



BRAND LOYALTY AND CONSUMER'S TRUST ON NESTLE PRODUCTS IN COIMBATORE CITY

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ABSTRACT

This study explores the brand loyalty and consumer trust towards Nestle products in Coimbatore city, Tamil Nadu. The study examines factors influencing brand loyalty and consumer trust, demographic variations, and consumer satisfaction. Data was collected through a questionnaire administered to 124 respondents via Google forms. The findings reveal that quality and taste are highly ranked by consumers, and they are satisfied with Nestle's product design and packaging. Chi-square analyses indicate no significant relationship between age and purchasing behavior or monthly income and factors influencing purchase decisions. The study offers valuable suggestions for Nestle to expand product awareness, target diverse age groups, and ensure consistent product availability to maintain and strengthen brand loyalty and consumer trust. This research contributes valuable insights to help Nestle and other companies enhance their marketing strategies and consumer satisfaction in a competitive marketplace.

Keywords: Nestle, Brand loyalty, Consumer trust, Coimbatore, Product innovation.

1. INTRODUCTION

Nestle, the Swiss multinational food and beverage company, has garnered significant brand loyalty and consumer trust in Coimbatore city, Tamil Nadu. Its diverse product portfolio, including popular brands like Maggi, Nescafe, Kit Kat, Milky Bar, and Munch, has helped build a strong reputation for quality and taste over the past 100 years in the Indian market. Nestle's success in Coimbatore can be attributed to strategic product innovation, strict quality assurance, and engaging marketing campaigns that create an emotional connection with consumers, fostering high levels of brand loyalty. Nestle's commitment to transparency, social responsibility, and excellent customer service has further bolstered consumer trust in the region. By providing accurate product information, supporting sustainable practices, and addressing consumer concerns promptly, Nestle has gained the trust of health-conscious and socially conscious consumers in Coimbatore. These

strategies have solidified Nestle's position as a trusted and reliable brand, ensuring its continued success in the city's competitive food and beverage market.

1.2 OBJECTIVES OF THE STUDY

1. To study the level of brand loyalty and consumer's trust on nestle products among different demographic groups in Coimbatore city.
2. To identify the factors that influence brand loyalty and consumer's trust on Nestle products in Coimbatore city.
3. To ascertain the satisfaction level of consumer's towards the Nestle products.
4. To get the feedback of the consumer's about the Nestle products in Coimbatore city.

1.3 STATEMENT OF THE PROBLEM

The brand loyalty and consumer trust towards Nestle products in Coimbatore city has become a matter of concern in recent years. There have been reports of consumer complaints regarding the quality and safety of Nestle products, leading to a decline in consumer confidence. This has resulted in a decrease in brand loyalty, as consumers are switching to other brands in search of more trustworthy and reliable products. Additionally, there have been controversies surrounding the production and sourcing of Nestle products, further eroding consumer trust. The issue of brand loyalty and consumer trust towards Nestle products in Coimbatore city is significant, as it has the potential to impact the company's revenue and reputation. Therefore, it is imperative for Nestle to address this issue and take steps to restore consumer trust and loyalty towards its product.

1.4 SCOPE OF THE STUDY

The study on brand loyalty and consumer trust on Nestle products in Coimbatore city is to examine the attitudes, beliefs, and behaviors of consumers towards Nestle products. The study will focus on identifying the factors that influence brand loyalty and consumer trust in Nestle products, including product quality, price, packaging, and advertising. The study will also investigate the impact of demographic variables such as age, gender, income, and occupation on consumer behavior towards Nestle products. The study will be conducted in Coimbatore city, which is a significant urban center in Tamil Nadu, India. The data will be collected through a survey questionnaire administered to a sample of Nestle product consumers in Coimbatore city. The findings of the study will be useful to Nestle's marketing department, as it will provide insights on consumer behavior towards its products in Coimbatore city, which can help the company to enhance its marketing strategies and improve customer satisfaction.

1.5 RESEARCH METHODOLOGY

The present study is focused on both primary data and secondary data. The primary data was collected from the respondents by using questionnaires to know brand loyalty and consumer's trust on Nestle products in Coimbatore city. The secondary data has been collected from existing literature on service quality, various journals, books, newspapers, magazines and websites of different national and international

institutions. Research methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done scientifically. It includes the overall result design, data collection methods, and analysis procedure.

1.5.1 TYPES OF DATA COLLECTION

Data collection is a process of getting information from all the relevant sources to find a solution to the research problem. It helps to evaluate the outcome of the problem. Data can be classified into two types. They are: 1. Primary Data 2. Secondary Data. The primary data was collected from the respondents by using questionnaires to know brand loyalty and consumer's trust on Nestle products in Coimbatore city. The secondary data has been collected from existing literature on service quality, various journals, books, newspapers, magazines and websites of different national and international institutions.

1.5.2 SAMPLE METHOD

There are different types of sampling method which is being used by the researchers in market research so that they do not need to research the entire population to collect actionable insights. It is also a time convenient and a cost – convenient method and hence forms the basis of research design. Here the sample is collected by Google forms.

1.5.3 SAMPLE SIZE

Sample size for the study is 124 respondents, the sample were collected through convenient sampling method i.e., Google forms.

1.5.4 PERIOD OF THE STUDY

The study was carried out during the period January 2023 to April, 2023.

1.5.5 AREA OF THE STUDY

Area of the study covers the consumers of Coimbatore city.

1.5.6 TOOLS

1. Simple percentage analysis
2. Rank analysis
3. Weighted average analysis
4. Chi – Square analysis.

1.6 LIMITATION OF THE STUDY

1. The study will focus only on nestle products in Coimbatore city, and the findings may not be generalisable to other cities.
2. The study will have a limited time frame, which may affect the accuracy of the results, as consumer attitudes and behaviours may change over time.

3. The study can't determine whether the information provided by them is real or not because it is gathered through Google forms.

2. REVIEW OF LITERATURE

Tanisha Shi Lin Sia , Noura Almutairi, Manayer Shuaib (2022)¹The study aims to investigate how product quality, brand name, advertisement, and product price influence customer loyalty. They found that product quality and advertisement are positively related to customer loyalty. We also identify that advertisement is the most significant factor influencing customer loyalty. Given that advertisement is the most significant factor influencing customer loyalty, we conducted another survey in Kuwait to determine which advertisements influence consumer behaviour, in which a total of 175 Kuwait consumers participated. The findings show consumer behaviour is primarily impacted by TV advertisements and celebrity endorsements in their brand preference. The main reason for preferring Nestle products is their high product quality and advertising.

Saranya. S, Shaliha. T, Shankari. S, Sheeladevi. S and Mrs. Dhanalakshmi. S (2022)²The primary objective was to study the customer satisfaction towards Nestle products and to analyze the factors influencing the purchase decision of the Nestle products. The data was collected from 50 respondents. From the data analyzed in this study, respondents are satisfied with the product's price and some respondents are dissatisfied with the product's taste. The major finding of this study was, majority of the respondents prefer Maggi and then product's price are reasonable. The conclusion was that majority of customers are aware of the products and the price has significant, positive impact on customer satisfaction.

Dr. Karuna Goenka (2022)³Customer Satisfaction has become the key to success. To emphasis on this aspect of marketing, an attempt has been made to study the customer's satisfaction, their loyalty and their demand in relation to Cadbury Products. This study is an empirical study based on primary data where the sample for the study consists of 100 respondents. The data for the study has been collected using questionnaires. Secondary sources of data include internet, books and magazines. The data collected have been analyzed using basic statistical tools such as tables, graphs and charts. Such analysis has formed the base for the conclusions and recommendations of the study.

Ai-man Esmail Waebuesar, Aina Binti Rosli, Ain Najwa Binti Mohd Azmi (2022)⁴The objective of this paper is to examine the customer satisfaction and brand loyalty of Nestle. Researchers have taken a sample of 100 respondent students since they consume nestle products in the market using the Structural Equation Modeling Approach, the five dimensions of brand loyalty are perceived values, perceived quality, marketing, brand image, and customer expectation are found to have positive effects on customer satisfaction. Data were collected via an online survey through a questionnaire using Google form as primary data. Secondary data was collected from websites and past research papers and articles that showed how customer satisfaction is linked to brand loyalty. To conclude, customer satisfaction is the main key to the expansion of brand loyalty and retaining customers.

Daisy Mui Hung Kee, Xiang Yee Tan, Sin Wei Lee (2021)⁵ The paper aims to examine the customer satisfaction and brand loyalty of Nestle. This study used quantitative method. Data were collected via an online survey. There are 100 consumers of Nestle as respondents of the survey. The results of the findings indicated that over three-quarters of the customers were satisfied with the Nestle products and over half of them believed that they were loyal to Nestle products. Also, the findings showed that customer satisfaction is strongly linked to brand loyalty. To conclude, customer satisfaction is the crucial key driver to increase brand loyalty and retain their customers.

3. DATA ANALYSIS AND INTERPRETATION

3.1. RANK ANALYSIS

Under this method the respondents are asked to rank the choices. This method is easier and faster. In this study the respondents are asked to rank the product which is mostly used by the respondents are used to rank as 1, 2, 3, 4 and 5. It does not matter which way the items are ranked, item number one may be the longest or it may be the smallest.

The scores of each expectations of 124 respondents were totalled and the total score has been arrived. Final ranking has been based on the total score and their ranks are given in the following table.

TABLE: 1.1

TABLE SHOWING THE RANK ANALYSIS

FACTORS	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	RANK
Quality and taste	56	17	26	14	11	124	I
	280	68	78	28	11	465	
Price	23	42	32	21	6	124	II
	115	168	96	42	6	427	
Nestle products in terms of safety	27	28	42	22	5	124	IV
	135	112	126	44	5	422	
Nestle products are the best when compared to other brand products	28	36	27	28	5	124	III
	140	144	81	56	5	426	
Availability of various variety products	28	30	30	21	15	124	V
	140	120	90	42	15	407	

INTERPRETATION

From the ranking analysis, it is found that Quality and taste is ranked as 1, Price is ranked as 2, Nestle products are the best when compared to other brand products is ranked as 3, Nestle products in terms of safety is ranked as 4 and Availability of various variety products is ranked as 5.

3.2.WEIGHTED AVERAGE ANALYSIS

Under this method, the respondents are asked to rank their choices. This method involves ranking of the items given. To secure a ranking of all the items involved, the researchers total the weights which are given to each item. The heighted weighted score is ranked first and correspondingly the other ranks are assigned.

TABLE: 1.2

TABLE SHOWING THE WEIGHTED AVERAGE ANALYSIS

FACTORS	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	
How satisfied are you with the Nestle products design and packaging	59	48	15	0	2	124	
	295	192	45	0	2	534	
How satisfied are you with the availability of Nestle products in nearby supermarkets	22	75	26	1	0	124	
	110	300	78	2	0	490	
How satisfied are you with the taste of the Nestle products	51	43	26	2	2	124	
	255	172	78	4	2	511	
How satisfied are you with the quality of the Nestle products	35	54	20	14	1	124	
	175	216	60	28	1	480	
How satisfied are you with the transparency of information provided by Nestle regarding their products	39	42	34	6	3	124	
	195	168	102	12	3	480	

Source: Primary data

INTERPRETATION

The above table shows the various satisfaction levels towards the usage of Nestle products. It interprets that the respondents gave the highest mean score 4.30 for the Nestle products design and packaging, the respondents gave 3.95 as mean score for the availability of Nestle products in nearby supermarkets, the respondents gave 4.22 as mean score for the taste of the Nestle products, the respondents gave 3.87 as mean score for the quality of the Nestle products and the respondents gave 3.87 as mean score for the transparency of information provided by Nestle regarding their products.

3.3.CHI – SQUARE ANALYSIS

The statistical test used to determine the probability of obtaining the observed by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi – square is a statistical significance test based on frequency of occurrence, it is applicable both to qualitative and quantitative variables. Among its many uses, the most common are tests of hypothesized probabilities or probability distributions, statistical dependence or independence and common population. A Chi – square test is any statistical hypothesis test in which the test statistic has a Chi – square distribution if the null hypothesis is true.

TABLE: 1.3

RELATIONSHIP BETWEEN THE AGE OF THE RESPONDENTS AND THE NESTLE PRODUCT MOSTLY PURCHASED BY THE RESPONDENTS

AGE OF THE RESPONDENTS	NESTLE PRODUCTS MOSTLY PURCHASED BY THE RESPONDENTS					TOTAL
	Chocolates	Coffee	Infant products	Ice cream and dairy	Health and nutrition	
15–25 years	28	21	9	8	9	75
26–35 years	7	7	1	7	9	31
36–45 years	2	5	3	1	4	15
above 45 years	0	2	0	0	1	3
TOTAL	37	35	13	16	23	124

Source: Primary data

HYPOTHESIS

There is no significant relationship between the age of the respondents and the Nestle products mostly purchased by the respondents.

CHI – SQUARE TEST

FACTORS	CALCULATION	DF	TABLE VALUE	REMARKS
Nestle products mostly purchased by the respondents	17.454 ^a	12	21.026	Accepted

INTERPRETATION

The calculated value of chi – square is less than the table value. Hence the hypothesis is accepted stating that there is no significant relationship between age of the respondents and Nestle products mostly purchased by the respondents.

TABLE: 1.4

RELATIONSHIP BETWEEN MONTHLY INCOME OF THE RESPONDENTS AND THE FACTORS THAT INFLUENCE THE RESPONDENTS ON PURCHASE OF NESTLE PRODUCTS

MONTHLY INCOME OF THE RESPONDENTS	THE FACTORS THAT INFLUENCE THE RESPONDENTS ON PURCHASE OF NESTLE PRODUCTS					TOTAL
	Brand loyalty	Quality of the product	Price	Availability	convenience	
Below 20,000	8	19	15	3	1	46
20,001 – 30,000	8	14	8	2	2	34
30,001 – 40,000	8	11	0	4	2	25
Above 41,000	5	7	3	4	0	19
TOTAL	29	51	26	13	5	124

Source: Primary data

HYPOTHESIS

There is no significant relationship between monthly income of the respondents and the factors that influence the respondents on purchase of Nestle products.

CHI – SQUARE TEST

FACTOR	CALCULATION	DF	TABLE VALUE	REMARKS
The factors that influence the respondents on purchase of the Nestle products	16.820 ^a	12	21.026	Accepted

INTERPRETATION

The calculated value of chi – square is less than the table value. Hence the hypothesis is accepted stating that there is no significant relationship between monthly income of the respondents and the factors that influence the respondents on purchase of the Nestle products.

4.FINDINGS

4.1 SIMPLE PERCENTAGE ANALYSIS

1. Majority (58.1%) of the respondents are female.
2. Majority (60.5%) of the respondents are between 15 to 25 years.
3. Majority (58.9%) of the respondents are unmarried.
4. Majority (53.2%) of the respondents are students.
5. Majority (74.2%) of the respondents belongs to nuclear family.
6. Majority (43.5%) of the respondents belongs to urban area.
7. Majority (37.1%) of the respondents are earning below 20,000.
8. Majority (52.4%) of the respondents are consuming Nestle products from 1 to 10 years.
9. Majority (39.5%) of the respondents are consuming the Nestle products weekly.
10. Majority (46.8%) of the respondents came to know about the Nestle products through advertisement.
11. Majority (37.1%) of the respondents consider that the brand loyalty is somewhat important in purchasing the Nestle products.
12. Majority (46%) of the respondents are somewhat likely to recommend Nestle products to a friend or family members.
13. Majority (44.4%) of the respondents consider that trust is somewhat important when purchasing Nestle products.
14. Majority (43.5%) of the respondents try new Nestle products occasionally.
15. Majority (39.5%) of the respondents are agreeing that Nestle products have made a good brand image.
16. Majority (56.5%) of the respondents are somewhat confident in the safety of Nestle products.
17. Majority (31.5%) of the respondents are faced the packaging issue while using Nestle products.

4.2 RANK ANALYSIS

The majority of the respondents are ranked highly for the Quality and taste of the Nestle products.

4.3 WEIGHTED AVERAGE ANALYSIS

The majority of the respondents are satisfied with the Nestle products design and packaging with the mean score of 4.30.

4.4 CHI – SQUARE ANALYSIS

1. There is no significant relationship between age of the respondents and Nestle products mostly purchased by the respondents.
2. There is no significant relationship between monthly income of the respondents and the factors that influence the respondents on purchase of the Nestle products.

5. SUGGESTIONS

- Consumers are not fully conscious about all the products of Nestle. Therefore, Nestle should advertise the less aware products in order that consumers may become fully aware about all the Nestle products.
- Most of the respondents are belongs to urban area. So the Nestle Company should focus on the rural area to make people to purchase their products.
- Nestle should also need to introduce the products which will attract the people below 15 years and above 25 years.
- Consumers expect to find Nestle products consistently available in stores. Nestle should work closely with retailers to ensure that their products are consistently stocked and available to consumers.
- Nestle should continue to innovate and introduce new flavors and taste experiences for their products. This can help keep consumers interested in Nestle products and maintain their loyalty over time.
- Nestle should ensure that their products are safe for consumption and meet all relevant safety standards.
- Nestle should focus on creating attractive and visually appealing packaging for their products. This can help catch the consumer's eye and motivate them to purchase Nestle products. Attractive packaging can also help build brand loyalty by creating a memorable and positive association with the brand.
- It is suggested that Nestle should offer affordable price for the product.

6. CONCLUSION

It can be concluded that Nestle has a strong brand image and consumer trust in the city. The study found that most consumers are loyal to Nestle products and are likely to continue purchasing them in the future. The study revealed that consumers trust Nestle because of their product quality and consistency. Nestle's commitment to sustainability and social responsibility has also contributed to consumer trust and loyalty. Nestle can improve, such as increasing transparency in their supply chain and addressing concerns related to the healthiness of some of their products. The study suggests that Nestle has a strong presence in Coimbatore city, and with continued efforts to address consumer concerns and improve transparency, they can maintain and even strengthen their brand loyalty and consumer trust in the region. The findings of this research project provide valuable insights for Nestle and other companies seeking to build and maintain brand loyalty and consumer trust in the competitive marketplace.

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