

Brand Loyalty – Customers Buying Behaviour on Soap “With Special Reference to Dove”

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Abstract

Brands in consumer markets are significant. They are the interface between customers and the business, and trust and loyalty to brands can be established by consumers. The goal of this study is to explore the effects of brand communication and service quality through brand confidence in building brand loyalty. In a relational context, this study examines the relationship between brand communication and service quality, with an focus on understanding the connecting role of brand trust and loyalty. Overall, the automotive industry was chosen for this analysis as the framework for relational exchange. Data was obtained from the randomly selected 258 customers via random questionnaires. The research was conducted in Turkey and was focused on the production and administration of a self-administered survey. The results suggest that brand contact and service / product quality expectations can be seen as a backdrop to brand trust, which in turn affects brand loyalty.

Keywords: Brand communication, service quality, brand trust, brand loyalty.

INTRODUCTION

The success of a company and business enterprise often depends on its Brand loyalty. In the present competitive scenario, every business wants to create goodwill so that its products and services can be easily marketed and able to make good and positive image in the mind of ultimate consumers. Today, the first priority of business is to fulfil and consider the demand of their present customer and to understand the customers' point of view because satisfied customers purchase a brand again and again. Once a customer become satisfied, he or she turns to be brand loyal. Brand loyal customers not only make repurchase of a product but also communicate positive words of mouth for the product from his/her near and dear ones. Companies give name to its products and this name is termed as brand in marketing context. Brand name helps to recall the name of product easily to customers. In this manner customers can easily identify their brand among various brands. Branding also helps companies in promotion and publicity. The following

have been identified as the most common benefits from brand loyalty: Higher sales volume, Premium pricing ability, Retain rather than seek, Increased Usage and Spending, Financial Benefits, Customer Acquisition, Enhanced Return, Strategy for Reducing Ongoing Expense etc. Strong brands have a number of benefits for a company, the retailer, the consumer and for society as a whole. Strong brands help the consumer locate and identify products and evaluate their quality and makes it easier for them to develop attitudes and expectations. Branding also makes shopping more efficient as it tends to reduce the amount of decision-making time required and the perceived risks of purchase since a brand promises a constant level of quality. Well-known brands are capable of developing favourable attitudes and perceptions more easily, leading to increase sales. Higher perceived quality gives the consumer a good reason to purchase the product. The same brand equity components may give the manufacturer an efficient base for line or brand extensions. The image and personality of the brand is easily carried over to the new products, giving it a head start. There are number of brands available in the market. One has to decide which brand to choose. There are many factors which determine the brand to be namely quality of the product, price advertisement packing and free gifts after of the product. There are many industries and FMCG (Fast Moving Consumer Goods) industry is one of them. This industry comprises of many categories such as beverage, food, personal care, household care, etc.

According to Babu Ganesh et al (2013), factors influencing the buying decision of branded soaps are packaging (packaging Attracts the attention of the customer to the specific brand, strengthens its reputation and influences consumer's perceptions about product.), retail outlet (Store Name and Perceived Quality: Retail stores have image of their own that serves to influence the perceived quality of products they carry, as well as the decision of consumers as to where to shop.), nutritional value (It aimed to create awareness of high fat content and awareness about nutrition labeling on packaging.), colours (Colors can also influence customers' emotions, positively or negatively. Colors seems to have several emotional and cognitive effects on people during product experience as well), consumer choice (Consumer choices concerning the selection and consumption which may be difficult and are important to the consumers, to marketers, and to policy makers.), product option (Product option selection is an important issue in consumer decision making because many product categories come with such as an offer.), consumers' information (Consumers collect information to help in the decision making process regarding which brands satisfy their needs and which do not. As a result, brands provide a shorthand device or means of simplification for making product decisions.), product and consumer involvement (Involvement refers to the extent to which the product category is motivating for the consumer. Being more involved means that consumers are motivated to willingly search for and actively process product related information). The consumers are influenced by the demographic and socio economic factors in purchase decision making of soaps. Various factors such as price, brand, product category and flavour influences the soaps purchases. Keeping in mind the fact that a substantial percentage of Indian population stays in rural and semi-urban areas, soaps, because of their economic pricing, become the most affordable for this segment. For the high-end segment also, the affordability factor and the hygiene and convenience that soaps offer, become a driving force. Soaps, a term used for a variety of fragrance, commonly flour-based personal care products.

Soaps are a hygienically packaged available at very competitive prices, volumes and different fragrance. According to the NCAER Study, soaps are predominantly consumed by people from the lower strata of society, particularly all male and female in both rural and urban areas with an average monthly income of \$12. A Buying Behaviour and Brand Loyalty of Soaps Consumers in India 23 Impact Factor(JCC): 2.9867 -. According to the report of marketline.com about global soaps consumption, December 2012, the global soaps market had total revenues of \$44,944.8 million in 2011, representing a compound annual growth rate (CAGR) of 3.1% between 2007 and 2011. In comparison, the European and Asia-Pacific markets grew with CAGRs of 2.5% and 5.9% respectively, over the same period, to reach respective values of \$17,633.6 million and \$9,974 million in 2011. Market consumption volumes increased with a CAGR of 2.1% between 2007 and 2011, to reach a total of 9,062.9 million kg in 2011. The market's volume is expected to rise to 10,005.7 million kg by the end of 2016, representing a CAGR of 2% for the 2011- 2016 period. The performance of the market is forecast to accelerate, with an anticipated CAGR of 3.5% for the five-year period 2011 - 2016, which is expected to drive the market to a value of \$53,454.8 million by the end of 2016. Comparatively, the European and Asia-Pacific markets will grow with CAGRs of 2.3% and 7.5% respectively, over the same period, to reach respective values of \$19,761.3 million and \$14,288.1 million in 2016. According to federation of soaps manufacturers' of India, Soaps industry in India in the organised sector produces around 60% of the total production, the balance 40% being contributed by the unorganised industry. The industry consists of two large scale manufacturers, around 50 medium scale brands and small scale units ranging up to 2500 units in the country, as at 2000- 01. The unorganised sector is estimated to have approximately 30,000 small & tiny industries across the country. The annual turnover of the organised sector of the soaps manufacturers (as at 2001-02) is \$670 million. In terms of volume soaps production by the organised segment in 2001-02 is estimated at 1.30 million tonnes. The major Brands of soaps are – lifebuoy, Lux, Rexona, Breeze, Humam, Margo, Dove, Liril etc. besides various regional/State brands. The annual production of soaps in the organised sector continues to be predominantly in the small and medium sale sector before and after de-reservation. The annual production was around 7,40,000 tonnes in 1997-98. In the next five years, soaps production witnessed an annual growth of 10% to 12%. Though India is considered as the third largest producer of soaps after USA and China, the per capita consumption of soaps in our country is only 2.1 Kg., compared to more than 10 kg in the USA, UK and West European countries and above 4.25 kg in south Asian countries and Singapore, Hong Kong, Thailand, Indonesia etc. China has a per capita consumption of 1.90 kg, while in the case of Japan it is estimated at 7.5 kg. Hence, a research want to explore what consumers expect from a brand of soaps assumes great significance. The main purpose of the study is to be measure the brand loyalty of the sample respondents to the Dove brand soap and known the main factors that influence their brand loyalty.

Brand Loyalty: -

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand Loyalty is therefore related to a customer's preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed as a consequence of the long usage. One of the most comprehensive and most cited conceptual definitions of brand loyalty was forwarded by Jacoby and Chestnut (1978). Jacoby et al, defines brand loyalty as "the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes." Cunningham (1956) identified three definitions of brand loyalty comprising; customers lost and gained over specific time periods; time sequences of individual purchases and share of the market (Smith). Olsen and Jacoby (1971) used factor analysis to conceptualised brand loyalty and found that brand loyalty is related to; percentage of purchase devoted to the most purchased brand, number of different brand purchased over the past two years, number of times the favourite brand was purchased out of the last five purchases, three consecutive purchases out of the last five purchases and the actual number of consecutive purchases of favourite brand out of the last five purchases (Smith). The next level are loyal buyers who considers the brand as a friend. The committed buyer or those who are extremely loyal to the brand. They comprise those who are proud users and will recommend the product to others

Scope of the Study:-

A Substantial proportion of the all marketing research involves the direct study of the people. The kinds of people studied are extremely varied including such individuals as house wife, children, executives and managers of small business. Attitudes are among the most complex least understood, but most used social, psychological concept in marketing. The researchers have made an attempt to study the consumer, loyalty to the brands and how far the consumers are loyal to old brand. Business consists in dealing of goods and services.

Objective of the Study:-

- To understand the buying behaviour of consumer for fast moving consumer goods - soaps.
- To know the brand loyalty based on buying behaviour of consumer.

Methodology Sources of data:-

To accomplish the objectives of the study, the researches have to depend on both primary and secondary data. For analysis purpose data was collected through primary source, i.e. self-structured questionnaire instruments used to collect data. The questionnaire was distributed directly and mail to the customers. Secondary data source was also used in the study to obtain an overview of past studies in the context of the present study. This source is also very useful findings, conclusions and results of past studies in the field. Secondary sources used in the study were research journals, reference books, marketing magazines, thesis of marketing and Internet.

Hypothesis Development for Factors of Brand Loyalty:-

In the previous sub sections an attempt has been made to discuss existing empirical results and theory concerning the brand loyalty of Dove, as well as the association between factors of brand loyalty. It forms the basis for the hypotheses of the thesis. In this subsection elaboration of hypothesis is done on the basis of factors explored by factor analysis method. The main hypothesis of the study is as follows:

Null Hypothesis: -

There is no significant impact of obtained factors on brand loyalty. Before testing the impact of obtained factors on brand loyalty, the relationship between obtained factors and brand loyalty is also examined. In above stated hypothesis, brand loyalty is taken as the dependent variable and obtained factors which are responsible to create brand loyalty are taken as independent variables. Testing of each hypothesis required several sub-hypotheses due to the interdependent nature of variables. Such sub-hypotheses have been stated and tested at appropriate places in the research. In the above diagram BL (Brand Loyalty) is dependent variable and IG, BT, PD, PR, PLA, CS, PA, PRO and BR are independent variables. The above formulated hypothesis is primary hypothesis and for testing purpose, it is divided into thirty secondary (sub-hypotheses) hypotheses.

Research Hypothesis

- Customers are health conscious irrespective of gender while buying the products - Soap.
- Age of customer has significant impact on buying behaviour.
- Gender and time taken to buy plays important role while buying soaps.
- Age and brand consciousness of customer plays important role while buying soaps.

Research Methodology:-

For any research; deciding the sample size and sampling technique is an important part. There are various methods for deciding the sample size. For this study, the data collection was done by convenience sampling. Researcher used observation method and Questionnaire method for collecting primary data. In the observation method researcher collect the data of actual timing taken by the consumer for buying a product (Soap) was collected. In questionnaire method the questions were framed keeping in mind the objectives of research. The questionnaire was filled by personal interview in the form of written responses of the questionnaire. The total sample size for the customers is 319. Retail outlets covered in the survey are Reliance fresh, Dorabjees, Big Bazaar, and D-mart. For the analysis of the data, researchers used basic techniques of Statistics such as mean, standard deviation, variance, etc; Hypothesis testing such Chi-square test and certain non parametric tests.

Analysis of Data Table 1: Buying Behaviour of Consumer for Soaps

Sr. No.	Time Taken to Buy a soap (Seconds)	Number of Respondent	
		(In Number)	(In %)
1	05-10	55	17
2	11-15	131	41
3	16-20	91	29
4	21 and above	42	13
Total		319	100

From the above Table 1, the researcher observed that 41% of customers took 11-15 seconds to buy a soap followed by 29% of customers who took 16-20 seconds, 17% of customers took 5-10 seconds while 13% of customers took 21 and above seconds to buy soap. From the Table 1, research conclude that majority of customer took 11-20 seconds to buy soaps. As soap are a industrial product which comes under perishable product, hence customer took time to check the expiry date even though they are brand conscious. Producer and retailers must take into consideration this fact and constantly replenish the stock accordingly and communicate the information to the customer through advertisement or in store display so that the customers get aware about it and time taken to buy soap should be reduce.

CONCLUSION

The results of this study summarize that there is significant difference among the perception of consumers belonging to different income levels towards factors Place and Brand Relation of Brand Loyalty of FMCG with special reference to Soaps but there is no significant difference among the perception of consumers

belonging to different income level towards factors Ingredients, Brand Trust, Purchase Decision, Price, Customer Satisfaction, Product Attributes and Promotion of Brand Loyalty of FMCG with special reference to soaps. As the market becomes more competitive with products and services which are substitutes, the study of Brand Loyalty and Customer Loyalty will become more crucial. Producers need to understand consumer behaviour in order to compete with rivals. Consumers may be irrational people who make decisions not on based rational reasons. There will always be a gap in understanding how a decision making unit makes a choice in a market that offers a lot of choices. Youth play the part of the major influence in purchases decision of soaps. For attracting them, the advertisements should be focused on the wants, needs and pleasure of youth. Introduction of combo packs with discounts may help the various brands in equal manner. Offering gifts like pen, pencil, rubber, geometry box etc., for children regularly may keep the sales constant. Introduction of hygienic and attractive packaging without increasing the price may attract more consumers.

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