A STUDY ON ELEMENTS OF BRAND LOYALTY IN COSMETIC PRODUCTS IN SELECTED SALONS OF KARIMNAGAR, TELANGANA

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Indian cosmetic industry is growing in leaps and bounds. The market size of India's beauty cosmetics and grooming is expected to touch \$35 billion by 2035 from the current level of \$6.5 billion says the study undertaken by ASSOCHAM. Hence, Cosmetic industry is a lucrative business. The progressive growth and highly competitive environment in the cosmetic industry is attracting more marketing research in general and brand loyalty in particular. Brand loyalty is one of the important aspects which is significant for the management to sustain competitive advantages in the market. In this research, the relationship between brand loyalty and elements of brand loyalty was studied, with special focus on brand trust, satisfaction, brand price and perceived value. The general objective was to examine the elements of brand loyalty in cosmetic industry in Karimnagar. The specific objectives were to determine the effects of brand price on brand loyalty, to assess the effects of brand trust on brand loyalty, to establish the effects of brand satisfaction on brand loyalty, to establish the effect of perceived value on brand loyalty. The methodology adopted by the researcher is descriptive survey research design where questionnaires were used for data collection. Data was analyzed using descriptive statistics and has been presented using tables. The target population was 54 Salon operators who are consumers of Cosmetic Products in Karimnagar. The results indicate that there is a big correlation between brand trust, satisfaction, brand price and perceived value and brand loyalty since a large percentage of the respondents agree that these elements affect their brand loyalty.

INTRODUCTION:

The cosmetic industry is dominated by a small number of multinational corporations that originated in the early 20th century, but the distribution and sale of cosmetics is spread among a wide range of different businesses. The largest cosmetic companies are The L'Oréal Group, The Procter & Gamble Company, Unilever, Shiseido Company, Limited and Estée Lauder

Cosmetics are generally make-up products present in different forms, varying from powders, body makeup, soap, shampoo, toothpaste, cleaning body parts, enhancing features, and changing skin tones and colors such as makeup, perfume, toothpaste, shampoo, and deodorant.

Cosmetic industry is a very lucrative, innovative fast paced industry where innovation is significant and is considered to be the key to success. In addition, owing to the volatility of the cosmetic markets, it is essential to reveal the factors that influence the brand loyalty by examining elements of brand loyalty, which provides marketing managers with insights of establishing a more comprehensive business strategy.

Growth in the cosmetics industry in India:

According to a recent report by Research and Markets named "India Cosmetic Market Overview" (November 2016), the country's cosmetic market was growing with a CAGR of 17.06% over a period of five years. In 2008, the industry growth was counted to be 7% and it did a business of USD2.5 billion. In 2016, the market size of India's beauty, cosmetic and grooming market was USD6.5 billion and is expected to reach USD20 billion by 2025, according to a report by Assocham (2016).

A report by KPMG wellness sector (2014) states that India's beauty market will reach Rs.80,370 crore by 2017-18. It was Rs.41,224 crore in 2012-13. The report also indicates that the workforce requirement will grow to 12.1 million in 2022 from that of 3.4 million in 2013. According to the CII, the total Indian cosmetics market is of USD950 million, which indicates a growth of 15-20% per annum.

Factors for growth:

The report by Assocham highlighted that the consumption pattern of cosmetics among teenagers went up substantially between 2005 and 2015 because of increasing awareness and due to the desire to look good. Over 68% of young adults feel that using grooming products boost their confidence. About 62% of young consumers in big cities prefer to buy online beauty and grooming products whereas 45% of consumers tend to buy cosmetics and apparels from any shop of their convenience rather than a single shop. Both quality and value for money is being sought by consumers.

Also, there has been a rising aspiration among Indian men to look better groomed, which has led to the Indian men's grooming market witnessing a growth of more than 42% in the last five years. The study further showed that this growth is faster than the growth rate of the total personal care and beauty industry in India. "Interestingly, men who fall in the age group of 18 to 25, spend more money on grooming and personal care products than women in India," highlighted the Assocham study.

The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of the brand. Firms selling brand with high rate of loyal consumers have a competitive advantage over other firms. Brand loyal consumers reduce the marketing costs of the firm as the costs of attracting a new customer have been found to be about six times higher than the costs of retaining an old one. Brand loyal consumers are willing to pay higher prices as they trust, more satisfied and are less price sensitive. Brand loyalty also provides the firm with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Given the importance of brand loyalty, it is not surprising that it has received considerable attention in the marketing.

Salons in Karimnagar:

Karimnagar is a Municipal Corporation and district headquarters of Karimnagar district of Telangana state. [4][5] It is situated on the banks of Manair River, which is a tributary of the Godavari River. It is the fourth largest and fastest growing urban settlement in the state, according to 2011 census. It has registered a population growth rate of 45.46% and 38.87% respectively over the past two decades between 1991 and 2011, which is highest growth rate among major cities of Telangana. It serves as a major educational and health hub for the northern districts of Telangana. It is a major business center and widely known for Granite and Agro-based industries. In Karimnagar there are many Salons and salons. The Salons target various levels of clientele and a discussion with some of the owners and employees indicated that there is high preference rate for certain brands in different parlours, this indicates that there are some variables that exist in the mind of customers while selecting the appropriate cosmetic brand to use. It was hence imperative to analyze those determining factors that influence the choice of a specific brand by consumers. A review of literature suggests that brand trust, brand price, satisfaction and perceived value are some of the factors that determine brand loyalty. The purpose of this study was to analyze these factors and their degree of influence on brand loyalty amongst consumers in Karimnagar.

Objectives of the Study:

The objectives of this study were to establish the elements of brand loyalty amongst consumers in cosmetics in Karimnagar, to establish whether brand trust influences brand loyalty, to determine if the perceived value influences brand loyalty, to evaluate the relationship between customer satisfaction and brand loyalty and to investigate the relationship between brand price and brand loyalty

Limitations of the study

Lack of cooperation from the respondents may affect the scope of the research as not all the selected respondents may be willing to divulge information that is key to this study. The time frame may be a limitation to the research due to the fact that sufficient information would not be obtained within the time frame or schedule available. The study does not look into the concept of Cosmetic products holistically. However, its scope is limited to the elements of brand loyalty amongst salon owners in Karimnagar. The study looks at the cosmetic products. The study was carried out in Karimnagar between April and May 2017. This is because of convenience to the researcher in terms of accessibility of research materials, time and resources.

DATA ANALYSIS AND PRESENTATION

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Table No: 1: AGE Group of the Respondents

	Frequenc	Percent	Valid Percent	Cumulative
	y			Percent
Valid Less than 20	07	12.96	12.96	12.96
20-30	10	18.51	18.51	31.47
31-40	26	48.14	48.14	79.61
41-50	11	20.37	20.37	100.00
TOTAL	54	100.00	100.00	

Source: Questionnaire

The study revealed that 79.61% of the respondents are below 40 years of age majority of who (48.14%) are between 31-40 years while 20.37% are above 40 years. This indicates that the subjects of the study are over 18 years and therefore able to make informed choices consistently with regard to their cosmetics buying decisions.

Table No: 2: Educational Qualifications of the Respondents

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid Secondary	15	27.77	27.77	27.77
Diploma	16	29.62	29.62	57.39
Under Graduate	13	24.07	24.07	81.46
Post Graduate	10	18.51	18.51	100.00
TOTAL	54	100.00	100.00	

Source: Questionnaire

The study revealed that 29.62% of the respondents have diploma level of education, 24.07% were graduates while 18.51% were post graduates. The results indicate high literacy level among the respondents. This implies that the respondents were in a position to comprehend the research questions and answer appropriately without any language barriers.

Table No: 3: Monthly Income of the Respondents

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid < =10000	13	24.07	24.07	24.07
10001-20000	15	27.77	27.77	51.84
20001-40000	19	35.18	35.18	87.02
>40000	07	12.96	12.96	100.00
TOTAL	54	100.00	100.00	

Source: Questionnaire

The study indicated that 24.07% of the respondents earn an average of Rupees less than 10,000 a month while 27.77% earn an income that is between Rs. 10,000 and Rs. 20,000 while 35.18% earn between Rs.20001 to Rs.40000 and 12.96% earn more than Rs. 40000 from their salons. This indicates that most of the respondents earn reasonable income and therefore are able to make purchases without inhibitions from income.

Table No: 4: Shopping Frequency of the Respondents

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Once a month	12	22.22	22.22	22.22
Twice a month	11	20.37	20.37	42.59
Thrice a month	16	29.62	29.62	72.21
>3 times	15	27.77	27.77	100.00
TOTAL	54	100.00	100.00	

Source: Questionnaire

The study revealed that 22.22% of the respondents did their shopping for cosmetics once a month while 20.37% did their shopping twice a month, while 29.62% did their shopping three times a month and 27.77% did their shopping more than three times a month. The result indicates that most of the respondents are regular shoppers with 77.76% shopping more than once in a month. The results imply that the respondents are regularly confronted with cosmetic products buying decisions and hence are appropriate to answer the researcher's questions on brand loyalty.

ELEMENTS OF BRAND LOYALTY

The research is carried out on statements perceived as strongly disagree, disagree, neutral, agree and strongly agree by the respondents on Brand Trust, Brand Perception, Brand Satisfaction, Price, Brand Loyalty and Brand Loyalty in Cosmetic **Products**

1. Brand Trust

Table No: 5: Brand Trust of the Respondents

Statements	Strongl	Disagre	Neutral	Agree	Strongly	Total
	у	e			Agree	
	disagre					
	e					
Effects of Brand reputation on brand	6	13	5	19	11	54
loyalty						

8	9	8	21	8	54
8	9	8	18	11	54
9	11	5	19	10	54
8	12	5	19	10	54
39	54	31	96	50	270
14.44	20	11.48	35.55	18.51	100
	9 8	9 11 8 12 39 54	9 11 5 8 12 5 39 54 31	8 9 8 18 9 11 5 19 8 12 5 19 39 54 31 96	8 9 8 18 11 9 11 5 19 10 8 12 5 19 10 39 54 31 96 50

Source: Questionnaire

From the above table, 45.92% of the respondents were indifferent that brand trust influences brand loyalty, 35.55% agreed, while 18.51% strongly agreed that brand trust influences brand loyalty. The results indicate that 54.06% of the respondents agree that brand trust influences brand loyalty.

Brand Perception

Table No: 6: Brand Perception of the Respondents

Statements	Strongl	Disagre	Neutr	Agre	Strongly	
	У	e	al	e	Agree	Total
			The state of the s		>	
W 6	disagre	AL AL	AV JL	All		
	e			All		
Effects of Consistency in Quality on	6	11	5	13	19	54
Brand Loyalty	A BECOME	-401	24 A			
Effects of Attractive Packaging on brand	8	8	8	9	21	54
loyalty			-30			
Effects of Standard of Quality on Brand	6	11	5	13	19	54
Loyalty			The bear	4 %		
Effects of Brand Competence on Brand	9	10	6	11 🐪	18	54
Loyalty	7			W . 1		
Effects of Past Usage Experience on	8	10	7	12	17	54
Brand Loyalty		70.4				
TOTAL	37	50	31	58	94	270
PERCENTAGE	13.70	18.51	11.48	21.48	34.81	100

Source: Questionnaire

From the above table 11.48% of the respondents are neutral on whether consistency in quality, attractive packaging, standard of quality, brand competence and past usage experience affects brand loyalty, 21.48% agrees, while 34.81% strongly agree i.e. 56.29 % in total agree that consistency in quality, attractive packaging, standard of quality, brand competence and past usage experience affect brand loyalty. The results indicate that there is a big correlation between consistency in quality, attractive packaging, standard of quality, brand competence and past usage experience and brand loyalty since a large percentage of the respondents agree that consistency in quality affects their brand loyalty. It implies that most salon owners would consider consistency in the quality of the brand when purchasing cosmetic products. According to the study by Broekhuizen, (2006), he concluded that perceived customer value is as a consumer's perception of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits. Therefore, it implies that perceived consistency in quality, attractive packaging, standard of quality, brand competence and past usage experience are very critical aspect that strongly influences brand loyalty.

3. Brand Satisfaction

Table No: 7: Brand Satisfaction of the Respondents

Statements	Strongl	Disagree	Neutral	Agre	Strongly	Tot
	У			e	Agree	al
	disagre					
	e					
Effects of Past Interaction with a	9	10	6	18	11	54
Cosmetic Product on Brand Loyalty						
Effects of Brand Reliability on Brand	8	8	8	21	9	54
Loyalty						

Effects of Peer Approval on Brand	6	11	5	19	13	54
Loyalty						
Effects of Information Quality on Brand	7	10	8	16	13	54
Loyalty						
Effects of Perceived Quality on Brand	8	10	7	17	12	54
Loyalty						
TOTAL	38	49	34	91	58	270
PERCENTAGE	14.07	18.14	12.59	33.70	21.48	100

Source: Questionnaire

From the Table 4.15 above, 14.07% of the respondents strongly disagree that past interaction with a cosmetic product, Brand Reliability, Peer Approval, Information Quality and Perceived Quality influences brand loyalty, 12.59% are neutral, 33.70% agree and 21.48 strongly agree. The research findings reveal that past interaction with a cosmetic product, Brand Reliability, Peer Approval, Information Quality and Perceived Quality have a very strong influence on brand loyalty and implies that a customer will always buy a cosmetic product that has worked well in the past, that the customers are most likely to be loyal to cosmetic products that are reliable, that the salon owners will consider peer approval in buying and subsequently loyal in cosmetic products, that the customers would consider the quality of information they get from a cosmetic product very important in influencing their first purchase and subsequent purchases and thus to influencing their brand loyalty in a cosmetic product and that there is a strong relationship between perceived quality and brand loyalty and respondents are likely to be loyal to cosmetic products perceived to be of good quality.

According to Blackwell, Miniare and Engel (2006), satisfaction occurs when consumers" expectations are matched by perceived performance. On the other hand, dissatisfaction occurs when experiences and performance fall short of expectations. Satisfaction can lead to repeat purchase. Consumers possessing positive evaluations of a brand or product are much more likely to buy the brand or product again than those who possess negative evaluations.

4. Price

Table No: 8: Price of the Respondents

Statements	Strongl	Disagre	Neutra	Agr	Strongly	Total
	у	e	1	ee	Agree	
	disagre e			37		
Effects of the Cost-Effectiveness of a	9	10	6	18	11	54
Price on Brand Loyalty	0	0	0	21	0	5.4
Effects of the Last Purchase Price on Brand Loyalty	8	8	8	21	9	54
Effects of Price Consistency on Brand Loyalty	7	11	5	19	12	54
Effects of Value for Money of a Cosmetic Product on Brand Loyalty	7	10	8	16	13	54
Effects of Competing Brand Price on Brand Loyalty	8	10	7	17	12	54
TOTAL	38	49	34	91	58	270
PERCENTAGE	14.07	18.14	12.59	33.7 0	21.48	100

Source: Questionnaire

The table above indicates that 14.07% and 18.14% of the respondents strongly disagreed and disagreed that cost effectiveness of a cosmetic product price, Last Purchase Price, Price Consistency, Value for Money of a Cosmetic Product and Competing Brand Price affect brand loyalty, 12.59% were neutral, 33.70% agree while 21.48% strongly agreed. The results indicate that most of the respondents are positive about cost effectiveness of cosmetic product price, Last Purchase Price, Price Consistency, Value for Money of a Cosmetic Product and Competing Brand Price affecting their loyalty to a particular brand. These findings are consistent with those of Yoon and Kim (2000).

In the study by Yoon and Kim, (2000), they found out that consumers" satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change. Long-term relationships of service loyalty make loyal

customers more price tolerant, since loyalty discourages customers from making price comparison with other products by shopping around.

5. Brand Loyalty

Table No: 9: Brand Loyalty of the Respondents

Statements	Strongl	Disagre	Neutr	Agr	Strongly	Total
	У	e	al	ee	Agree	
	disagre					
	e					
Respondent's Willingness to Buy only the	9	10	6	18	11	54
Specific Brand						
Ability and Willingness to Buy Products	8	8	8	21	9	54
of Similar Brand						
Respondent's Willingness to Make the	6	11	5	19	13	54
Product their First Choice						
Ability and Willingness to Buy the Same	7	10	8	16	13	54
Brand Again						
Intention to Remain a Loyal Customer	10	10	7	17	10	54
Ability and Willingness to Pay a Premium	9	10	8	16	11	54
on a Product	111					
Ability to Buy Only if the Product is	8	8	8	21	9	54
Cheaper	9 10.4		M. W.	2000		
Willingness to be a Brand Ambassador	6	11	6	19	12	54
Willingness to Refer a Product to Others		10	8	16	13	54
Intention to Recommend the Product to	8	10	9	15	12	54
Others						
Ability to Consider the Brand the First	8	10	6	18	12	54
Choice in the Next Few Years			See See	A W		
Purchase Giving Value for Money	10	5	8	18	13	54
TOTAL	96	113	87	214	138	648
PERCENTAGE	14.81	17.43	13.42	33.0	21.29	100
		100	- 37 AV	2		

Source: Questionnaire

From the table 13.42% of the respondents neutral on their intention to be brand loyal in the near future, 33.02% agree that they would be brand loyal in near future, 21.29% strongly agree that they would be brand loyal with the same cosmetic brand in the near future. This indicates that most of the respondents would do a repeat purchase of the same cosmetic brand in the future and thus this would lead to subsequent purchases in the future.

6. Brand Loyalty in Cosmetic Products

Table No: 10: Brand Loyalty in Cosmetic Products of the Respondents

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Effects of Trust on Brand Loyalty in Cosmetic Products	9	10	6	18	11	54
Effects of Perceived Value on Brand Loyalty in Cosmetic Products	8	8	8	21	9	54
Effects of Satisfaction on Brand Loyalty in Cosmetic Products	5	11	5	19	14	54
Effects of Price on Brand Loyalty in Cosmetic Products	7	10	8	16	13	54
TOTAL	29	39	27	74	47	216
PERCENTAGE	13.42	18.05	12.5	34.25	21.75	100

Source: Questionnaire

From the table above 12.5% of the respondents were neutral about brand trust, Perceived Value, Satisfaction and Price affecting brand loyalty, 34.25% agreed that brand trust, Perceived Value, Satisfaction and Price affect brand loyalty, 21.75% strongly agreed that brand trust, Perceived Value, Satisfaction and Price influenced brand loyalty. From the results it is clear that the respondents tend to be loyal to brands which they can trust.

CONCLUSIONS

The overall impression of the respondents is that brand trust, brand satisfaction, brand price and perceived value influence their cosmetic products buying decisions. From the research conducted, the salon owners considered satisfaction i.e. 61.11 % as the most influential factor in determining brand loyalty. Perceived Value as a factor determining brand loyalty to the cosmetic brand was rated the second highest (55.55%). Brand trust and Price was considered a distant third in determining brand loyalty at 53.70%.. This clearly shows that all the factors have an influence on the brand loyalty of cosmetic products with the degree of influence varying amongst the different factors.

The study has been able to identify the major elements of brand loyalty in cosmetic products among salon owners in Karimnagar town. Based on these, the following recommendations are made to the companies dealing with cosmetic products-

Invest more on Marketing: They should invest more in marketing their products in the salons since the salon owners" deal with many clients who can in turn become customers of these companies. They should distribute free samples of their products to salon owners to use their products and to their clients too to widen the market base. Investing in attractive packaging brings fruits as most of the customers wishes to purchase products that have attractive packaging providing all the necessary information to use it for making purchasing decisions. They should have consistency in pricing their products since a change in price may trigger a shift on the loyalty of the customers.

Training: They should train salon owners to create confidence on the usage of their products which may lead to subsequent purchases of the same product since the results indicated that customers are likely to use products which they could predict the outcome.

<u>Create brand loyalty</u>: They should strive to create brand <u>loyalty</u> in their product building trust on their brand, reasonable price, qualitative products so as to purchase their brands predicting their high level performance.

Be Trendy: The tastes and preferences of the customers keep changing and hence they have to keep changing their products and marketing strategies in line with the needs and demands of the customers. Accept the change and provide products fulfilling their demands.

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