Is Brand Variety Replacing Brand Loyalty

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ABSTRACT

Brand equity is a concept born in 1980s. Brand variety created by customers’ loyalty brings benefits not only to customers, but also to manufacturers, commercial intermediaries, society, and, of course, brand owners. It has aroused intense interest among business strategists from a wide variety of industries as brand variety is closely related with brand loyalty and brand extensions. Besides, successful brands provide competitive advantages that are critical to the success of companies. However, there is no common viewpoint emerged on the content and measurement of brand variety. Brand variety has been examined from financial and customer-based perspectives. This paper will study the customer-based brand variety which refers to the consumer response to a brand name.

Key words: Brand; Loyalty; Variety; Customer and Behaviour

INTRODUCTION

Many firms adopt the vigorous means to maintain the existence in the market, as there are many substitutes in the market. This tendency is a struggle for the producers for the survival in the modern business world. The literal meaning of business is ‘Being busy”, but actually it is an economic activity. It is mainly about dealing with goods and services. In fact, business activity will flourish and its object will be realized only, when it is able to serve community to its satisfaction.

In general brand loyalty is a reflection of brand quality, which for many businesses is the largest single asset. Building and maintaining brand loyalty has became a central theme of marketing theory and a practice is establishing sustainable competitive advantage. In traditional consumer marketing, the advantages enjoyed by a branded with strong customer loyalty include ability to maintain premium pricing, greater bargaining power with channels of distribution, reducing selling cost, a strong barrier to potential new entries into the product/service category, and synergistic advantages of brand extensions to related product/service categories. Brand equity reflects the value added to a product that results from branded knowledge.

Historically, a brand was any visible mark created for identification. Today, a brand includes any identifiable or subconscious characteristic, including the many qualities and emotions contained in a consumer’s relationship with an entity, be it a company, product, service or individual. Therefore, the term “Branding” is now synonymous with relationship-building.
Marketers engaged in branding seek to develop or align the expectations behind the brand experience, creating the impressions that a brand associated with a product or services has certain qualities or characteristics that make it special or associating an “Image” with a product or service, where by the personality or image is “Branded” into the consciousness of consumers. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintain a brand is called brand management. This approach works not only for consumer goods B2C (Business-to-Consumer), but also for B2B (Business-to-Business).

REVIEW OF LITERATURE

Constantine Andriopoulos, Manto Gosti (2000)¹, in this article titled “Benchmarking brand management in the creative industry” identified that an empirical framework explaining the interrelationship among five employee management practices, individual/team creativity and corporate brand building. We conclude that creative organisation need to recognize their employees’ creative output as their key asset towards successful brand building and hence should aim to provide their employees with the appropriate environment for enhancing creativity in their work.

Manto Gosti, Alan Wilson (2001)², in this study titled “Corporate reputation management: “Living the Brand” identified that recognized that an organization’s corporate reputation is affected by the actions of every business unit, department and employee that comes into contact with another stakeholder. However, the means by which employees can be directed or encouraged to “live the brand” is an area which has received relatively limited coverage.

Debra Grace, Aron O’Cass (2005)³ in their research study titled “Examining the effects of service of brand communications on brand evaluation” identified that the study seeks to examine the effects of three communication avenues, namely controlled communication (e.g. Advertising), uncontrolled communication (word-of-mouth), and brand name, on consumer service brand evaluation.

Franz-Rudolf Esch, Tobias Langner, Bernd H. Schmitt, Patrick Geus (2006)⁴ in their research paper titled “Are brands forever? How brand knowledge and relationships affect current and future purchases” identified that the purpose of this paper is to develop a comprehensive model that combines brand knowledge and brand relationship perspectives on brand shows how knowledge and relationships affect current and future purchases.

Henrik Uggla (2006)⁵ in this study titled “The corporate brand association base: A conceptual model for the creation of inclusive brand architecture” identified that the purpose of this paper is to analyse and discuss the strategic positioning of associations that can be established between a corporate brand and entities in its surrounding network such as brands, product categories, persons, place and institutions.

STATEMENT OF THE PROBLEM

The Coimbatore city is one of the industrially developed and well advanced cities in the state of Tamilnadu. This city consists of many export industries for exporting Electrical, Mechanical, Textile, Automobile and Garment products. The presence of much number of industries and other service sector makes it necessary to have a more variety of branded personal care products. Hence, the present study is a fact finding exercise to answer the following questions. The main purpose of the study is to measure the brand loyalty of the sample respondents to personal care products and
knows the main factors that influence their brand loyalty.

OBJECTIVE OF THE STUDY

The study was carried out with the following objectives,

✓ To study the socio-economic profile of the respondents
✓ To find out whether the band variety replaces the loyalty of a brand
✓ To find out the factors influencing the switching behaviour

SCOPE OF THE STUDY

The present study titled “IS BRAND VARIETY REPLACING BRAND LOYALITY” is carried out to probe the level of satisfaction derived by the sample respondents on the services rendered by personal care products and the factors influencing to find out whether the brand variety replaces the brand loyalty.

RESEARCH METHODOLOGY

The study is empirical in nature based on the survey method. The whole data required for the study are collected in two stages. The primary data are relating to personal particulars of the sample respondents and their opinion on the various services that have been rendered by the personal care products in Coimbatore District. The researcher used questionnaire for the purpose of collecting data from the respondents. The secondary data relating to the study are obtained from various published and unpublished records, bulletins, journals and magazines and from the net resources.

FRAME WORK OF ANALYSIS

The present study is carried out by using the following techniques to analyse the collected data

❖ Simple Percentage Analyse, and
❖ Chi-square test

ANALYSIS AND INTERPRETATION

A brand name is thus an important asset for a company and should be carefully protected, frequently by having it designate as a trade name. Foreign brand names have a special appeal for consumers in developing countries like India. The socio-economic profile of the respondents has been evaluated by using simple percentage analysis and the results are summarized in the following table shown below.

Table No: 1
SOCIO- ECONOMIC PROFILE OF THE SAMPLE RESPONDENTS

<table>
<thead>
<tr>
<th>S.NO.</th>
<th>PARTICULARS</th>
<th>NO.OF RESPONDENTS</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>70</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Semi-Urban</td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Urban</td>
<td>65</td>
<td>37</td>
</tr>
<tr>
<td>2.</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Below 20 yrs</td>
<td>40</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>20 – 40 yrs</td>
<td>99</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>40 – 60 yrs</td>
<td>31</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Above 60 yrs</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>77</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>98</td>
<td>56</td>
</tr>
</tbody>
</table>
Out of 175 respondents, 40 percent of the branded personal care products are used by the rural people. 56 percent of the respondents are under the age group of 20 – 40 years. 98 percent of the female respondents are using branded personal care products. 52 percent of the respondents are married. 32 percent of the respondents are graduates. 52 percent of the respondents are earning above 20000 – 30000 per month. 33 percent of the respondents were housewives. 100 percent of the respondents are having awareness about the brand.

**CHI-SQUARE TEST**

The chi-square test is an important test among the several statistical techniques employed for analysing the significance among variables. Here the independent variables namely area, gender, age, marital status, educational qualification, monthly income and occupation have been tested for their significance with the dependent variable switching behaviour of brand products.

**HYPOTHESIS TESTING**

**Hₐ:** There is no significant relationship between the area and switching behaviour of branded products.

**Hₐ:** There is no significant relationship between age and switching behaviour of branded products.

**Hₐ:** There is no significant relationship between gender and switching behaviour of branded products.
**H₀**: There is no significant relationship between marital status and switching behaviour of branded products.

**H₀**: There is no significant relationship between educational qualification and switching behaviour of branded products.

**H₀**: There is no significant relationship between monthly income and switching behaviour of branded products.

**H₀**: There is no significant relationship between occupation and switching behaviour of branded products.

### TABLE: 2

**FACTORS INFLUENCING SWITCHING BEHAVIOUR OF BRANDED PRODUCTS**

<table>
<thead>
<tr>
<th>S.NO</th>
<th>VARIABLE</th>
<th>STATISTICAL TEST</th>
<th>VALUE</th>
<th>SIGNIFICANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Area and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>7.420</td>
<td>Significant *</td>
</tr>
<tr>
<td>2.</td>
<td>Age and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>8.280</td>
<td>Significant *</td>
</tr>
<tr>
<td>3.</td>
<td>Gender and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>0.684</td>
<td>Not significant <strong>ns</strong></td>
</tr>
<tr>
<td>4.</td>
<td>Marital status and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>1.062</td>
<td>Not significant <strong>ns</strong></td>
</tr>
<tr>
<td>5.</td>
<td>Educational qualification and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>6.465</td>
<td>Significant *</td>
</tr>
<tr>
<td>6.</td>
<td>Monthly income and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>1.133</td>
<td>Not significant <strong>ns</strong></td>
</tr>
<tr>
<td>7.</td>
<td>Occupation and switching behaviour of branded products</td>
<td>Chi-square test</td>
<td>1.173</td>
<td>Not significant <strong>ns</strong></td>
</tr>
</tbody>
</table>

Source: Primary data  * - 5% level of freedom  ** - 1 % level of freedom

From the above table it is found that there is a significant relationship between the Area and switching behaviour of branded products. There is a significant relationship between Age and switching behaviour of branded products. There is a significant relationship between Educational qualification and switching behaviour of branded products.

### FINDINGS

The findings of the study provided an excellent path way to success in branding.

- Branded personal care products are mostly used by the rural people.
- Branded personal care products are mostly used by the age group of 20 – 40 years.
- Female respondents are the majority in using branded products.
- Branded personal care products are mostly preferred by graduate respondents.
- Respondents earning above 20000 – 30000 per month are using branded personal care products.
- Respondents are mostly aware about branding.
SUGGESTIONS

Every personal care products manufacturers have to take more steps to penetrate the heart of the customer and market. To stand with in the market every company has to build good market strategies.

- The company has to make awareness of their products by frequently advertising in t.v and also the advertisement should be broadcast in prime time.
- The company has to increase their promotional activities by providing free gifts such as free gifts for kids like ball, pen, tattoos, etc.
- The company has to force the retail respondents to go for point display advertisement in their shops. For that the company can provide glass showcase to display their products to attract customers.
- The companies have to take more effort to increase the quality of their products from the level of their competitor’s products, so that they will have brand loyalty among their consumers.

CONCLUSION

Brand loyalty, therefore, is all about how well, effectively and completely the company’s brand satisfies the consumer’s needs, desires and dreams. A brand is loyal to the consumer when it connects with the consumers emotional desires. When that emotional connection occurs, the company may then be rewarded with some special affinity the consume feels for the brand which may influence them to buy again. A brand’s loyalty to its customers therefore yields consumers having an affinity for the brand. Truly connecting with the consumer on an emotional level is the key to brand loyalty and consumers affinity. The study concluded that all the companies should try to create the brand loyalty among the customers by giving frequent advertisement, offering products with moderate price, with the high quality.

References