

Existence of Brand Loyalty - A Myth Or A Reality?

* Dr. Vijetha S. Shetty

INTRODUCTION

Marketing is nothing but an enigma. It is one of the most dynamic fields in the business arena. Industrial Revolution has given way to that of the Consumer Revolution. Earlier lessons of 4Ps (Product, Price, Place and Promotion) have given way to 4Cs (Consumer, Cost, Convenience and Communication). There has been a fundamental change in consumer's preference and behaviour. There is now an unprecedented openness to try both -new products and new brands, manifested in a sweeping preference of brand variety and novelty over brand loyalty. The essence of the marketing process is building a brand in the minds of the consumers. In the recent times, it is seen that today's consumer has the ambition to exhaust as many possibilities as he/she can for the fear to miss out something. It is the Fear of Missing Out (FOMO) phobia. Certainly, this has negative effect on brand loyalty.

Some critics are of an opinion that loyalty itself has lost its relevance in today's complex marketing environment. It is true that in a world of numerous brand choices, consumer buying decision becomes increasingly intricate and complicated. In the present environment, it is, therefore, apt to study the existence of brand loyalty.

OBJECTIVES OF THE STUDY

The present study is an attempt to find out the existence of brand loyalty through the presence of the loyal segments in the shampoo market. An attempt is also made to find out the relation of emotional/affective commitment of loyal segments. In addition, the study also provides an insight into the actual purchase behaviour of loyal segments and age groups among women consumers.

LITERATURE REVIEW

Despite several years of research attention, brand loyalty is still poorly understood. From the earliest paper on "brand insistence" (Copeland) to the present, the relevance of this concept (how loyalty should be defined and measured) for understanding and predicting consumer purchase decision is still debated among researchers. It is important to note at what level brand loyalty is measured (individual and aggregate) and the type of the data employed to know what is to be measured (behaviour, attitudes or behaviour and attitudinal properties) (Jacoby, 1978). Brand loyalty measures have evolved from the behavioral stage to attitudinal stage to behavioral and attitudinal stage and now there is an attempt to add emotional measures. The present study measures affective/emotional commitment of consumers based on Allen and Meyers commitment scales, which is used as a reference. Research sheds light on interesting information about gender behaviour towards brand loyalty. Women stay loyal and pay more for brands that treat them well, and offer a sense of community. Another study considering the role of gender explains that marketers need to develop a stronger emotional bonding for its women (Jacoby) shoppers. The present study is focused on being gender-specific (women consumers) and product category specific (shampoo).

METHODOLOGY USED

The scope of research is circumscribed within the Mumbai Municipal Corporation. The time framework of study is six months (June 2007 - December 2007) to gain an insight of brand loyalty. Since the present study is focused on women, the sample selected are women consumers aged 15 and above. The total sample size of the respondents is 499. The samples are selected based on stratified random sampling method. For the present study considering the product category, the samples are divided into age groups namely 15-19, 20-29, 30-39 and 40 and above. On the basis of loyal behaviour, the author has divided the respondents into four loyal groups- one who buys the same brand all the time-*the classics*, one who changes the brand often-*the switchers*, one who alternates between two or three specific brands-*the fusionists* and one who buys a normal brand but is more interested in buying other brands as well-*the contemporaries*.

*Head, Department of Commerce, Valia College, Andheri (w), Mumbai-53. E-mail: drvijethashetty1@gmail.com

SOURCES OF DATA COLLECTION

Data is collected from both the sources: primary as well as secondary source. Survey method is used to collect primary data. Secondary data is collected from census reports, relevant journals- national as well as international pertaining to the topic of research, books, newspapers, business magazines, women's magazines, annual report and financial statements of companies, Org-Marg retail audit, The National Council of Applied Economic Research (NCAER) survey of households, and from the various websites. The Questionnaire as a tool is used to collect data from the primary source .A structured questionnaire is used to collect data from the respondents. Questions with multiple-choice responses were also asked.

ANALYSIS OF DATA

The data is analyzed using the Statistical Package for Social Sciences (SPSS) software. Various statistical tools are used to analyze the data -some of them are percentage method, cross tabulation, chi-square test, test of correlation and analysis of variance (ANOVA).

SWITCHING BEHAVIOUR FOR SHAMPOOS

Table 1: Percentage Distribution Showing Switching Behaviour In The Past Six Months

Switching the shampoo brand	No. Of Respondents	Percent
YES	222	44.5%
NO	277	55.5%
Total	499	100.0

CLASSIFICATION OF RESPONDENTS BASED ON LOYAL BEHAVIOUR

Table 2: Percentage Distribution of Segments Based On Loyal Behaviour.

Loyal segments	No. Of Respondents	Percent
Buy different brands most of the time (SWITCHERS)	40	8
Buy the same brand all the time (CLASSICS)	209	41.9
Normally buy the same brand, sometimes purchase other brands as well (CONTEMPORARIES)	181	36.3
Alternate between two or three specific brands (FUSIONISTS)	69	13.8
Total	499	100.0

EXISTENCE OF LOYAL BEHAVIOUR ACROSS THE AGE GROUP OF RESPONDENTS

Table 3: Cross Tabulation of The Age Groups By Loyal Segments For The Shampoo Brand

Loyal Segments	Age groups (yrs)							
	15-19		20-29		30-39		40 and above	
	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Switchers	10	8	14	8.9	7	6	9	9
Classics	46	36.8	59	37.3	52	44.8	52	52
Contemporaries	57	45.6	70	44.3	40	34.5	14	14
Fusionist	12	9.6	15	9.5	17	14.7	25	25
Total	125	100	158	100	116	100	100	100

Thus, there is a clear difference in the loyal segments based on age factor for shampoos. Moreover, as the age increases, the loyalty effect seems to be getting stronger. Although, it is observed that in the 40 and above age group, the number of switchers also increases marginally. The overall chi-square test shows that the value of 37.495 and the difference shown is significant at 99% confidence interval.

OVERALL STRENGTH OF BRAND LOYALTY FOR SHAMPOOS

Table 4: Mean Scores For Measuring Intensity of Brand Loyalty

Brand Loyalty Measures	Mean	Std. Deviation
I am satisfied with my brand.	4.2	.5
I am loyal towards my brand.	3.8	.9
I intend to buy the same brand in future.	3.7	.9
I recommend my brand to others.	3.4	1.1

In case my brand is not available, I continue to search for it.	3.6	1.1
I would continue to use my brand even if price increases by 10%.	3.7	.9
Price discounts offered by alternative brands do not affect me.	3.7	1.0
Free gifts/schemes offered by alternative brands do not affect me.	3.7	1.1

The overall average mean score of brand loyalty measure is at 3.7. Except for satisfaction and self-stated retention; all other scores reflect moderate loyalty. Nevertheless, it is observed that the word of mouth for recommending the shampoo brand to others is low as compared to all other brand loyalty items. This shows that consumers are not enthusiastic about recommending their brands to others. Thus, overall, the brand loyalty in shampoo market is moderate.

ASSOCIATION BETWEEN AFFECTIVE COMMITMENT/ EMOTIONAL ATTACHMENT AND BRAND LOYALTY FOR SHAMPOOS

Table 5: Correlation Between Affective Commitment /Emotional Attachment and Brand Loyalty Measures

Brand Loyalty Measures	Affective/Emotional Measures		
	My brand is special to me	I am happy to use the brand	My brand is best
I am satisfied with my brand.	.410(**)	.633(**)	.483(**)
I am loyal towards my brand.	.475(**)	.476(**)	.595(**)
I intend to buy the same brand in future.	.422(**)	.418(**)	.505(**)
I recommend my brand to others.	.290(**)	.299(**)	.305(**)
In case my brand is not available, I will continue to search for it.	.352(**)	.347(**)	.386(**)
I would continue to use my brand even if price increases by 10%.	.269(**)	.370(**)	.403(**)
Price discounts offered by alternative brands do not affect me.	.167(**)	.242(**)	.210(**)
Free gifts/schemes offered by alternative brands do not affect me.	.169(**)	.177(**)	.156(**)

** Correlation is significant at the 0.01 level (2-tailed)

In conclusion, intensity of brand loyalty for the shampoo brand is positively correlated with the affective commitment /emotional attachment for the brand and the correlation is significant at 0.01 level.

OVERALL BRAND DIFFERENTIATION SCORES FOR SHAMPOO BRAND ASSOCIATION BETWEEN BRAND DIFFERENTIATION AND BRAND LOYALTY MEASURES IN THE SHAMPOO MARKET

Table 6: Relationship Between Brand Differentiation and Brand Loyalty Measures

Brand Loyalty Measures	Brand Differentiation
	Great Deal Of Difference Within Brands
I am satisfied with my brand.	.268(**)
I am loyal towards my brand.	.359(**)
I intend to buy the same brand in future.	.267(**)
I recommend my brand to others.	.124(**)
In case my brand is not available, I will continue to search for it.	.283(**)
I would continue to use my brand even if price increases by 10%.	.175(**)
Price discounts offered by alternative brands do not affect me.	.095(*)
Free gifts/schemes offered by alternative brands do not affect me.	.102(*)

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

From the above table, it is clear that among the brand loyalty items (except for two items relating to counter persuasion by competitors through price discounts and free gifts), the correlation between brand loyalty and differentiation among brands is significant at 0.01 level. An insight into the shampoo market shows that differentiation in the shampoo market is more influenced by price and promotions.

To conclude, brand differentiation is one of the essential factors required to enhance brand loyalty in the shampoo market.

INTENSITY OF BRAND LOYALTY AMONG LOYAL SEGMENTS

Table 7: Mean Scores And Homogeneous Subset Showing Intensity of Brand Loyalty Among Loyal Segments.

	Loyal segments	N	Mean
Brand Loyalty	Switchers	40	6.75
	Classics	209	30.97
	Contemporaries	181	24.96
	Fusionists	69	25.33
	Total	499	26.07

Homogeneous Subsets -Brand Loyalty

Loyal Segments	N	Subset for alpha = .05		
		1	2	3
Switchers	40	6.75		
Contemporaries	181		24.9669	
Fusionists	69		25.3333	
Classics	209			30.9761
Sig.		1.000	.996	1.000

Means for groups in homogeneous subsets are displayed by using the homogeneous Subsets by Scheffe. The groups within the subsets are classified at a significant at 95% confidence interval. Hence, brand loyalty for this product category reflects that loyal behaviour is purely based on choice and preference for the brand, rather than being based on high switching costs or unavailability of brand choice. Thus, it is observed that there is a significant difference between intensity of brand loyalty and loyal segments.

AFFECTIVE/ EMOTIONAL COMMITMENT AMONG LOYAL SEGMENTS.

Table 8: Mean Scores and Homogeneous Subsets Showing Intensity of Affective/ Emotional Commitment Among Loyal Segments

	Loyal segments	N	Mean
Affective commitment	Switchers	40	2.97
	Classics	209	12.28
	Contemporaries	181	10.16
	Fusionists	69	10.39
	Total	499	10.50

Homogeneous Subsets by Scheffe. Affective Commitment

Loyal segments	N	Subset for alpha = .05		
		1	2	3
Switchers	40	2.97		
Contemporaries	181		10.1657	
Fusionists	69		10.3913	
Classics	209			12.2823
Sig.		1.000	.981	1.000

It is observed from the above table that ANOVA for affective commitment is 86.228 and is significantly different at 99% confidence interval among the loyal segments for shampoo brand. Means for groups in homogeneous subsets are displayed by using the homogeneous Subsets by Scheffe. The groups within the subsets are classified at a significant at 95% confidence interval.

Among the loyal segments, Contemporaries and Fusionists have similar affective and emotional attachment for the shampoo brand. Thus, Emotions (feelings) play an important role in influencing loyal behaviour in the shampoo market.

BRAND DIFFERENTIATION ACROSS LOYAL SEGMENTS IN SHAMPOO MARKET.

Table 9: Mean Scores Showing Brand Differentiation Among Loyal Segments

	Loyal segments	N	Mean
Brand differentiation	Switchers	33	2.97
	Classics	205	4.01
	Contemporaries	171	3.49
	Fusionist	65	3.74
	Total	474	3.71

Homogeneous Subsets Brand differentiation

Loyal segments	N	Subset for alpha = .05		
		1	2	3
Switchers	33	2.97		
Contemporaries	171		3.49	
Fusionists	65		3.74	3.74
Classics	205			4.01
Sig.		1.00	0.547	.487

ANOVA for brand loyalty 14.096 is significantly different at 99% confidence interval among the loyal segments for shampoo brand.

Means for groups in homogeneous subsets are displayed by using the homogeneous Subsets by Scheffe. The groups within the subsets are classified at a significant at 95% confidence interval. The above classification shows that there is a clear difference in the perception of brand differentiation among Switchers, Classics and Contemporaries and Fusionists. Fusionists do not differ significantly with the contemporaries and classics.

Thus, there is a significant difference between brand differentiation and loyal behaviour.

CONCLUSION

Human beings like a sense of normalcy and brand loyalty lends to this. Brand loyalty will always be alive and well. Brand loyalty does not happen. It takes a lot of work to sustain it through years. Measuring brand loyalty is important- if one cannot measure it, then one cannot manage it. Brand loyalty is existent in younger age groups as well as older generations, although their intensity of loyalty varies. One of the greatest challenges and wins for building up brand loyalty at a young age would be to get the consumer to use the brand when they are young, so that they stay loyal. A holistic view is required to cultivate loyalty. The entire business system and not just the brand manager should be involved in building up loyalty. Companies who wish to build up loyalty for their brands must note that word of mouth communication, brand differentiation and an element of emotion/affection attachment for the brand is essential. All brand strategies must focus on developing these vital aspects for them to clearly stand out in the so-called enigmatic market. In a market, companies need to take chances with various strategies, manage to positively differentiate the brand as the best as compared to others and create a bond with consumers for their products through skillful branding and be **victorious**. After all, *the consumer is always right*.

BIBLIOGRAPHY

1. A. Kuehn (1968), "An analysis of the dynamics...management", as in McConnell, Douglas, "The development of brand loyalty: an experimental study", *Journal of Marketing Research*, vol. V, 13-19.
2. Aaker (1991), *D. Brand Equity*, N.Y.: Free Press.
3. Alladi, V. (1980), "Changing Rules of Women-A life-style Analysis", *Journal of Consumer Research*, 7, 189-197.
4. Allen, Natalie and John Meyer (1990), "The measurement and antecedents of affective, continuance and normative commitment to the organization", *Journal of Occupational Psychology*, 63, 1-18.
5. Ajzen, I. And Fishbein (1980), *M. Understanding and predicting social behavior*, Englewood Cliffs, N.J. Prentice Hall.
6. Athale, G. (2007) 'Women need to assert their leadership', *The Economic Times*, 31st March.
7. Bennett, R. and Sharyn, (2003) "A comparison of attitudinal loyalty measurement approaches", *Brand Management*, vol 9, No.3, 193-209.
8. Dick, Alan S. and Kunal Basu (1994), "Customer Loyalty: Toward an integrated Conceptual Framework", *Journal of the Academy of Marketing Science*, 22(winter), 99-113.
9. *Economic Times*, Brand Equity, 15th December, 2004, p 1-6.
10. 'First Among Equals', *The Economic Times*, 30th March, 2007, p7.
11. Fullerton, Gordon (2003), "When does commitment lead to loyalty", *Journal of service research*, vol 5 (4), 333-343.
12. Jacoby, J. (1971), "A Model of Multi- Brand Loyalty", *Journal of Advertising Research*, vol.11 (3), 25-31.
13. Jacoby, J. and Kyner, B.D. (1973), "Brand Loyalty v-s Repeat Purchasing Behaviour", *Journal of Marketing Research*, 1-9.
14. Media Pacers, Brand Equity, *The Economic Times*, 2th May, 2007.
15. www.hll.com
16. www.jnjindia.com
17. www.mckinsey.com
18. www.pg.com
19. www2.acnielsen.com
20. Yi, Youjae and Hoseong Jeon (2003), "Effects of Loyalty Programs on Value Perception, Program Loyalty, and Brand Loyalty", *Journal of Academy of Marketing Science*, 31(3), 229-240.
21. Zeithaml, Valarie, Leonard Berry and A. Parasuram (1996) "The behavioural consequences of service quality", *Journal of Marketing*, 60(2), 31-46.