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RESEARCH ARTICLE

PSYCHOLOGICAL BARRIERS THAT INFLUENCE CLIENT'S BRAND RECOGNITION PROCESS AND BUYING DECISIONS: AN EMPIRICAL STUDY IN INDIAN START-UP VENTURES IN THE FIELD OF CONSTRUCTION CHEMICALS AND RELATED NEW PRODUCT SYSTEMS

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ABSTRACT

Background: Today's clients tend to cross the traditional marketing funnel boundaries by changing the way they research and purchase. Any organization that wants to be successful must consider buyer behaviour while developing their marketing mix. This paper aims to study the role of psychological factors in determining consumer's buying behaviour, which ultimately affects the product sales performance in the given market. Construction chemical industry of India is considered as a target market. The leading idea is to identify and analyse the factors, which majorly affect and work as psychological barriers for consumers in the construction chemical industry. **Method:** An effective tool, survey questionnaire was floated to different types of end customer like dealers, distributors, applicator, Ready-mix Concrete (RMC), infra companies and project site in order to know the customers' opinion about company products. As these chemicals are primarily utilized during construction work, an individual as a consumer will rarely buy them, so the target customer base is chosen as dealers, distributors, applicators, industrial buyers and large infra companies. **Results:** This paper identifies, and empirically validates, the psychological barriers, its impact on brand recognition and its consequences in sales of construction chemicals and its related new product systems. **Conclusion:** After calculating the mean value of all the factors it is observed that the Emotional Factor plays a central role in the decision-making process of the construction chemical buyer.

INTRODUCTION

Construction chemicals are the most important materials in all types of construction activities. It gives strength and other characteristics to the structure and increases its lifespan. Today in the developing country like India, the market of construction chemicals is witnessing a rapid growth. Due to rapid growth of urban area and government's focus on the infrastructural developments, the construction industry is gaining momentum. Today Indian constructional chemical industry is estimated to be valued at INR 7000 Crores-as per Business India, which is projected to grow up to INR 20,000 Crores in the next 15 years. In current scenario, a significant contribution is done by Mumbai region and nearby markets. Demand for chemicals from construction industry has always been there. However, with the fast development in the construction techniques, the demand for advanced construction chemicals has increased as compared to the conventional methods (Tata Strategic Management Group, 2015). Admixtures constitutes 42% of the market share, which leads the percentage. Waterproofing account to 15% market share and Flooring products are the next who contributes to the 14% market share. Chemicals for repair and rebuilding occupy another 14% of the market and adhesives.

Sealants and other building finishing products claim the remaining 15%. The product range can be broadly divided in 12 groups and the total arrays of products are approximately 200. Presently there are around 100 companies catering the needs of the market. Twenty percent of them are multinational brands and remaining eighty percent are local manufacturers. Overall market is swarming with firms and there is an enormous competition amongst them. The nature of the business demands for B2B marketing practice. Even the exiting companies are not growing as per expectation, because of various affecting factors. Introducing and establishing an entirely new brand in the market can be a challenging task. As the researcher sense from his experience, customer behaviour is the major aspect that restricts the sales figures and slow down the growth rate of the construction chemical industry. The customer behaviour is majorly governed by the customer psychology. Any organization that wants to be successful must consider different psychological barriers, which influence the client's buying decision. Marketing process starts with the requirements of the customer and ends with his consummation. When everything is about the client then it is important to study consumer behaviour. The major governing factors of consumer's buying behaviour are – cultural factors, social factors, personal factors and psychological factors.

This paper investigates the psychological factors. Understanding customer psychology is an important aspect of marketing. Psychological barrier is a complex phenomenon and it is very important to study its prospective from different angles, it again changes as per the situation and no permanent theories are available. Successful businesses know how to control the factors that influence consumer-buying behaviour to successfully market the goods and maximize sales. Understanding the client's pain points can be the first step, and addressing it is the solution (Allard C.R. et. al., 2005). There may exist one or more psychological drivers, forcing customer to buy or reject certain product. This phenomena and traits of the trade really impressed the author and he found these aspects very interesting, so the researcher have decided to document it, based on his industry exposure of fifteen plus years in the area of technical product sales. Maslow's persisted that human behaviour and decision making are motivated by one of the five need levels in his hierarchy, applied to marketing theory. Your capability to appeal to any of the motivational factors is a key element influencing your success probability.

Effective and powerful marketing may operate at any level of Maslow's theory – few examples:

(‘A’, ‘B’, ‘C’ and ‘D’ company names are taken for concept representation)

- Guard your home from water leakage with ‘A’ type of coatings - This marketing brand slogan is related to physiological need of safety.
- Use ‘B’ paint and ensure safety of your health by protecting home walls from dampness and fungal or bacterial growth - This product marketing highlighter for product ‘B’ can be related to safety needs.
- ‘C’ – Brand you can have Trust - This brand slogan example is an example of love affection, belonging.
- Brand ‘D’ chooses to educate and create product awareness amongst the user groups through conducting a ‘Repair centre initiative’ programme- This is an example of self-realisation category of needs under - Maslow's hierarchy theory of motivation.

Just in time Theory: This is a very important theory adopted by Japanese and introduced it to the world. This theory emphasizes to do all the activities as per the schedule, as per the given deadline, this aspect is very important in serving the customers effectively. One can eliminate all the customer psychological barriers associated with delay in supply of the ordered product. (Dimitris K. Folinas, 2017).

Kai-zen Theory: Japanese adopt this theory for an individual improvement in every sphere of life. ‘Kai’ means change and ‘Zen’ for betterment, so it is nothing but change for betterment. More energy, more optimism improves behaviour and reflects in performance of an individual. Different variables are associated with different theories, these variables are nothing but influencing factors which create those psychological barriers. (Barnes,T, 1996). According to existing literature, parameters that affect the buying decision of a customer and the psychological barriers it creates are as follows:

The Problem Statement: During his professional career, the author dealt with customers from varied backgrounds, age groups and regions and found that psychological barriers play

an imperative role in their decision-making. Every client has personalized views based on their own experience. This fact affects different brands in different ways, some gets establishment and name in the market while some faces difficulty in generating sales. These psychological barriers are very difficult to break so it is very important for marketers to closely watch these forces and accordingly design their marketing strategies. He found this phenomenon interesting and important for his research. In order to capture the market and increase the sales figures, the marketer or manufacturer must focus on customer psychology while planning their marketing strategies. It is crucially important for brands to break all the psychological barriers that govern the client's buying-decision to become successful. The main research focus here is to identify psychological barriers and conduct an in depth study of the factors and analyse an effective strategic approach for a successful brand establishment in the market of construction chemicals. In order to strengthen the research it is been empirically validated by circulating a questionnaire amongst the prime stakeholders from the market. They are asked to rate the construction chemical company based on their product commitment, responsiveness, product quality, professionalism, packaging, service and overall performance. The organization of this paper is as follows:

First the current market scenario of the construction chemical market of India is reviewed for analysing the client behaviour and then it is been supported with the actual in-field experience of the author. Based on that some key theories are established. They are summarised in a theoretical model using ‘Maslow's Hierarchy of Needs’ theory. Certain hypothesis is drawn based on this study. Going ahead this theoretical model is validated by means of empirical study. Next, the areas for focus from marketing perspective are discussed. Finally, limitations of this research and further scope are presented.

Key Parameters that forms the psychological barriers:

There are several concepts in the current market, which create certain notions, which in turn generate these psychological barriers. In order to identify and analyse the psychological barriers one must study the existing marketing concepts, which are responsible for creating those psychological barriers. They are going to be the key players influencing the sales of a particular product in the given market.

Cost Parameter: This concept assumes cost as the major governing factor in selling or marketing of products. It believes that buyers are mainly interested in low-price products. And to attain that they line up their marketing objective at hurling low cost products backed by intensive distribution and marketing efforts to increase the visibility of the product.

Quality Parameter: This concept assumes quality as the major governing factor while selling or marketing. This concept assumes that customer will buy only those products, which offer them the best quality, top-class features and best performance. In order to line up with these objectives, the company must aim at improving quality and adding new features to the product.

Selling Technique: This concept assumes that customers are needs some motivating factors to buy a product and aggressively persuasion is an effective way for that. This concept should be backed by aggressive marketing practices and to implement this concept, company must analyse customer requirements and address them.

| Parameters | Variable related to customer psychological barrier |
|-----------------------------|--|
| Maslow's hierarchy of needs | Product awareness, brand image/identity, product training, brand affection |
| Just in Time | Lead time of product supply |
| Kaizen | Optimistic thinking, Self-improvement |

This paper considers the following parameters:

| Parameters | Variable related to customer psychological barrier |
|------------------------|---|
| Cost Parameter | Price, Product availability |
| Quality Parameter | Quality, Product features |
| Selling Technique | Customers' needs and wants, product features, product packing |
| Proficient competition | Functional benefits /Extra features |

(Source: Author)

Conceptual Framework of the Study

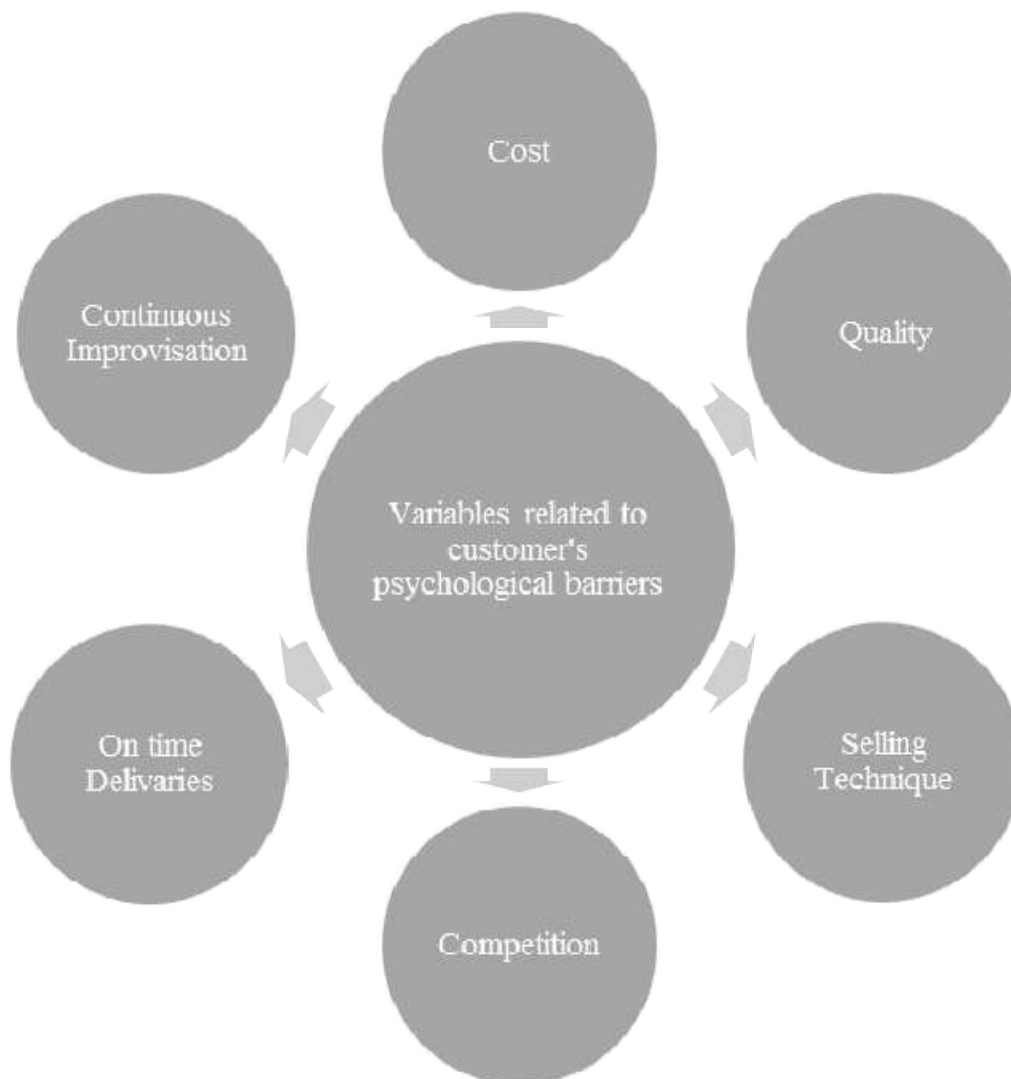


Figure 1. Conceptual Framework of the study (Source: Author)

Proficient competition: This concept assumes that along with market research, a company must identify a target market and deliver products and services better than its competitors deliver. Here, being the best is important so that you can win customer minds and increase business.

Customer Satisfaction and relationship management: This concept states that the client always looks for two types of benefits from the product or services they buy. One is functional and second is emotional.

There always exists a cost factor associated with any product. The amount that the customer must pay for the ownership of that product. There are four types of costs involved – these are mainly monetary cost + time + energy + psychic costs.

Certain special trait of psychological intelligence plays a crucial role in order to win that customer from your competition. Winning customer from competition and process of retaining him is a part of customer relationship management.

Table 1. Samples

| Respondent Category | Sample Size |
|---------------------|-------------|
| Dealers | 7 |
| Distributors | 6 |
| Applicators | 7 |

This paper considers the following parameters

The research is analyzed through the following hypotheses

- H1: Customer psychological affecting the product sales.
- H2: Effect of Increase in price on the product sales.
- H3: Effect of Packaging of the product on its sale.
- H4: Effect of Brand Image in the market on the product sales.
- H5: Impact of Product Awareness in the market on product sales.
- H6: Effect of Higher lead-time in product supply on sales.
- H7: Impact of Non-availability of products at local warehouse on product sales performance.
- H8: Understanding Client needs by the company affecting the product sales.
- H9: Willingness of company to provide after sales service.
- H10: Willingness of company to improvise product quality and client relations.

METHODS

Data Collection: This study uses both primary data and secondary data. Primary data is collected through different data collection techniques.

It is further supported with secondary data, which was collected from reviewing of technical handbooks, trade magazines and journals. Different data collection methods were used. More than one technique were used in order to get more precise and accurate information. Primary data was collected through observation, face-to-face interviews (one to one meeting) and through customer survey questionnaires.

Through observations: The researcher personally visited 10 distribution counters and met some key distributors to observe some key factors and to know why they have stopped buying brand X products. One of his observations was, though the quality and price of the product was competent the reason for not buying brand X product was its poor packing. Thin plastic bottle with improper shape was used in packing of product X and appearance was dull. In order to collect data further he compared packing of brand Y, A, B, C against that of Brand X.

Face-to-Face meetings (Interview): Interviews were conducted with 30 key customers in Mumbai construction chemicals business market, which includes project people, RMC personnel, applicators, dealers, distributors and key consultants/specifiers, a detailed study was conducted in order to identify different variables related to customer psychological barriers.

Survey questionnaire: An effective tool, survey questionnaire was floated to different types of end customer like dealers, distributors, applicator, RMC, infra companies and project site in order to know the customers' opinion about company products.

Sampling: Respondents from different customer categories from different cities of an Indian Market were taken for sampling purpose, total 50 samples were collected from different cities for evaluation. 10 samples each from five big cities of India were collected.

Table 1. Buying Attributes and their Importance

| Parameters Affecting Buying Decision | Importance in Percentage |
|--------------------------------------|--|
| Cost | Competitive Price 80% |
| Commitment | On Time Delivery 73% |
| Performance | Client Experience 79.8% |
| Responsiveness | Availability of the Staff 57.3% |
| | Timely Response 65.2% |
| | Satisfactory Reply as per Client Needs 78.4% |
| Quality | Product Quality 77.6% |
| Professionalism | Communication 54% |
| | Understanding Client Needs 70.3% |
| Packaging | Packaging Quality 71% |
| After sales service | Post Delivery Services 60% |
| Emotional Factors | Reputation of the Supplier 85% |
| | Reliability 87% |
| | Brand Image 75.5% |
| | Relationship with Supplier 60% |
| Continuous Improvement | Keen on Improvements & Upgradations 52% |

Table 3. Descriptive Statistics Results of Independent Variables

| Variable | Mean | S.D | Conclusion |
|------------------------|------|-------|---------------------|
| Cost | 3.44 | 0.913 | Supports H2 |
| Commitment | 3.02 | 0.810 | Supports H6 |
| Performance | 3.34 | 0.944 | Supports H6 |
| Responsiveness | 2.85 | 0.952 | Supports H7 |
| Quality | 3.38 | 0.922 | Supports H5 |
| Professionalism | 2.90 | 0.951 | Supports H8 |
| Packaging | 3.01 | 0.802 | Supports H3 |
| After Sales Service | 3.44 | 0.902 | Supports H9 |
| Emotional Factors | 3.60 | 0.812 | Supports H4, H1, H5 |
| Continuous Improvement | 2.50 | 0.963 | Supports H10 |

Survey was carried out in five cities – Mumbai, Bangalore, Delhi, Calcutta and Indore. Out of the total 50 samples 20 samples were discarded as those were not relevant for the result analysis, 7 samples of dealer category of customer, 6 samples of distributor category, 7 samples of applicator category, 5 samples of RMC and Infra companies and 5 of project builder segments were taken for analysis to evaluate and conclude. During the survey, 30 people were interviewed from the predefined audience groups of distributors, dealers, applicators, infra companies and RMC. The table below shows the respondent details involved in this research project.

RESULTS AND DISCUSSION

The Table-2 indicates that the company reputation and reliability factor are perceived to be strongly influencing the buying decisions of the client in construction chemical market. The result in the Table-2 shows that 85-87% buyers give importance to the supplier's reliability and reputation while buying construction chemicals. Next, 75-80% buyers are keen about the product price, product quality and brand image. At third level, 70-75% buyers feel that on time delivery, understanding client needs and packaging quality matters while taking their buying decision. It can be observed that all other factors lie in a fifties range, which means they are of moderate importance from client's buying perspective. After calculating the mean value of all the factors as shown in Table-3, it is observed that the Emotional Factor plays a central role in the decision-making process of the construction chemical buyer. So, as per the hypothesis, psychological barriers must be addressed while planning the marketing strategy of any start-up organisation in the construction chemicals and related new product systems.

Conclusion

The objective of this research was to investigate the underlying psychological barriers that determine the buying decision of a B2B customer in the field of construction chemical and related new product systems. According to the study:

- Emotional quotient is the most important ingredient for all the start-up companies. This conclusion is in line with the hypothesis that supports competitive price and quality of the product (Sheena Leek, 2011).
- Even for standard and regular products, the 'buyers' develop an emotional relationship with brands. For these, they are prepared to pay any price.
- B2B marketers would gain by investing in building an affirmative and strong brand image in the market (Sheena Leek, 2011).

- A strong brand recognition would be an advantage, even when the marketer may fail to cover, in their selling efforts.
- If the psychological factors mentioned in the study are addressed strategically, the start-up can establish a brand name, which gives superior performance in financial terms as well as market share.
- Though many participants gave importance to the cost factor and product quality, the emotional factors would play a dynamic role in almost all the buying situations.
- When there are many suppliers selling at same costs, the buyer mostly prefers the supplier who has a trusted brand name and a good client relationship irrespective of the price. (Sarin, 2010).

This study involves data collection based on structured questionnaires followed by a statistical analysis. This empirical study seem to convey that psychological factors play vital role in establishing a brand and is a critical factor that affect client's buying decisions in the B2B marketing practice. (Sarin, 2010).

GLOSSARY OF ABBREVIATIONS

RMC - Ready-mix Concrete
 INR - The Indian Rupee
 B2B - Business to Business

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