

Measuring Customer-Based Brand Equity in the Indian FMCG Sector

Ms. Nisha Gupta and Dr. Harish Purohit

Research Scholar and Guide

Shri JTT University, Jhunjhunu, Rajasthan, India

Abstract: *Customer-based brand equity has become a critical factor for achieving competitive advantage in the fast-moving consumer goods (FMCG) sector, where consumers are faced with numerous brand choices and low switching costs. Understanding how consumers perceive brands is essential for firms seeking to strengthen their market position and sustain long-term performance. The present study aims to measure customer-based brand equity in the Indian FMCG sector by examining key dimensions such as brand awareness, perceived quality, brand associations, and brand loyalty. The study is based on primary data collected from FMCG consumers across selected regions in India using a structured questionnaire. Responses were analyzed using descriptive statistics, reliability analysis, and correlation analysis to assess the strength and relevance of each brand equity dimension. The findings indicate that customer-based brand equity in the Indian FMCG sector is strongly influenced by brand loyalty and perceived quality, followed by brand awareness and brand associations. The results suggest that brands with higher levels of customer-based brand equity enjoy stronger consumer preference and repeat purchase behavior. The study provides useful insights for marketers and brand managers in designing effective branding strategies and highlights the importance of continuously measuring brand equity to respond to changing consumer expectations in the Indian FMCG market*

Keywords: Customer-Based Brand Equity; FMCG Sector; Brand Awareness; Brand Loyalty; India

I. INTRODUCTION

In highly competitive markets, brands play a crucial role in shaping consumer perceptions and influencing purchase decisions. This is particularly true in the fast-moving consumer goods (FMCG) sector, where products are frequently purchased, price competition is intense, and consumers are exposed to a wide range of brand choices. In such an environment, customer-based brand equity has emerged as an important strategic asset that helps firms differentiate their offerings and build long-term relationships with consumers.

Customer-based brand equity refers to the value a brand derives from consumers' knowledge, experiences, and perceptions of that brand. It reflects how consumers respond to a product or service because of the brand name attached to it. Strong customer-based brand equity enables firms to achieve higher customer preference, greater loyalty, and improved resistance to competitive actions. For FMCG companies, where margins are often low and volume-driven, building and sustaining brand equity is critical for maintaining market share and ensuring consistent demand.

The Indian FMCG sector is one of the largest and fastest-growing segments of the economy, driven by population growth, rising disposable income, urbanization, and changing consumption patterns. Indian consumers today are more informed and brand-conscious than ever before. They evaluate brands not only on functional attributes such as price and quality but also on emotional and symbolic associations. As a result, understanding how consumers perceive FMCG brands has become increasingly important for brand managers and marketers.

Despite the growing importance of brand equity in the Indian FMCG context, measuring customer-based brand equity remains a challenge. Brand equity is a multidimensional construct that includes elements such as brand awareness, perceived quality, brand associations, and brand loyalty. Each of these dimensions contributes differently to the overall strength of a brand, and their relative importance may vary across markets and product categories. Empirical measurement of these dimensions using consumer-based data is therefore essential to gain meaningful insights.

The present study seeks to measure customer-based brand equity in the Indian FMCG sector using primary data collected from consumers. By examining key brand equity dimensions, the study aims to provide a clearer understanding of how FMCG brands are perceived by consumers and which factors contribute most strongly to brand equity. The findings of the study are expected to be useful for marketers, brand managers, and researchers interested in consumer behavior and brand management in emerging markets such as India.

II. REVIEW OF LITERATURE

Customer-based brand equity has been widely examined in marketing literature as a key indicator of brand strength and consumer preference. Early conceptualizations define brand equity as the added value a brand name provides to a product, reflected in consumer perceptions and responses. These perceptions are shaped through repeated brand exposure, consumption experience, and marketing communication, making brand equity a consumer-driven construct. Several studies have identified brand awareness as the foundation of customer-based brand equity. High brand awareness increases the likelihood of brand recall and recognition, which positively influences consumer choice, especially in low-involvement purchase situations such as FMCG products. Brands that are easily recalled are more likely to be considered during purchase decisions.

Perceived quality has been highlighted as a critical dimension influencing consumer evaluation and satisfaction. Research suggests that consumers often use perceived quality as a proxy for overall product performance, particularly when objective evaluation is difficult. In the FMCG sector, perceived quality contributes significantly to repeat purchase behavior and brand preference.

Brand associations represent the mental links consumers form with a brand, including functional, emotional, and symbolic meanings. Studies indicate that strong and favorable brand associations help differentiate brands in crowded markets and strengthen consumer attachment. In emerging markets, cultural relevance and trust-based associations have been found to play an important role in shaping brand perceptions.

Brand loyalty is considered one of the most valuable outcomes of customer-based brand equity. Loyal customers tend to exhibit consistent purchase behavior, reduced price sensitivity, and positive word-of-mouth. Empirical research consistently shows that brand loyalty strengthens overall brand equity and contributes to long-term business performance.

In the Indian context, studies on FMCG brands indicate that brand equity significantly influences consumer buying behavior and brand preference. However, much of the existing research focuses on specific product categories or individual brands. There is limited empirical research that provides a broader measurement of customer-based brand equity across FMCG brands using primary data.

Overall, the literature establishes the importance of customer-based brand equity and its key dimensions. However, there is a need for systematic empirical studies that measure brand equity using consumer-based data in the Indian FMCG sector. Such studies can provide deeper insights into consumer perceptions and support effective brand management strategies in a highly competitive market.

III. RESEARCH GAP

The existing body of literature clearly recognizes customer-based brand equity as a crucial determinant of consumer behavior and brand success, particularly in the FMCG sector. Prior studies have extensively discussed the conceptual dimensions of brand equity, such as brand awareness, perceived quality, brand associations, and brand loyalty. However, several gaps remain in the current research landscape.

First, many studies focus on examining the impact of brand equity on consumer buying behavior or financial performance, while comparatively fewer studies attempt to systematically measure customer-based brand equity itself using primary data. There is a need for research that emphasizes measurement and assessment of brand equity dimensions from the consumer's perspective.

Second, a significant portion of existing research is either conceptual in nature or based on limited datasets, often focusing on specific brands or product categories. Comprehensive empirical studies that capture consumer perceptions

across the broader FMCG sector in India remain limited. Given the diversity of brands and consumers in the Indian market, such measurement-based studies are essential.

Third, the relative importance of different brand equity dimensions may vary across markets and over time. However, existing studies often treat customer-based brand equity as a single construct without adequately examining the contribution of individual dimensions. This limits practical insights for brand managers who need to prioritize specific brand-building efforts.

Finally, despite the rapid growth and increasing competitiveness of the Indian FMCG sector, there is limited recent primary data-based research that reflects current consumer attitudes and brand perceptions. Changing lifestyles, increased media exposure, and evolving consumer expectations highlight the need for updated empirical evidence.

In view of these gaps, the present study aims to measure customer-based brand equity in the Indian FMCG sector using primary data. By focusing on key brand equity dimensions and analyzing their relative strength, the study seeks to provide meaningful insights for marketers, brand managers, and researchers interested in brand management in emerging markets.

IV. OBJECTIVES OF THE STUDY

The primary objective of the present study is to measure customer-based brand equity in the Indian FMCG sector from the consumer's perspective. To achieve this broad objective, the study is guided by the following specific objectives:

- To identify the key dimensions of customer-based brand equity relevant to FMCG brands in India.
- To assess the level of brand awareness among consumers for FMCG brands.
- To examine consumer perceptions regarding perceived quality and brand associations of FMCG brands.
- To analyze the extent of brand loyalty exhibited by consumers toward FMCG brands.
- To measure the overall customer-based brand equity of FMCG brands based on primary data.
- To provide managerial insights for strengthening brand equity in the Indian FMCG market.

V. RESEARCH HYPOTHESES

Based on the objectives of the study and insights from existing literature, the following hypotheses have been formulated to measure customer-based brand equity in the Indian FMCG sector and to examine the role of its key dimensions:

- **H1:** Brand awareness has a significant positive influence on customer-based brand equity in the FMCG sector.
- **H2:** Perceived quality has a significant positive influence on customer-based brand equity in the FMCG sector.
- **H3:** Brand associations have a significant positive influence on customer-based brand equity in the FMCG sector.
- **H4:** Brand loyalty has a significant positive influence on customer-based brand equity in the FMCG sector.
- **H5:** There is a significant difference in the strength of brand equity dimensions among FMCG brands in India.

VI. RESEARCH METHODOLOGY

The present study adopts a descriptive and analytical research design to measure customer-based brand equity in the Indian FMCG sector. This design is appropriate as it enables systematic assessment of consumer perceptions and facilitates quantitative analysis of brand equity dimensions.

The study is based on both primary and secondary data. Primary data were collected directly from consumers through a structured questionnaire, while secondary data were sourced from academic journals, books, industry reports, and prior studies related to brand equity and consumer behavior.

6.1 Source of Primary Data

Primary data were collected from consumers of FMCG products across selected urban regions in India. Respondents included individuals who regularly purchase FMCG products and are familiar with multiple FMCG brands. This ensured that the data reflected informed consumer perceptions regarding brand-related attributes.

6.2 Sample Size and Sampling Technique

A total of 230 respondents participated in the study. The respondents were selected using a convenience sampling technique, based on accessibility and willingness to participate. The sample size was considered adequate for conducting reliability analysis, descriptive statistics, and inferential analysis such as correlation and factor analysis.

6.3 Research Instrument

A structured questionnaire was used as the research instrument for collecting primary data. The questionnaire consisted of two sections. The first section captured demographic information such as age, gender, education, and income. The second section included statements related to customer-based brand equity dimensions, namely brand awareness, perceived quality, brand associations, and brand loyalty. Responses were recorded using a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

6.4 Variables of the Study

In the present study, customer-based brand equity was treated as the dependent construct, measured through its key dimensions: brand awareness, perceived quality, brand associations, and brand loyalty. Each dimension was operationalized using multiple statements adapted from established brand equity measurement scales.

6.5 Statistical Tools for Analysis

The collected data were coded, tabulated, and analyzed using appropriate statistical tools. The statistical techniques employed in the study include descriptive statistics to summarize consumer perceptions, reliability analysis to test internal consistency of the scale, correlation analysis to examine relationships among brand equity dimensions, and factor analysis to validate the structure of customer-based brand equity.

6.6 Ethical Considerations

Ethical standards were maintained throughout the research process. Participation was voluntary, respondents were informed about the academic purpose of the study, and confidentiality of responses was ensured.

VII. DATA ANALYSIS AND RESULTS

This section presents the analysis of primary data collected from 230 FMCG consumers to measure customer-based brand equity in the Indian FMCG sector. The analysis includes reliability testing, descriptive statistics, factor validation, and mean score interpretation to assess the strength of brand equity dimensions.

7.1 Reliability Analysis

Reliability analysis was conducted to test the internal consistency of the scale used to measure customer-based brand equity.

Table 1: Reliability Statistics

Brand Equity Dimension	Number of Items	Cronbach's Alpha
Brand Awareness	4	0.84
Perceived Quality	4	0.86
Brand Associations	4	0.82
Brand Loyalty	4	0.88
Overall Brand Equity Scale	16	0.9

Interpretation:

All Cronbach's Alpha values exceed the acceptable threshold of 0.70, indicating good internal consistency and reliability of the measurement scale. The data are suitable for further analysis.

7.2 Descriptive Statistics (Mean Score Analysis)

Mean scores were calculated to assess consumer perceptions regarding each dimension of customer-based brand equity.

Table 2: Mean Scores of Brand Equity Dimensions

Brand Equity Dimension	Mean	Standard Deviation
Brand Awareness	4.28	0.56
Perceived Quality	4.35	0.53
Brand Associations	4.18	0.6
Brand Loyalty	4.42	0.51

Interpretation:

The results indicate that all dimensions of customer-based brand equity are rated positively by consumers. Brand loyalty recorded the highest mean score, followed by perceived quality, suggesting that repeat purchase behavior and quality perception play a dominant role in shaping brand equity in the Indian FMCG sector.

7.3 Factor Analysis

Exploratory factor analysis was conducted to validate the structure of customer-based brand equity dimensions.

Table 3: Factor Loadings of Brand Equity Dimensions

Item	Brand Awareness	Perceived Quality	Brand Associations	Brand Loyalty
Item 1	0.78			
Item 2	0.81			
Item 3	0.76			
Item 4	0.79			
Item 5		0.83		
Item 6		0.86		
Item 7		0.8		
Item 8		0.82		
Item 9			0.77	
Item 10			0.81	
Item 11			0.79	
Item 12			0.75	
Item 13				0.84
Item 14				0.88
Item 15				0.86
Item 16				0.82

Interpretation:

All items load strongly on their respective factors, confirming the validity of the four-dimensional structure of customer-based brand equity. This supports the conceptual framework adopted for the study.

7.4 Key Findings from the Analysis

- Customer-based brand equity in the Indian FMCG sector is strong across all dimensions.
- Brand loyalty is the most influential dimension of brand equity.
- Perceived quality plays a crucial role in shaping consumer evaluation of FMCG brands.
- Brand awareness and associations support recognition and emotional connection with brands.



VIII. DISCUSSION OF RESULTS

The findings of the study provide strong empirical evidence that customer-based brand equity is well established in the Indian FMCG sector. All four dimensions brand awareness, perceived quality, brand associations, and brand loyalty were positively evaluated by consumers, indicating that FMCG brands have been successful in creating meaningful and consistent brand perceptions.

Among the dimensions, brand loyalty emerged as the strongest component of customer-based brand equity. This suggests that consumers in the FMCG sector tend to repeatedly purchase familiar brands and develop habitual buying behavior. Given the low involvement nature of many FMCG purchases, loyalty helps consumers reduce decision-making effort and perceived risk, reinforcing the importance of consistent brand experience.

Perceived quality was identified as the second most influential dimension. Consumers place high importance on quality, safety, and reliability when purchasing FMCG products, especially food and personal care items. Positive quality perceptions enhance trust and satisfaction, which further strengthens overall brand equity.

Brand awareness also showed a strong presence, indicating that FMCG brands enjoy high visibility and recall among consumers. This is expected in a sector characterized by extensive advertising, widespread distribution, and frequent consumption. Brand associations, although slightly lower than other dimensions, still played a meaningful role by shaping emotional and symbolic connections with brands.

Overall, the results confirm that customer-based brand equity in the Indian FMCG sector is multidimensional, with each dimension contributing uniquely to brand strength. The findings are consistent with established brand equity theories and extend existing research by providing updated primary data from the Indian market.

IX. CONCLUSION

The present study aimed to measure customer-based brand equity in the Indian FMCG sector using primary consumer data. The findings indicate that FMCG brands in India possess strong customer-based brand equity, driven primarily by brand loyalty and perceived quality, followed by brand awareness and brand associations.

The study highlights that customer-based brand equity is not limited to brand recognition alone but is deeply rooted in consumer trust, satisfaction, and long-term relationships. Strong brand equity enhances consumer preference and repeat purchase behavior, which are critical for sustaining competitiveness in the FMCG market.

By systematically measuring brand equity dimensions, the study provides a clearer understanding of how FMCG brands are perceived by consumers and which factors contribute most to their overall strength.

X. IMPLICATIONS OF THE STUDY

The findings of this study offer important implications for FMCG marketers and brand managers. Firms should focus on strengthening **brand loyalty and perceived quality**, as these dimensions have the greatest influence on overall brand equity. Consistent product quality, reliable availability, and positive consumption experiences are essential for building long-term consumer relationships.

From a strategic perspective, regular measurement of customer-based brand equity can help organizations track brand health, identify weaknesses, and adjust branding strategies accordingly. The study also emphasizes the need for integrated marketing efforts that reinforce both functional and emotional brand attributes.

XI. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

Despite its contributions, the study has certain limitations. The research relied on convenience sampling, which may limit the generalizability of the findings. The study focused on consumer perceptions at a single point in time and did not examine changes in brand equity over time. In addition, the analysis was limited to selected brand equity dimensions.

Future research can address these limitations by using probability sampling techniques and larger sample sizes. Researchers may also conduct longitudinal studies to examine how customer-based brand equity evolves over time. Further studies could explore the relationship between brand equity and outcomes such as purchase intention, brand switching behavior, or financial performance across different FMCG categories.

REFERENCES

- [1]. Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. Free Press.
- [2]. Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57(1), 1–22.
- [3]. Yoo, B., Donthu, N., & Lee, S. (2000). An examination of selected marketing mix elements and brand equity. *Journal of the Academy of Marketing Science*, 28(2), 195–211.
- [4]. Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance. *Journal of Marketing*, 65(2), 81–93.
- [5]. Keller, K. L. (2013). *Strategic brand management* (4th ed.). Pearson Education.