

BRAND AWARENESS AND CONSUMER PROFILE FOR MILK: CASE OF THE TIRANA MARKET, ALBANIA

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INTRODUCTION

This paper focuses on brand awareness and its role on consumers' decisions for milk in Tirana. Brand awareness for food products in general, and for milk in particular, has been in focus of various studies and papers abroad. Until now, a number of analyses and studies in Albania, are conducted relating to the factors influencing purchasing decision and consumers preferences for various food products, dairy included, but none of them has taken into consideration brand awareness [Kapaj and Mane 2013, Shtepani and Kapaj 2015, Imami et al. 2016].

Brand awareness refers to the importance of a brand in the customers mind and includes: recognition, recall, top of mind awareness, brand dominance, brand knowledge and brand opinion. According to Aaker [1995, 1996], different levels of awareness are used to measure brand awareness. For niche brands, recognition is important while for well-known, brands, recall and top of mind awareness are more sensitive and meaningful. Brand recall can also be vital for regularly purchased products like coffee, detergents etc. for which brand decisions are made prior to going to the store.

Brand awareness is an important component of brand equity. Business companies can take advantage from increased brand awareness since it lowers customer acquisition costs and ramps up customer loyalty. A lot of consumers believe that if a brand is well known, it has a good quality. Strong brand awareness leads to high sales and high market share.

Numerous studies have tried to reveal the role of brand awareness in purchase decision. Hoyer and Brown [1990] found that brand awareness was a determinant factor in consumer decision making process. More specifically, consumers' ability to recognize and recall a brand is considered crucial to purchasing decision making [Dodds and Grewal 1991, Grewal et al. 1998]. Consumers use brand awareness as a shopping guide, to

save time and efforts. Furthermore, brand awareness has a strong impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations [Koniewski 2012].

METHODOLOGY

The primary objective of the study is to measure brand awareness for milk consumers in Tirana (Albania). Since milk is a regularly purchased product, for which customer decisions are made away from the point of purchase, brand recall is used to measure brand awareness for this product. The study focuses on branded milk traded in Tirana grocery stores and supermarkets. For purposes of the study, domestic milk processing companies and their respective brands, such as Erzeni, Lufra, Soal, Bledi, Mireli, Fast and Dukati as well as Sterilgarda an imported brand, are targeted. In order to fulfill the objective of the study, a number of 332 face to face questionnaires are realized, aiming at the people in charge of grocery shopping for their households. Stratified sampling method is used and the population of the study (number of households units in Tirana) is divided into different subgroups according to 11 administrative units in Tirana Municipality. Simple probability sampling is applied within different strata.

Data from the questionnaire helped to understand some specific elements of consumers buying behavior, as well as consumers' profile for milk in Tirana. Furthermore, secondary data helped to give a general picture of the milk sector in Albania.

MILK SECTOR IN ALBANIA

Since 1990, whole sectors of the Albanian economy, including agriculture and agro-industries, underwent great changes. Total number of farms in Albania is 351,000, 86% of which combine agriculture and livestock. Agriculture and cattle combined farms are dominant in lowland areas, while in the hilly and mountainous areas of the country, agriculture, sheep and goat farms are more suitable.

Dairy activities have a long tradition in Albania due to the favorable natural resources for dairy production. Milking cows, sheep and goats consist more than 70% of total number of the respective heads. Cow milk comprises 85% of the total milk production, sheep milk 8% and goat milk 7% (Table 1). However, the production of sheep and goat milk is seasonal.

When the communist system fell, all the state-owned companies in agribusiness sector were closed. After these companies were privatized, market economy elements emerged.

TABLE 1. Structure of milk production in 2015

Description	Cattle	Sheep	Goat
Number of livestock (thous. heads)	504	1918	932
Of which milking cows, milking sheep, milking goats (thous. heads)	357	1417	700
Milk production (t)	964 000	87 000	80 000

Source: Agricultural Statistical Yearbook 2015 [Instat 2016].

Currently, all companies operating in the agribusiness industry are privatized. There are about 2,400 private companies in the agribusiness sector, vast majority of which are small and medium-sized. Most of the agribusiness companies are located in the Central and Western Albania. Flour and bread production, and milk and meat processing are the key sub-sectors in Albania's agribusiness industry. Specifically, milk processing industry comprises about 15% of the companies operating in the agribusiness sector, 11% of employment and 22% of investments in the sector [Thoma et al. 2014].

The first private milk processing plants were established in 1999. Currently, several modern milk processing plants are operating successfully in Albania, taking also advantages of their brand names. Nevertheless, processing of sheep and goat milk is done mainly based on artisan production. The milk production and collection system (mainly cow milk) is characterized by the existence of the informal (direct selling from farmers) and formal market channels (collection and distribution by dairies) [Cela et al. 2009].

In terms of consumption, milk is an important component of the Albanian diet. The dairy sector provides about 80% of the supply for Albanian consumers [Cela et al. 2009, Shtepani and Kapaj 2015]. Consumer preferences for milk have changed a lot during last decades. Until late 1990s, majority used to buy milk directly from farmers. Since the first domestic companies appeared in the market, consumers oriented their purchases toward fresh pasteurized milk, while nowadays it is noticed an increased demand for UHT domestic milk. In 2016, processed milk (pasteurized and UHT) for consumption consisted in 95% of the total out of which 88% pasteurized (whole, semi-skimmed and skimmed all together) and the rest of 12% UHT (Table 2).

TABLE 2. Quality of drinking milk for consumption in 2014–2016 (t)

Products	2014	2015	2016
Drinking milk	12 103	11 106	10 983
Raw milk	1 021	829	533
Whole milk	3 652	4 651	6 425
– pasteurized	3 621	4 133	6 242
– UHT	32	519	182
Semi-skimmed milk	6 844	5 591	3 950
– pasteurized	4 318	5 517	2 967
– UHT	2 526	74	983
Skimmed milk	586	35	74
– pasteurized	565	15	74
– UHT	21	20	0

Source: Annual Report on Milk and Dairy Products 2016 [Instat 2017].

BRAND AWARENESS

Descriptive analyses show that consumers in Tirana have high levels of brand recall (above 50%) for the vast majority of the brands taken into consideration in this study, despite which brand they usually buy. From the data in Table 3 it can easily be revealed

that the highest levels of recall awareness belong to the mostly bought brands like Erzeni (96%), Lufra (98%), Fast (86%) and Sterilgarda (68%). On the other hand, taking into consideration the nature of milk as a product (frequently bought with the minimum of efforts), consumers easily change the brand bought if they find any of their expectations is not fulfilled (the reason for this might be as simple as for example they do not find their usual brand in the nearest shop). A considerable number of respondents report to have bought other brands, rather than the usual one, during the last month. Among the brands bought, mostly are exactly the ones which have the highest level of awareness. More specifically, 62% of the respondents report to have bought Lufra during the last month, 51% Erzeni and 23% Sterilgarda and 22% Fast (Table 3).

TABLE 3. Analyses results for brand awareness and purchasing habits

Brand name	Brand awareness ^a (%)	Brand usually bought ^b (%)	Bought last month ^c (%)	Evaluation	
				8–10 point scores ^d (%)	mean
Erzeni (pasteurized)	96	28	51	66	7.81
Lufra (pasturized)	98	40	62	83	8.64
Mireli (pasteurized)	57	4	10	20	5.54
SOAL (pasteurized)	51	4	8	17	5.13
Bledi (pasteurized)	23	1	1	23	3.38
Sterilgarda (UHT)	68	10	23	46	6.86
Fast (UHT)	86	8	22	41	6.47
Dukati (UHT)	46	0	6	15	4.72
Other brands (UHT)	18	5	11	16	8.62

^a Question: For each of the following milk brands please indicate whether you have heard of or not.

^b Question: Which of the following brand do you usually buy?

^c For each of the following brands please indicate when it was the last time you bought it.

^d For each of the milk brands you have heard of please give an evaluation on perceived quality (1 – very poor, 10 – excellent).

Source: the authors.

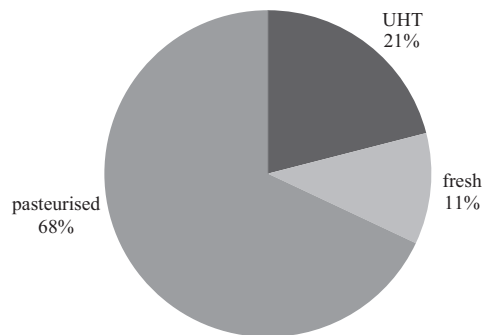


FIG. Consumers' preferences for milk by category

Source: the authors.

According to Engel et al. [1978], known brands help the product to be recognized as having a good quality. Consumers in Tirana give high evaluation scores to the brands with high levels of awareness. This is obvious since Erzeni and Lufra average scores are 7.81 and 8.64 respectively followed by Sterilgarda (6.86) and Fast (6.47). Furthermore, 83% of the those aware of Lufra evaluate with the highest scores (8–10) the milk under this brand, while for Erzeni, Sterilgarda and Fast this percentage is 66, 46 and 41%, respectively.

The distribution of this variable can also be explained with the fact that the majority of consumers (68%) in Tirana buy pasteurized domestic milk brands, 21% purchase UHT brands (domestic and imported ones) and the rest 11% of fresh milk (bought directly from the farmer) – the Figure.

CONSUMER PROFILE FOR MILK CATEGORIES

For business companies, it is important to discover the consumers profile for the products and services they offer in a given market. It helps them to tailor appropriate marketing strategies for different consumers groups according to their specific characteristics. In this study, we try to reveal consumers profile for different categories of milk (fresh, pasteurized and UHT) based on some socio-economic variables as for example age and education of the person in charge of the purchases in the household, number of members and children as well as monthly income.

TABLE 4. Socio-economic profile of consumers for different categories of milk

Description	Fresh	Pasteurized	UHT
Average age (years)	42	40	35
Average education level (years)	12	14	14
Average number of household members	4.5	4.4	4.4
Average number of children in the household	1.08	1.16	1.5
Average monthly income (EUR)	440	480	575

Source: the authors.

Table 4 shows information about consumers profile in Tirana for different categories of milk. Analyses performed showed that fresh milk is consumed in those household with the lowest average level of income (440 EUR monthly) and with a person in charge of purchasing with the oldest average age (42 years) and the lowest average level of education (12 years – high school completed). The contrary is true for UHT milk. It seems to be consumed more in those households with the highest average level of income (575 EUR monthly), with the youngest average age (35 years) and highest level of education (at 14 years old college completed) of the person responsible for purchases. It seems like there is not any difference among consumers profile for different categories of milk according to the average number of household members. With respect to the number of children in the household, it is noticed a slight difference between UHT milk consuming households and those consuming fresh and pasteurized one.

CONCLUSIONS

Milk processing industry is one of the key sub-sectors in Albania's agribusiness industry, giving a substantial contribution to the total production, employment and investments. Nowadays, several modern milk processing plants are operating successfully in Albania, taking also advantages of their brand names.

The transition from centralized economy to market oriented one, has been accompanied by changes in consumer preferences and composition of their food diet. This is reflected by consumer preferences for milk as well. The part of consumers that used to buy milk directly from farmers has been reduced considerably. After 1990, consumers initially oriented their purchases toward fresh milk, while nowadays it is noticed an increased demand for domestic pasteurized and UHT milk.

Business companies in the sector are conscientious that strong brand awareness leads to high sales and high market share. From the other side a lot of consumers believe that if a brand is well known it has a good quality. The consumers in Tirana seem to be fully aware of the different brands of milk being sold in this area, giving a higher evaluation score to the most well-known brands in the market. For the same consumers the highest levels of recall awareness belong to the mostly bought domestic brands like Erzeni, Lufra and Fast.

Business companies need to identify the consumers profile for the products and services they offer in a given market, in order to tailor appropriate marketing strategies for different consumers groups according to their specific characteristics. In Tirana, consumer behavior is very much depending on some specific socio-economic characteristics of the person responsible for purchases and the same household, such as: age, education, monthly income, number of family members and children. Processed milk is preferred more by consumers at a younger age, with more education, and a higher level of income of the household.

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Summary. Nowadays, it is quite important that business companies understand brand awareness and consumer profile for their products and services. They can take advantage of this information to properly adapt their marketing strategies to the needs of their targeted markets and segments. This research paper aims at measuring brand awareness and consumer profile for different types of milk in Tirana. Through a set of face to face questionnaires, it is revealed that those in charge of purchases in the household are pretty aware of the vast majority of the milk brands available in Tirana market. They also give high evaluation scores to the most known brands. On the other hand, consumers' profile for different types of milk (UHT vs. pasteurized or fresh) seems to differ based on some specific socio-economic variables of the household and the person in charge of the purchases. The consumers with the highest income and education level are more aware about food safety importance. Such consumers are leaned more towards purchasing UHT milk.

Key words: brand awareness, milk sector in Albania

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