

Brand Loyalty – A study on selected personal care products

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Abstract

The success of a firm depends largely on its capability to attract customers towards its brands. In particular, it is critical to retain its current customers, and to make them loyal to the brand.

Socio economic factors play an important role in determining the extent of satisfaction or dissatisfaction with purchased brands of products or services. A consumer who subsequently experiences positive emotions such as joy and pleasant surprise is likely to be satisfied with the brands purchased. Conversely, of course, if the consumer experiences negative emotions such as distress or anger, the result is dissatisfaction. Consumers in general are more emotionally involved with personal care products because of many intrinsic as well as extrinsic factors. It reflects who they are. These emotions become the influencing factors on consumer's satisfaction and behaviour. Satisfied customers may be brand loyal and dissatisfied customers may switch over to other brands.

Objective: This study provides a meaningful insight into analysing the impact of various socio economic variables on brand loyalty behaviour. Selected personal care products are chosen for the study

Methodology: This paper draws on a non-probability quota sample of 150 consumers belonging to Chennai.

Results: The present study shows that socio economic factors can influence post consumption satisfaction and can improve brand loyalty.

Research implications/Limitations: It is recognized that the study focus is on the regions of Chennai; hence it cannot be generalized for the whole industry. Further studies can explore the different dimensions in other regions.

Paper type – Research paper

Keywords: Socio-economic factors, Emotional branding, Post consumption satisfaction, brand loyalty behaviour.

INTRODUCTION

The success of a firm depends largely on its capability to attract customers towards its brands. In particular, it is critical to retain its current customers, and to make them loyal to the brand.

What constitutes brand loyalty? According to Bloemer and Kasper, brand loyalty implies that consumers bind themselves to products or services as a result of a deep-seated commitment. To exemplify this point, they rendered a distinction between repeat purchases and actual brand loyalty. In their published research, they assert that a repeat purchase behavior 'is the actual re-buying of a brand' whereas loyalty includes 'antecedents' or a reason/fact occurring before the behavior. Bloemer and Kasper further delineate brand loyalty into 'spurious' and 'true' loyalty. Spurious loyalty exhibits the following attributes:

- a. Biased
- b. Behavioral response
- c. Expressed over time
- d. By some decision-making unit, with respect to one or more alternate brands, and
- e. A function of inertia

Brand loyalty is a topic of much concern to all marketers¹. Every company seeks to have a steady group of unwavering customers for its product or service. Because research suggests that an increase in market share is related to improved brand loyalty, marketers are understandably concerned with this element. Thus, brands that seek to improve their market positions have to be successful both in getting brand users and in increasing their loyalty².

Oliver defines brand loyalty as ‘a deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behavior.

Brand Loyalty is ‘the degree of consistency in buying a particular brand(s) as a function of cognition, emotion, satisfaction, commitment, habit and positive attitude towards brand (s)’. A firm’s ability to retain customers and foster brand loyalty is crucial for its continued success (Dogra and Ghuman 2008:119).

Consumer loyalty refers to the unwillingness on part of consume to switch over to the other products, brands or stores other than those he has been patronizing over a period of time. Consumer loyalty is broad term encompassing brand loyalty and store loyalty (Dogra and Ghuman 2008:120).

FACTORS OF BRAND LOYALTY

Research has indicated that brand attributes are viewed as important elements in a consumer's decision making. For example, Lau, et al. (2006) in his article mentioned that there were seven factors that influenced consumer’s brand loyalty towards certain brands. The factors were product benefits, product attributes, brand name, price and availability.

Brand

Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names (Keller, 2003). There are many unfamiliar brand names and alternatives available in the market place. Consumers may prefer to trust major famous brand names. These prestigious brand names and their images attract consumers to purchase the brand and bring about repeat purchasing behavior and reduce price related switching behaviors (Cadogan and Foster, 2000).

Product Quality

Product Quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as ‘fitness for use’ or ‘conformance to requirement’ (Russell and Taylor, 2006).

Price

According to Cadogan and Foster (2000), price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. In addition, customers have a strong belief in the price and value of their favorite

brands so much so that they would compare and evaluate prices with alternative brands (Keller, 2003).

PERSONAL CARE INDUSTRY

India's personal care industry is composed of hair care, bath products, skin care and cosmetics, and oral care. The sector is driven by rising income, rapid urbanization, and celebrity promotions. This industry accounts for 22% of the country's fast-moving consumer goods (FMCG), which is the term for Consumer Packaged Goods in India. Foreign direct investment in this sector totaled \$691 million in 2014.

Hair care is a main category of this industry. A study by Nielsen, a market research firm, determined that shampoo is the most popular FMCG product in India. The \$818 million shampoo segment is dominated by **Hindustan Unilever Ltd.**, owned by U.K.-based Unilever. Its most popular brands are *Sunsilk*, *Clear*, and *Clinic Plus*. Hair oil is another important product, valued at \$1.3 billion annually. India-based **Marico's Parachute** and **Dabur** are leaders in the production of branded coconut hair oil.

Estimated at \$1 billion, the soap and bath category is significant. Soap is a prevalent product found in more than 90% of Indian households. The most common brands include Godrej's *Cinthol*, Reckitt Benckiser's *Dettol*, Wipro's *Santoor*, and Unilever's *Lux*, *Dove*, *Hamam*, and *Lifebuoy*. For men, shaving cream and razors are important personal care items. **Procter & Gamble's Gillette** is the most popular shaving cream and razor brand in India.

Within the cosmetics category, India's most prevalent products are skin creams, lotions, whitening creams, and makeup. Hindustan Unilever has three brands that are popular among Indian women—*Fair & Lovely*, *Lakmé*, and *Ponds*. *Fair & Lovely* was the world's first skin lightening cream and is the company's leading skin care brand. **Colgate Palmolive's Charmis** moisturizer is also prominent. The majority of the demand for cosmetics comes from working men and women. **L'Oreal Paris** develops both skin care and cosmetic products for India. New York-based **Revlon** expanded further to smaller cities in India, generating \$40 million in revenues in 2014.

The organic skin care category grows at over 20 percent annually and is expected to total \$157 million in 2020, according to Azafran Innovacion, an organic skincare group. Large Indian organic skin care companies include **Himalaya Herbals** and **Biotique**. Both specialize in Ayurveda-based products.

The oral care category is the smallest category; less than half of Indian consumers utilize western-style products such as toothpaste. **Colgate Palmolive** dominates more than half of this industry and was named India's most trusted brand four years in a row by a brand equity survey. Hindustan Unilever is another significant player with toothpaste brands *Pepsodent* and *Close Up*.

OBJECTIVES

The research addresses the following issues:

- (i) To study the impact of demographic characteristics namely, Age, Gender, Marital status, Status group, Family composition on Brand Loyalty
- (ii) To study the reasons for being brand loyal
- (iii) To analyze the reasons for brand switching behaviour

RESEARCH METHODOLOGY

The present study is descriptive research based on the questionnaire circulated in the areas of Chennai, Tamil Nadu. The questionnaire had multiple choice questions to know general information like Age, Gender, Marital status, Family composition, Status group and specific information like their personal care products, number of years used, brand loyalty, brand switching and their emotional responses toward personal care products.

The data collected was analyzed mainly through descriptive statistics, using chi-square method. The SPSS (version 20.0) software was used to execute the analysis process. Methods such as histograms, pie charts and tabular formats were used to derive and summarize the data. The desired level of significance was 0.05 with the chi square test.

ANALYSIS AND INTERPRETATION

Socio-economic profiles of the customers have greater impact on the loyalty of the customers. Initially the Age, Gender, Marital status, Family composition, Education, Income, Status group were analysed.

Table 1 : Socio-economic profiles of the respondents

Variables	Categories	Percentage of respondents
Gender	Male	30%
	Female	70%
Marital status	Married	45
	Single	55
Age	Below 20	0
	20 -30 years	40
	30 – 40 years	60
	40 – 50 years	0
	50 – 60 years	0
	Above 60 years	0
Family composition	<= 2 Adults	30
	3 Adults	25
	>3 Adults	15
	<= 2 Children	25
	3 Children	0
	>3 Children	5
Education	Intermediate & below	0
	Graduate	10
	Post graduate	75
	Doctoral & professional	15
Income	Below 15000	15
	15000 – 25000	25
	25000 – 35000	10
	35000 – 45000	20
	Above 45000	30
Status group	Student	20
	Employed	60
	Unemployed	10
	Business	0

	Home maker	10
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The majority of the respondents are female. The marital status is almost similar. The age group of the respondents are 20 – 30 years and 30 – 40 years, who are young adults and Adults. Most of the respondents are well educated. Their family composition is Adults with or without 2 children. The respondents were distributed fairly belonging to all income levels. They are Student or employed and very few were unemployed or home maker.

Chi-square of socio-economic variables and brand loyalty:

Hypothesis 1:

H0: There is no significant association between gender and brand loyalty

H1: There is significant association between gender and brand loyalty

Table 2: Gender and Brand loyalty

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.696	4	.008
Likelihood Ratio	16.841	4	.002
Linear-by-Linear Association	.887	1	.346

Interpretation:

The Chi-square test revealed that the Pearson's significant level 0.008 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between gender and brand loyalty.

Hypothesis 2:

H0: There is no significant association between age and brand loyalty

H1: There is significant association between age and brand loyalty

Table 3: Age and Brand loyalty

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.353	4	.079
Likelihood Ratio	9.363	4	.053
Linear-by-Linear Association	6.985	1	.008

Interpretation:

The Chi-square test revealed that the Pearson's significant level 0.079 is greater than 0.05; hence the null hypothesis is accepted. And it is concluded that there is no association between age and brand loyalty.

Hypothesis 3:

H0: There is no significant association between marital status and brand loyalty

H1: There is significant association between marital status and brand loyalty

Table 4: Marital status and Brand loyal

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.621	4	.020
Likelihood Ratio	12.944	4	.012
Linear-by-Linear Association	6.221	1	.013

Interpretation:

The Chi-square test revealed that the Pearson's significant level 0.020 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between marital status and brand loyalty.

Hypothesis 4:

H0: There is no significant association between family composition and brand loyalty

H1: There is significant association between family composition and brand loyalty

Table 5: Family composition and Brand loyalty

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	63.683	16	.000
Likelihood Ratio	42.429	16	.000
Linear-by-Linear Association	2.158	1	.142

Interpretation:

The Chi-square test revealed that the Pearson's significant level 0.000 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between family composition and brand loyalty.

Hypothesis 5:

H0: There is no significant association between status group and brand loyalty

H1: There is significant association between status group and brand loyalty

Table 6: Status group and Brand loyalty

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.222	12	.007
Likelihood Ratio	31.544	12	.002

Linear-by-Linear Association	5.781	1	.016
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Interpretation:

The Chi-square test revealed that the Pearson's significant level 0.007 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between status group and brand loyalty.

SUGGESTIONS & CONCLUSION

This study identifies how effectively the socio-economic factors like gender, age, marital status, family composition, status group can influence consumer brand loyalty. Loyal consumers exhibit more positive emotions like trust, commitment, love, happy, pride and so on. The study has analysed the loyalty behaviour of soap, creams and talcum powder. All the socio-economic factors except age had influenced the respondents brand loyalty. In today's world of impulse buying, strong promotions and changing trends, marketers must position their brands in a unique and strong way to retain their customers. A new way is emotional branding, since satisfaction exhibits more positive emotions.

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