

Assessment of Brand Loyalty Among Indian Consumers

Dr. Ganesh R¹

¹ Assistant Professor, The Department of Commerce and Management of Studies, St. Mary's College, Sulthan Bathery, Wayanad-673592, India,
E-mail: ganeshrppg@gmail.com, Mobile: +919496341026

ABSTRACT

Consumers may spent a huge time in shopping for selecting the best product with their budget. They will consider various factors in selecting the best product from the available alternatives. Many consumers may rely on branded products on the assumption that branded materials have a minimum standard quality. Perception of consumers towards branded products and their level of brand loyalty is examined in this study along with inspecting the major factors that drive their purchasing decision or buying behaviour among Indian consumers. The study also takes age factor into account for inspecting the difference in buying behaviour among different age groups because the taste and preference may vary from youngsters to aged members. The study consider electronic products, textile materials, automobile industries and food articles. Overall the results of the study will be a guideline to the industrialists in knowing the shopping behaviour and they can plan strategies accordingly to produce what the customers wish.

Keywords: Brand, Brand Loyalty, Buying Behaviour and Shopping Behaviour

1. INTRODUCTION

Business firms or industrialists used to invest huge amount in their research and development (R&D) and in understanding what the customers want. By understanding the wants and desires of customers, all the firms used to compete with others to capture the market by attracting the new customers and retaining the old customers. But the interesting fact is that it is the customers who finally decide what to buy and from whom to buy and that is why consumers are considered as uncrowned king in the market. Most of the consumers may used to spent a lot of time in shopping for selecting the best product from the alternatives available. Consumer's may have many factors in their mind for taking buying decision such as price, quality, durability etc. As the main aim of the company is to make profit, customer satisfaction and retention are key part of it to make profits. For achieving this they must understand the customers expectations and advertise the products by stating this product will fulfill the expectations of the consumers and the firms and consumers must be also able to distinguish their products from the competitors. Firms do this by branding the products. Assigning a name and printing it in their products either by logo or trademark is called branding. This enables the customers to distinguish the product they are looking for from others.

Tendency of consumers in relying the brand may be due to a feel of sense of security because they believe branded products will have a minimum standard quality and will be updating with latest fashion and technology. Even the customers give importance to branding, level of loyalty towards brand may differ from one to one. The three broad type of brand loyalty are brand recognition, brand preference and brand loyalty (Kotler and Keller, 2011). The present study examine difference in level of brand loyalty among various product categories and the factors that drives the buying behaviour of consumers.

2. BACKGROUND OF THE STUDY

Some of the previous studies focused on branding are discussed below:

Brand loyalty and repeat purchase tendency of consumers has been examined among the consumers in USA and the results indicate that US consumers are having very high brand loyalty towards their favorite brands and they are exhibiting repeat purchase of same branded products (Jacoby and Chesnut, 1978). Another study on brand loyalty in USA has been examined on two different aspects brand loyalty and behavioral & attitudinal measurement and the result proved that repeat purchase and repatronisation tendency of preferred product consistently influence the level of brand loyalty has been proved (Oliver, 1995). A study focusing on the influence of brand loyalty among the consumers showed that customer satisfaction is most influential factor in generating brand loyalty (Bloemer and Kasper, 1995). But by conducting a survey on the consumers about the buying behaviour, the result showed that approximately 75% of the buying decisions of consumers is based on the attitude and emotions of consumer's towards brand (Gremler and Brown, 1996). A study on investigating the impact of media on the success/failure in creating brand preference of luxury products among consumers in USA and the results showed that exhibiting positive news create positive picture in consumer's mind and the negative news on brand builds negative image in the minds of consumers (Mandel et al. 2006).

A study on analyzing the influence of factors affecting brand loyalty was examined in Indian market by examining the perception of Indian consumers towards brand loyalty of fast moving consumer goods and the result showed that trustworthiness of the public towards their favorite brand (Ramesh and Advani, 2005). Brand loyalty among English newspapers has been examined among the public in India and the results find out that Indian customers has high brand loyalty and the level of loyalty is too high (Punniyamorthy and Raj, 2007).

Factors influencing brand loyalty among the public towards hospital sector and the most influencing factor in customer loyalty is examined by inspecting the public in Kenya and the results showed that customer satisfaction and trust are the driving forces behind the loyalty and their level of customer loyalty is too high (Mahuro et al. 2015).

Most of the previous studies discussed so far focus on brand loyalty and its intensity among consumer goods as general. A study inspecting on the difference in level of brand loyalty among the consumers in various categories such as electronic products, textile materials, automobile industries and food articles have not been considered before. This study will highlight the consumer behaviour towards buying the product and their brand loyalty towards those products.

3. OBJECTIVES

The objectives of the study are as follows:

1. To identify the brand loyalty among consumers in various categories of products.
2. To examine the difference in brand perception of consumers among different age groups and
3. To identify the factors that influences the buying behaviour of consumers.

4. HYPOTHESES

The study assumes following hypotheses:

H₀: There is no significant mean difference between the brand perception of people among different age groups.

5. RESEARCH METHODOLOGY

The study examines the influence of level of brand loyalty among consumers and examine the factors that drive the buying behaviour. To assess this, a structured questionnaire has been designed and distributed to the consumers for collecting the sample. Quota sampling method is adopted for designing the sample. The reason for selecting quota sampling technique is to represent equal number of respondents in each age group. This will help to give more accurate opinion of consumers in each product segment. The study examines brand perception by asking 17 likert scale questions by keeping constructs or factors such as trust, advertisements and other influence, quality and loyalty. The study employed Cronbach's Alpha test, ANOVA, Games Howell test and rank analysis along with descriptive statistics such as percentage, average etc. Cronbach's Alpha test is applied to check the reliability of the questionnaire. ANOVA is applied to examine whether the difference in the brand perception of consumers between different age group is significant or not. Levene's test is applied to examine the difference in the variance between different age group of consumers is significant or not. Games Howell test (post hoc test) is applied to find out the reason for significant difference resulted in ANOVA. Rank analysis is done in order to check the preferential factors among the consumers in their buying behaviour. Descriptive statistics such as percentage and average is computed to know the descriptive values of consumers in each group, mean score of brand perception etc.

6. RESULTS AND DISCUSSION

The study initially examine the demographical profile of the consumers (respondents). The number of respondents selected for the study are 150. Out of the 150 consumers considered for the study, 50% of them are male (n=75) and rest 50% of them are female. To analyse the difference in brand perception of different age group, the respondents are selected equally in each age group. The different age groups selected are less than 20, 20-30, 30-40, 40-50, and 50 & above. Each age group represents 20% (n=30) respondents.

Before going into an in-depth analysis, reliability of the questionnaire is examined by using Cronbach's Alpha test. (Hair et al. 2006) recommends that Cronbach's Alpha value of 0.9 or higher indicates excellent. Out of the 17 likert scale items, the cronbach's Alpha test shows the value of 0.976 which is higher than 0.9 and hence the questionnaire is highly trustworthy.

The study then looks into the level of brand loyalty among the consumers. Level of brand loyalty shows three stages such as brand recognition, brand preference and brand insistence. The table-1 given below indicates the proportion of the respondents in each of these three categories and those who are not interested in non-branded products.

TABLE-1
SHOWING THE LEVEL OF BRAND LOYALTY TOWARDS DIFFERENT PRODUCT SEGMENTS

Sl. No	Level of Brand Loyalty	TEXTILE		Electronic Goods		Automobile Industries		Food Articles	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Not interested in Brand	47	31.3	0	0	0	0	7	4.67
2	I kept experiment with brand	56	37.3	11	7.33	0	0	36	24
3	I have a brand preference towards a particular product	36	24	112	74.67	119	79.33	41	27.33
4	I always stick to same brand	11	7.3	27	18	31	20.67	73	48.67
	Total	150	100	150	100	150	100	150	100

Source: Computed Data

From the above table-1, it is clear that no consumer is ready to buy non-branded electronic goods and automobile products. This may be due to the high cost associated with automobile products and electronic products like laptop, mobile phone etc. Preference of non branded products are mostly associated with textile materials and secondly to food articles. If the consumers are experimenting with brand means they recognize a brand but their loyalty

towards that brand is in lowest scale and because of that they will keep on experimenting the brands by switching from one to another.

The second level of brand loyalty is brand preference. This means the customers know the brand and they have always a preference when they go for shopping. But still in this level also there is a chance of switching off brand from one to another if the consumer got attracted towards some other brand or by seeing a sudden decline or seeing good opinion on another brand. The interesting fact in this is that no customer is ready to experiment the brand in case of automobile products. This may be due to huge cost of the product, they do not want to take any unnecessary risk and hence, they will search about each brand and model with many people and looking into reference before taking final decision. First level of brand loyalty (brand recognition stage) lies with textile products. So in textile products, switching off brand preference from one to another will be more especially when other brands give special promotional schemes like discount, free etc.

Most of the consumers brand loyalty is in the second stage. Most of them fall in automobile products and followed by electronic products. Consumers with this level of brand loyalty will have a strong preference towards a particular brand. But if the particular brand is not available in the shop or nearby they may have a strong tendency to switch to next preferred brand.

The highest level of brand loyalty is brand insistence. The customer's with this level of influence of brand will never switch to another brand even when they introduced attractive promotional schemes or price reduction etc. Consumers of food articles and automobile products are having possess maximum level of brand loyalty.

There may be difference in the buying behavior among different age group members and hence to inspect this ANOVA is applied to inspect the difference in buying behaviour among different age groups is significant or not and the results are shown in table-2.

TABLE-2

SHOWING THE DIFFERENCE IN BRAND PERCEPTION BETWEEN DIFFERENT AGE GROUPS

Category	Mean Score	F-Stats.	P-Value	Homogeneity test	
				Levene's Statistic	P-Value
Less than 20	3.03	10.498	0.000	11.418	0.000
20-30	3.60				
30-40	3.20				
40-50	4.00				
50 and above	1.93				

Source: Computed Data

The mean score in table-2 shows the mean score of brand perception among different age group members. To inspect whether this mean score difference is significant or not ANOVA is applied. The null hypothesis is says that there is no significant mean difference in the brand perception between different age groups. As the p-value (0.000) in the 4th column of table-3 is less than 0.01, null hypothesis (H_{01}) is not accepted at 1% level of significance. Thus H_1 (alternative hypothesis) is accepted at 1% level of significance.

H_1 : There is a mean score in difference in the brand perception among different age group consumers. To examine the reason for difference in the perception among different age group members, post hoc test is to be applied. As p-value in the last column of table-3 is less than 0.01, Levene's test hypothesis is not accepted at 1% level of significance. As homogeneity test is not accepted, Games Howell test is applied. The result of Games Howell test is shown in table-3 given below:

TABLE-3

SHOWING THE COMPARISON OF BRAND PERCEPTION BETWEEN DIFFERENT AGE GROUP MEMBERS

Dependent Variable	I Category	J Category	Mean Difference (I-J)	Standard Error	P-value
Brand Perception	Less than 20	20-30	-0.57	0.339	0.461
		30-40	-0.17	0.383	0.992
		40-50	-0.97*	0.316	0.029
		50 and above	1.1*	0.379	0.040
	20-30	Less than 20	0.57	0.339	0.461
		30-40	0.4	0.342	0.769
		40-50	-0.4	0.265	0.562
		50 and above	1.67**	0.337	0.000
	30-40	Less than 20	0.17	0.383	0.992
		20-30	-0.4	0.342	0.769
		40-50	-0.8	0.319	0.107
		50 and above	1.27*	0.382	0.013

	40-50	Less than 20	0.97[*]	0.316	0.029
		20-30	0.4	0.265	0.562
		30-40	0.8	0.319	0.107
		50 and above	2.07^{**}	0.314	0.000
	50 and above	Less than 20	-1.1[*]	0.379	0.040
		20-30	-1.67^{**}	0.337	0.000
		30-40	-1.27[*]	0.382	0.013
		40-50	-2.07^{**}	0.314	0.000

Source: Computed Data

Note: *: shows 5% level of significant difference

**** : Shows 1% level of significant difference**

The mean score difference of brand perception in each group is compared and the difference is significant or inspected by using Games Howell test. The last column in the table-3 stands for p-value which determines whether the difference is significant or not. Null hypothesis of Games-Howell test states that the difference in mean score of brand perception in each age group is not significant. But here in the table-3 given above it is clear that for the comparison of age difference between each age group, where all p-values are less than 0.05 null hypothesis is not accepted at 5% level of significance and alternative hypothesis is accepted at 5% level of significance. The comparison between less than 20 age group with other members, the result showed that there is a significant difference in the brand perception between 40-50 and 50 and above members. The mean difference in the column indicates how much deviation is there in the brand perception. When the difference in brand perception between 20-30 is compared, the results exhibited significant difference only with 50 and above group. The result of comparison between 30-40 with other groups is also similar to 20-30 group because significant difference was only with 50 and above. The comparison between 40-50 and other groups result showed a significant difference between less than 20 group and 50 and above group. But the result of comparison of brand perception between 50 and above group with all other groups considered for the study showed a significant difference with all other groups.

The study finally aims to examine the buying behaviour of the consumers by examining the importance given by them to the factors such as brand, price, design, colour and quality of the product, promotional offers, eco-friendly or not and latest model or fashion. The preference of the consumers are showed in rank wise in the table-4 given below:

TABLE-4**SHOWING THE FACTORS INFLUENCING THE BUYING BEHAVIOUR OF CONSUMERS**

SLNO	Factors	Mean Score	Rank
1	Brand	3.75	3
2	Price	3.92	2
3	Influence of friends or other reference group	3.37	6
4	Colour	3.51	5
5	Quality	3.54	4
6	Promotional Offers	3.66	3
7	Eco Friendly	2.87	6
8	Latest Model or Fashion	4.07	1

Source: Computed Data

The above table clearly explains that customers prime concern before taking buying decision is whether the product is latest fashion or model. Their next concern goes to the price of the product to inspect whether the product offered for sale is within his budget or not. The role of brand comes only in the third rank in buying decision. This may be because when the brand loyalty was tested result showed only very few percent of customers fall into brand insistence level. Hence others will have a tendency to switch over to other brands especially when new brands are positioned in the market, price offer from other brand comes etc. Then the customer will go for the quality of the product and colour. His reference group like friends, relatives, salesman etc will also play a role in his/her buying decision. Another interesting finding in the study is that consumers are least bothered about ecological concern because the preference of checking eco friendly product or not has given last preference.

7. CONCLUSION

The study proves that most of the consumers are brand conscious in their behaviour. The reason may be attributed towards their belief branded products will be easy for comparison and having a minimum standard quality etc. The study once examining the interest of branded products, went into deeper analysis such as examining the level of brand loyalty among the consumers, testing the difference in brand perception between consumers of different age group. The result of the study showed evidence for proving there is a significant difference in the brand perception of consumers of different age groups and different domicile of the consumers. The study also considers the shopping behaviour of consumers towards shopping textile materials by examining different factors influencing the buying behaviour. The result proved that price is the most influencing factor in the buying decision because they are not ready to purchase any product which are beyond their budget in terms of brand. The importance of brand comes in third preference only. This may be because

consumers with highest level of brand loyalty is only very few people. Most of them will shift towards other brands especially when they get some good price offers or when new brand is positioned in the market. Thus, the results of the study gave an insight on the difference in attitude or preference of the customer towards the branded non branded goods. In short the study will be a guideline to the industrialists and business people in knowing the buying habit and the present shopping culture of the consumers.

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