

# **Identify the Customer Key Purchasing Determinants on Brand Equity of Toothpaste Market (Special Reference to Colombo District)**

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## **1. Introduction**

“Customer buying behaviour refers to the buying behaviour of the ultimate customer”. Many factors impact on customer buying behaviour, mainly social, cultural, economic, personal and psychological factors. A buying decision is a result of each of these factors (Ramya & Ali, 2016). A buying decision is the thought process by which a customer identifies needs, generates alternatives and choose a specific product and brand. The attributes that customers value most when making a buying decision are called customer key purchasing determinants (Simpson, Griskevicius, & Roth, 2012). It is important to study the customer key purchasing determinants for the success of business organizations (Aaker, 2003).

Many industries in this era are trying to expand their market worldwide. Today, with the rapid development of the economy, the standard of living of human beings has also improved rapidly. Due to this, the needs and wants of human beings are increasing today. Therefore, maintaining good oral health has become a major human need at present (Wijesinghe, 2016). In practice, brushing teeth is the easiest way to maintain good oral health. Toothpaste is used to get the best results through brushing teeth (American Dental Center, 2021). In today’s competitive economy, there is a lot of competition among toothpaste brands today. Various multinational companies and domestic toothpaste manufacturers in Sri Lanka are engaged in the sale of this toothpaste brands. Because of this, many people are concerned about brands.

Although the concepts of brand have recently been debated in the field of marketing, these concepts are as old as stone age (Holt, 2004). From the earliest times manufacturers have used their brands to distinguish their products. The brand can be identified as a very important thing for

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sustainability in the modern business environment (Wijesinghe, 2016). Brand equity is created through brands. Brand equity is a concept. It is often defined as “added value endowed by the brand to the product” (Pitta & Katsanis, 1995). Even in case where the alternatives have more features, people choose the one brand over other brands because of the impact of brand equity. This phenomenon is described in the brand equity concept (Adam & Akber, 2016). According to this, it is clear that brand equity has a huge impact on the success of a business. Therefore, it is important to study the brand equity of the organizations and the key purchasing determinants that affect them. Accordingly, this study identifies the customer key purchasing determinants on brand equity of toothpaste market.

Although some research has been done on brand equity and key purchasing determinants separately in Sri Lanka, very little research has been done on customer key purchasing determinants on brand equity. Many people have done research about the key purchasing determinants that impact on consumer behaviour. It has also targeted various markets. As examples, the beauty market, the vehicle market, the mobile phone market can be taken. Thus, most studies are based only on the customer side. Therefore, this research focused on the manufacture side also. Identifying the customer key purchasing determinants on brand equity is the objective of this study.

## **2. Research Methodology**

To achieve research objective, the field of study and the methodology used is explained here. The “Yamane” method is used to calculate the sample size for this study. The sample size was selected according to the 90% satisfaction level. 100 people of the district population of Colombo were selected for the sample and simple random sampling method was used for that. A structured questionnaire was used to obtain the data from these peoples.

A factor analysis was done to identifying the customer key purchasing determinants on brand equity. Brand equity is the dependent variable and reliability, availability, satisfaction, company image, first choice, familiarity, knowledge, advertising, memory, symbol and logo, uniqueness, favourability, desirability, strength, life experiences, price,

quantity, performance and usage period are the independent variables of this study.

### 3. Results and Discussion

The objective of this study is identifying the customer key purchasing determinants on brand equity and factor analysis was used to achieve this objective. The KMO test and the Bartlett's test are used to check the validity of the data used for factor analysis. The KMO test check the adequacy of the sample and Bartlett's test check the sphericity of the sample. The KMO value should be greater than 0.5 and the P value of the Bartlett's value should be less than 0.05. According to this study, KMO value is 0.889 and P value is 0.000, so this factor analysis is an appropriate test. Here the analysis is done according to the factor rotation method of varimax under the factor extraction method of Principal Component Factoring (PCF). The 20 variables used in this are divided into 4 main factors. These 4 factors describe 67.2% from the variance of 20 variables. Under first factor, there are 11 variables and the 2nd factor has 4 variables. Third factor has 3 variables while the 4th one is having 2 variables (Table 1).

Table 1: Factor Loadings of 4-Factor Model (PCF and Varimax)

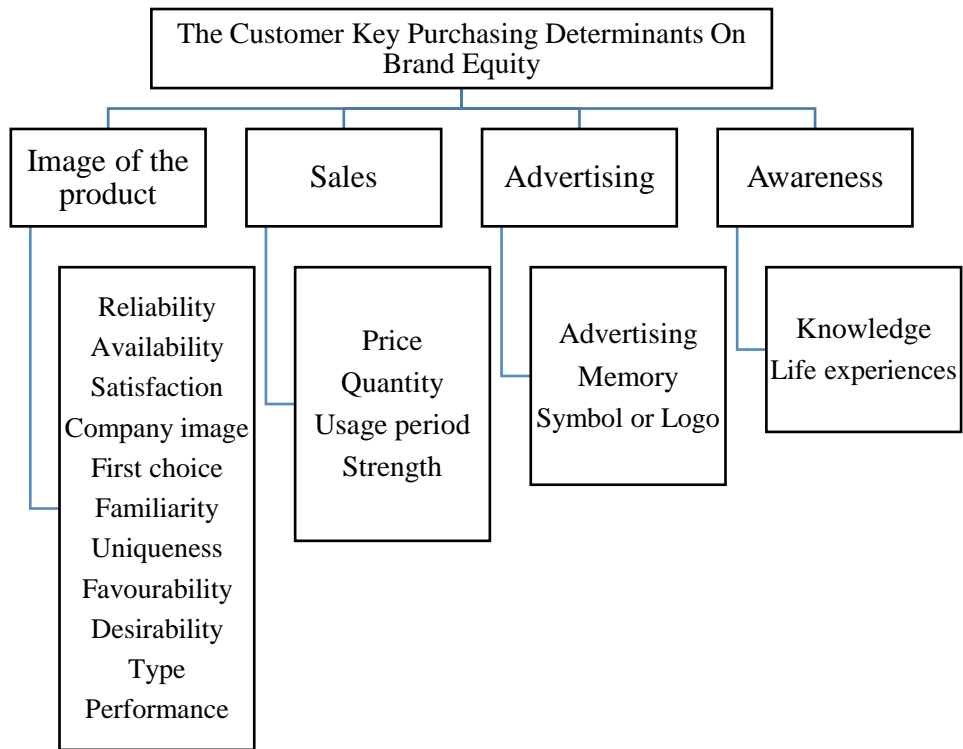
Factors	Components			
	1	2	3	4
Reliability	<b>.775</b>	.157	.185	.087
Availability	<b>.532</b>	.499	.379	-.071
Satisfaction	<b>.746</b>	.187	.308	.010
Company Image	<b>.453</b>	.423	.301	.167
First Choice	<b>.583</b>	-.247	.384	.110
Familiarity	<b>.751</b>	.109	.340	.121
Knowledge	.076	-.042	.103	<b>.848</b>
Advertising	.278	.343	<b>.636</b>	.083
Memory	.091	.108	<b>.850</b>	.146
Symbol or Logo	.430	.253	<b>.663</b>	.070
Uniqueness	<b>.710</b>	.093	.432	.171
Favorability	<b>.839</b>	.210	-.011	.250
Desirability	<b>.614</b>	.292	.032	-.023
Strength	.290	<b>.602</b>	.253	.155
Life experiences	.347	.326	.239	<b>.602</b>
Price	.175	<b>.765</b>	.029	.147
Quantity	.104	<b>.900</b>	.139	-.036

Type	<b>.653</b>	.446	.200	.128
Performance	<b>.679</b>	.142	.014	.470
Usage period	.071	<b>.874</b>	.130	-.016

Source: Survey Data, 2022

These 4 factors can be named as (i) Image of the product (ii) Sales (iii) Advertising and (iv) Awareness. It shown in Figure 1.

Figure 1: Identifying the Customer Key Purchasing Determinants on Brand Equity Based on Factor Analysis by PCF and Varimax Method



Source: Survey Data, 2022

#### 4. Conclusion and Recommendations

Based on the results revealed by the factor analysis, image of the product, sales, advertising and awareness can be identified as the customer key purchasing determinants on brand equity of toothpaste market. Finally, it can be concluded that the brand equity in the toothpaste market can be developed through the improvement of toothpaste according to the customer key purchasing determinants derived by this study and by

adopting effective marketing strategies such as creative packaging with a strong message, creative advertising, and discounts.

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