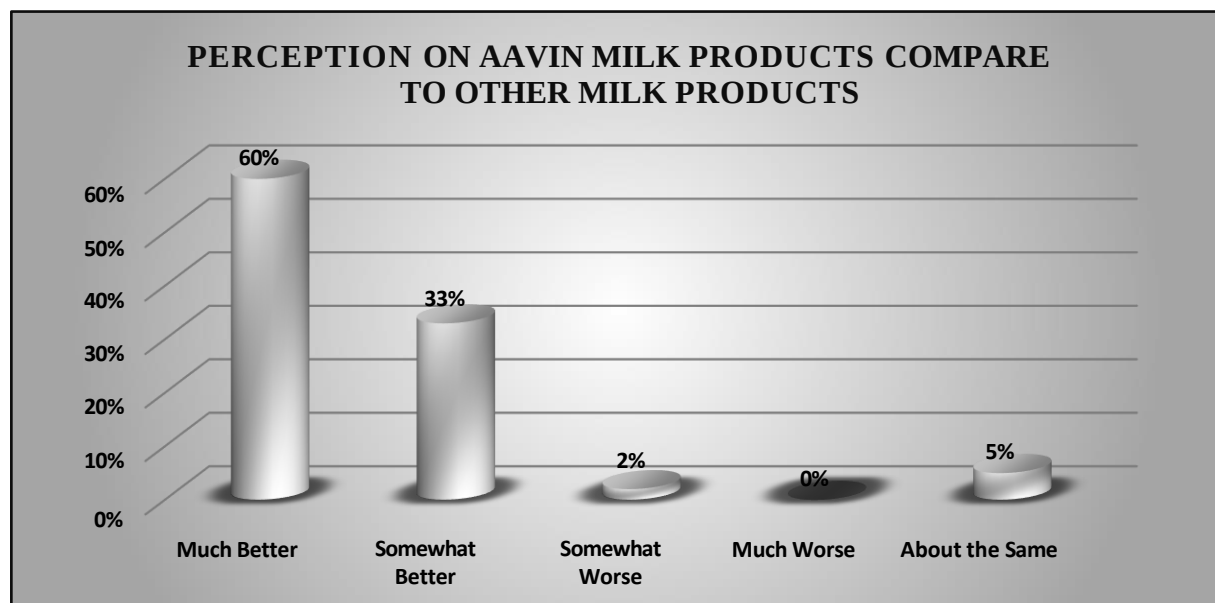
DIAGRAM-2


TABLE-3
FACTORS INFLUENCING PURCHASE DECISION

S. No	Particulars	No. of Respondents	Percentage
1	Product Quality	85	57
2	Price	28	19
3	Brand Reputation	26	17
4	Availability	10	6
5	Packaging	1	1
	Total	150	100

INTERPRETATION:

Table-3 shows the factors influencing purchase decision. Among 150 respondents, 57 percentage of the respondents says product quality is one of the factors influencing purchase decision, 19 percentage of the respondents says price is one of the factors influencing purchase decision, 17 percentage of the respondents says brand reputation is one of the factors influencing purchase decision, 6 percentage of the respondents says availability is one of the factors influencing purchase decision and 1 percentage of the respondent says packaging is one of the factors influencing purchase decision.

The majority, 57 percent of the respondents says that product quality is the factor influencing purchase decision of the respondents.

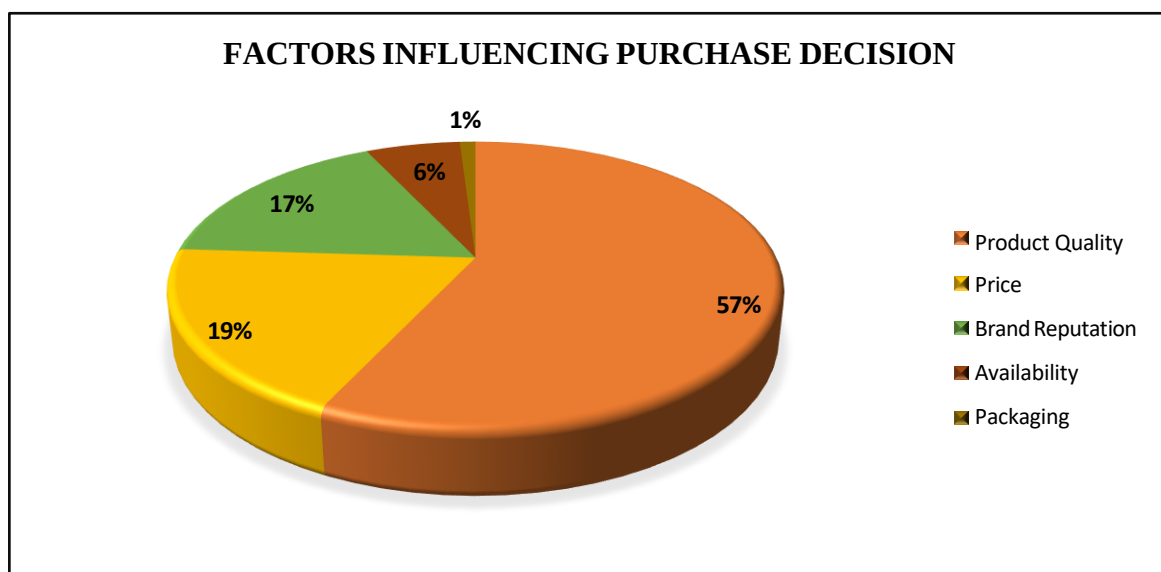
DIAGRAM-3


TABLE-4
CONSUMER'S LOYALTY FOR USING AAVIN MILK PRODUCTS

S. No	Particulars	No. of Respondents	Percentage
1	Very Loyal	32	21
2	Loyal	71	47
3	Neutral	45	30
4	Disloyal	2	2
5	Very Disloyal	0	0
	Total	150	100

INTERPRETATION:

Table-4 shows the consumer's loyalty for using Aavin milk products. Among 150 respondents, 21 percentage of the respondents were very loyal to use Aavin milk products, 47 percentage of the respondents were loyal to use Aavin milk products, 30 percentage of the respondents were neutral to use Aavin milk products, 2 percentage of the respondents were disloyal to use Aavin milk products.

The majority, 47 percent of the respondents were loyal in using Aavin milk products.

DIAGRAM-4


TABLE-5

CHI-SQUARE ANALYSIS

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.494 ^a	3	.322
Likelihood Ratio	5.412	3	.144
Linear-by-Linear Association	3.059	1	.080
N of Valid Cases	149		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .87.

HYPOTHESIS

- **H1:** There is a significant association between gender and perception on Aavin milk products compare to other milk products.
- **H0:** There is no significant association between gender and perception on Aavin milk products compare to other milk products.

INTERPRETATION

The p-value of 0.322 indicates the probability of observing the given data, or something more extreme, if the null hypothesis (which posits no association between the variables) is true. Since this p-value is greater than the common significance level of 0.05, we fail to reject the null hypothesis. This suggests that there isn't sufficient evidence to conclude a significant association between the variables in your study.

FINDINGS

- ✓ The majority, 71 percent of the respondents were female.
- ✓ The majority, 60 percent of the respondents says that Aavin milk products are much better compare to other milk products.

- ✓ The majority, 57 percent of the respondents says that product quality is the factor influencing purchase decision of the respondents.
- ✓ The majority, 47 percent of the respondents were loyal in using Aavin milk products.

SUGGESTIONS

- **Increase Availability:** Boost distribution effectiveness and make sure Aavin milk products are carried in all significant retail locations.
- **Competitive Pricing & Offers:** To draw in more clients, implement loyalty programs, seasonal sales, and package deals.
- **Product Innovation:** To adapt to shifting consumer tastes, launch new dairy-based goods and enhance packaging.
- **Boost Marketing Strategies:** Use influencer partnerships, digital marketing, and focused advertising to raise brand awareness.

CONCLUSION

The survey emphasizes the high level of consumer trust in Aavin's dairy products and its solid brand reputation. Aavin can improve its market presence in certain areas, even while customers value the product's quality. Aavin can increase its market share and foster customer loyalty by emphasizing improved availability, aggressive price, and cutting-edge product options. By putting these changes into practice, ongoing growth and client pleasure are guaranteed.

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