

BRAND LOYALTY AND PURCHASE DECISION IN GREEN MARKETING

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Abstract

Increasing awareness on the various environmental problems has led a shift in the way consumers go about their life. There has been a change in consumer attitudes towards a green lifestyle. People are actively trying to reduce their impact on the environment. However, this is not widespread and is still evolving. Organizations however have seen this change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. In the modern era of globalization, it has become a challenge to keep the consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Green marketing is a phenomenon which has developed particular importance in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research paper, an emphasis has been made of concept, need and importance of green marketing. Data were collected from multiple sources of evidence, in addition to books, journals, websites and news papers. It explores the main issues in adoption of green marketing practices for maintaining the brand loyalty of green products in Tamil Nadu.

Key words: Green marketing, environmental sustainability, traditional marketing, green products, etc.

1. Introduction

The emergence and growth of a healthy business environment in India has led companies to adopt new and innovative marketing strategies, that has resulted the customers to land in a trans-mode in the selection of all the products that are offered for their use. The greed for encapsulating the market boom pushes the producer to find an idle solution so that the customer never thinks about anything else other than their product, recognized by a brand name. This research work throws light on the tug of war between the customer and the producer as to how they will establish a loyalty between each other to fulfill both their respective objectives. In today's competitive environment of business, branding has emerged as a key tools used to differentiate the products of a company from the competitor's products. Branding helps in establishing a strong dominating position in the prevailing market by way of attracting new customer and retaining existing customers. A brand is perceived by the customer as indication of quality and assists them to make their purchase decision. Brand loyalty is the customer's purposeful decision expressed through strong intention to repurchase a brand repeatedly for a long

time. It happens as the result of customer's confidence that a particular brand offers and delivers the right product features and always keeps level of quality at the right prices. In order to build a strong brand loyalty, producers of the brand has to break customer's existing habits, assist them to attain new habits which is not yet experienced by them, and maintain those habits for a long time by reminding customers of the value of their purchase and persuade them to continue purchasing those products now and in future.

Loyal customers are ready to search for their preferred brand and are less responsive to promotion of the competitors. Hence, most of the companies are trying to create strong loyal customer group for their products in order to reduce the marketing cost of attracting a new customer. Brand loyalty helps in retaining the customers for a specific brand. This results in mitigation of costs for advertising, marketing and distribution. Loyal customers are less-price sensitive and they are willing to pay higher prices for the preferred brand because the potential customers perceived some unique value in the brand rather than the alternatives. For a customer, brand is a bundle of benefits and efficacies, on the other than, to the marketer; brand loyalty is an important asset that creates value to the brand. The green industry in India is one among the largest sector in the economy. Green industry provides a wide range of consumables. The rapid transition of green industry invites a quick look at the turn of events affecting its business and market sector brought about by a change in customer's attitude and preferences. Green sector in India can be categorized into three main segments as per the report of IBEF, such as household, personal care, healthcare and beverages. In the year 2016, the market size of green sector was estimated at about USD 49 billion.

2. Statement of the problem

Brand loyalty is an important aspect wherein the customers continue to purchase a specific brand even there are other alternative products available in the market with the advanced features, price and convenience. Every company is thriving to attain brand loyalty which is crucial for the accomplished of the objective of a company. The success of a firm largely depends on its capability to attract, retain and induce the customers to purchase their brands. So the marketers try to develop strong loyal customers for their products. It is a fact that the cost of obtaining new customers for a brand higher than the cost of retaining the existing customers. Therefore, each and every company put their wholesome effort to retain their existing customers and this is possible only when there is brand loyalty among the customers, many companies have already been achieved it, whilst some other are trying to achieve it. In order to achieve loyal customers, there is a higher need for detailed analysis on the level of brand loyalty, factors affecting brand loyalty and effect of brand loyalty on purchase decisions and the linkage between them. In this context, the researcher has made an effort to focus on this problem and to exhibit the effect to brand loyalty on the purchase decisions.

3. Objectives of the study

1. To analyze the factors influencing brand loyalty in green products.
2. To study the effect of brand loyalty on purchase decision.

4. Research methodology

Primary data were collected from customers of green products especially personal care products through structured interview schedule. Data were collected relating to their demographic profile, brand awareness, brand satisfaction, influencing factors of brand loyalty and purchase decision. For the collection of primary data, purposive sampling technique was adopted. Population of the study was all customers from both rural and urban who purchase the personal care products in Tirunelveli district. A pilot study was conducted among thirty respondents to validate the reliability of the interview schedule. Structured interview schedule was pre-tested and had the desired value of Cronbach's alpha reliability test.

5. Hypotheses

H₀₁: There is no significant difference between respondents using various categories of personal care products and their scores on brand awareness.

H₀₂: There is no significant difference between respondents using various categories of personal care products and their scores on brand satisfaction.

H₀₃: There is no significant difference between male and female respondents and their scores on perceived quality.

H₀₄: There is no a linear relationship between purchase decision and factors of brand loyalty.

6. Results and discussions

6.1. Brand satisfaction and selected branded personal care products

H₀₁: There is no significant difference between respondents using various categories of personal care products and their scores on brand awareness.

TABLE 1

Brand Satisfaction and Selected Branded Personal Care Products

Product	Brand satisfaction	Sum of squares	Mean square	F	Sig.
Toothpaste	Between group	1.66	.583	10.451	.000
	Within groups	21.314	.056		
shampoo	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	0.43	.021	.363	.696
	Within groups	22.437	.059		
Bathing soap	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	.136	.068	1.162	.314
	Within groups	22.344	.058		
Talcum powder	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	.165	.083	1.414	.244
	Within groups	22.315	.058		
P>0.05&**p<0.05					

From the above analysis it can be inferred that relationship between various categories of the personal products and their scores on brand awareness show that the P-value is less than 0.05 for category of respondents using various soap and talcum powder where the observed value came to 0.05 for various product shampoo bathing soap and talcum powder where the observed value came to 0.696 to 0.314, and 0.244 respectively. The F ratio pertaining to respondents using different brand of tooth paste has shown a statistical significant outcome. Hence, null hypothesis relating to various branded toothpaste is rejected. Bathing soap and talcum powder has failed to show any statistical significance on brand awareness. Hence, the null hypothesis on various other branded products like shampoo bathing soap talcum powder is accepted.

6.2. Personal care products and their scores on brand satisfaction

H_{02} : There is no significant difference between respondents using various categories of personal care products and their scores on brand satisfaction.

TABLE 2

Personal Care Products and Their Scores on Brand Satisfaction

Products	Brand satisfaction	Sum of squares	Mean square	F	Sig.
Toothpaste	Between group	7.432	3.716	6.505	.002
	Within groups	218.221	.571		
Shampoo	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	24.780	12.390	23.562	.000
	Within groups	200.873	.526		
Bathing Soap	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	14.749	7.375	13.358	.000
	Within groups	210.903	.552		
Talcum Powder	Brand satisfaction	Sum of squares	Mean square	F	Sig.
	Between group	16.646	8.323	15.212	.000
	Within groups	209.007	.547		
$P > 0.05$ & $**p < 0.05$					

From the above analysis it can be inferred that relationship between various categories of the personal products and their scores on brand awareness show that the P-value is less than 0.05 for category of respondents using various soap and talcum powder where the observed value came to 0.05 for various product shampoo bathing soap and talcum powder where the observed value came to 0.002, 0.00, 0.000, and 0.000 respectively. The F ratio pertaining to respondents using different brand of tooth paste, shampoo, bathing soap, talcum powder has shown a statistical significant outcome on brand satisfaction. Hence, null hypothesis on respondents using various branded tooth paste, shampoo, bathing soap, talcum powder rejected.

6.3. Level of brand satisfaction on branded products in green sector

H₀₃: There is no significant difference between male and female respondents and their scores on perceived quality.

TABLE 3

Level of Brand Satisfaction on Branded Products in Green Sector

Source	Type III sum of squares	Mean square	F	sig
Different type of gender	7.158	7.158	11.966	.001**
Categories of location	8.076	8.076	13.500	.000**
Interaction between different type of genders and categories of location	0.008	0.008	.014	.907*
Error	236.899	.598		
Total	5551.770			
*P>0.05 & **P<0.05				

From the above table it can be inferred that their P-Value was lesser than 0.05 for gender and category of location and the observed value is 0.001 and 0.000 respectively and the P-Value of the interaction between type of genders and category of location was 0.907, which is greater than 0.05. The F ratio pertaining to different type of genders and categories of location shows the statistically significant outcome. However, the interaction between type of gender and categories of location failed to show any such statistical significance on brand performance of brand loyalty. The F ratio relating to different type of gender and categories of location has archived statistical significance on brand performance of brand loyalty results in rejecting the null hypothesis

6.4. Purchase decision and factors of brand loyalty

H₀₄: There is no a linear relationship between purchase decision and factors of brand loyalty.

TABLE 4

Purchase Decision and Factors of Brand Loyalty

Model	R	R Square	Adjusted R square	Std. Error of the Estimate	Durbin-watson
1	.906	.821	.818	.32196	1.390

Observed R square indicates goodness of fit of the model in the population, R square value range from 0 to 1. Small values indicate the model does not fit the data well. It shows a positive relationship between factors of brand loyalty and purchase decision.

TABLE 5
ANOVA of Regression Model

Model		Sum of Square	DF	Mean Square	F	Sig.
1	Regression	186.600	6	31.100	300.027	.000*
	Residual	40.737	393	.104		
	Total	227.337	399			

7. Finding and suggestions

The study reveals that the customers are fewer prices sensitive. The major factors, which lead to change in brand preferences of customers, are quality, quantity rather than price. Hence, the company to retain their customers should enhance the factors such as quality and quantity of the brand. Supply of good-quality products will give the company a good image for dependability and reliability, which would help companies to gain the loyal customers. Majority of the customers from urban area always prefer and buy only branded personal care products rather than customers from rural area. Hence, the companies should concentrate on the rural customers and persuade them to prefer branded products.

8. Conclusion

Brand loyalty is the important instrument to measure how the customers are attached to a brand. A loyal customer's willingness to stay with a brand never changes even when competitors come knocking with offerings that are equally attractive. It is not that easy to develop such loyalty towards a brand. A company has to undertake huge investment in research and development and consider the basic elements for creating brand loyalty among customers. Therefore, it is concluded that the elements of brand loyalty are very important and indispensable in developing brand loyalty of green products. The manufacturers and marketers have to be very cautious and careful in fulfilling the expectations of customers on the elements of brand loyalty. The profiles of the customers are significantly associated with their level of brand loyalty. Hence, the marketers should study the brand loyalty, behaviour among the customers on a segment wise classification and then formulate appropriate brand loyalty strategies in order to succeed in the green market.

9. Reference

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