
Determinants of Brand Loyalty: An Analytic Exposure

Dr. Isita Lahiri*
Amrita Chatterjee**

Abstract

Today brands are becoming indispensable part of our social life. Now a day brands reveal personal choices and these choices also indicate societal changes. The brand concept is one of the prime concerns for the marketers. Indian FMCG market is a highly competitive market where brand establishment is not sufficient. The success of a firm depends on its capability to attract consumers towards its brands. In particular, it is critical for the company to retain its current customers, and to make them loyal to the brand. It is very important to have brand loyalty. Brand loyalty also provides the firm with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Brand loyalty depends on few factors but here the objective of the study is to analyze customers' expectation from the brand and its fulfillment, brand heritage and brand presence as the key determinant of brand loyalty in Indian FMCG market with special reference to bathing soap brands. Some demographic variables are also taken into account to establish the influential effects of these three variables on brand loyalty.

Keywords: Brand Loyalty, Customers' Expectation, Brand Heritage, Brand Presence.

Introduction: The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. Firms selling brands with a high rate of loyal consumers have a competitive advantage over other firms. Brand loyal consumers reduce the marketing costs of the firm as the costs of attracting a new customer have been found to be higher than the costs of retaining an old one. Studying and managing brand loyalty, however, should start with a clear definition of the construct involved and the development of valid measures. The concept of brand loyalty, as integral part of the brand management strategy evolved in the 1950s, while the attitude to measure brand loyalty as a construct was initiated by the composite model of Jacoby in 1971. This measuring model combined both the attitudinal and behavioral construct signaling the beginning of much interest in brand loyalty research using the composite model as a base, several models have emerged since offering new dimensions and influences in various industries. Unfortunately, while there seems to have emerged considerable agreement on the conceptual definition of brand loyalty since the work of Jacoby and Chestnut (1978), no unified perspective to measure it has emerged yet. Brand loyalty plays an important role in brand equity as it refers to the marketing effects or outcomes that accrue to a product with its brand name

compared to those that would accrue if the same product did not have the brand name. The concept brand loyalty became one of the most researched topics within the field of services marketing from the 1990s onwards, and the FMCG industry is also well researched to with regard to brand loyalty and brand management. FMCG products refer to those retail goods that are generally replaced or fully used up over a short period of days, weeks, or months, and within one year (Smith, 2010) FMCG have a short shelf life, either as a result of high turnover or because the product perish ability. FMCG are goods of daily use bought by retail consumers, like toothpaste, soaps and detergents, deodorants, and more. In this research paper brand loyalty of FMCG products are analyzed based on customers' expectations from the brand and its fulfillment, brand heritage and brand presence of a FMCG product in Indian market with special reference to bathing soap brands.

Literature Review: Plenty of literature is available related to brand loyalty. From the previous research works and studies few important variables are identified which affect brand loyalty. We have divided the whole literature review based on some of those variables related to brand loyalty. These are as follows:

Price Premium: A basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits (Aaker, 1991).

*Associate Professor, University of Kalyani, West Bengal

** Junior Research Fellow (JRF), University of Kalyani, West Bengal

Customer Satisfaction: A direct measure of customer satisfaction can be applied to existing customers, who can perhaps be defined as those who have used the product or service within a certain time frame such as the last year. The focus can be the last use experience or simply the use experience from the customers view (Aaker, 1991). Customer satisfaction is believed to mediate consumer learning from prior experience and to explain key post-purchase behaviors such as complaining, word of mouth, repurchase intention and product usage (Westbrook and Oliver 1991), customer satisfaction has a significant influence on repurchase intention and that a higher level of customer satisfaction directly leads to a higher level of brand loyalty (Lin, 2009). However, satisfaction is an insufficient solo condition for loyalty (Back and Parks, 2003). Customers can achieve high levels of satisfaction yet not inspire any real loyalty and therefore, satisfaction in the market at any given time (Engels, 2005).

Switching Costs: Consumers face non-negligible costs such as the transactional and learning costs of switching between different brands of products or services (Klemperer, 1987). These costs are classified as: Transaction costs, learning costs, Artificial switching costs.

Brand Trust: Researchers have found a strong relationship between loyalty and brand trust (Garbarino and Johnson, 1999). Their research suggested that there is a distinct need for trust in developing positive attitudes towards brands. Brand trust is the central construct for any long-term relationship and is an important contributor in attaching an emotional commitment which leads to long-term loyalty (Hess, 1995).

Relationship Proneness: Relationship proneness is an individual characteristic of the buyer. It is defined as “a buyer's relatively stable and conscious tendency to engage in relationships with sellers of a particular product category” (Odekerken-Schröder, 1999) (Storbacka et al., 1994). Similarly, plural proneness as the stable tendency of a consumer to engage in relationships with retailers and can therefore be considered as a part of a consumer's personality (Bloemer and Odekerken-Schroder, 2002). It can be assumed that consumers, who are intrinsically inclined to engage in relationships with retailers in general, will also reveal *store loyalty* to a particular retailer (Odekerken-Schröder, 1999). Similarly, loyalty aimed towards a specific product or a specific brand indicates that a relationship was formed between the brand or product and the customer.

Brand Involvement: Product involvement involves an ongoing commitment on the part of the consumer with regard to thoughts, feelings and behavioral response to a product category (Gordon et al., 1998). Involvement is an unobservable state of motivation, interest toward a

product (Miller and Marks, 1996). Additional evidence is that involvement is closely related to intentions and behaviors, corroborating evidence from numerous studies (Park, 1996). Studies that have examined the relationship between product involvement and loyalty indicate a definite correlation (Jacoby and Chestnut, 1978), (Park, 1996), (Traylor, 1981).

Perceived Value: Perceived value as the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given (Punniyamoorthy and Raj, 2007). Perceived value is made up of several of the following components: Functional Value, Emotional Value, Price-worthiness Factor and Social Value (Voss et al., 2005).

Commitment: Brand commitment occurs when consumers pledge or bind themselves to purchase the brand (Kim et al., 2007). Customer commitment is a central construct in the development and maintenance of marketing relationships because it is a key psychological force that links the consumer to the selling organization (Bansal et al., 2004). There is over whelming evidence to suggest that the higher the level of commitment, the higher the level of brand loyalty (Fullerton, 2005). Regarding commitment and relationship marketing, it is noteworthy that commitment occurs when consumers pledge loyalty while this may not be the case in relationship marketing. There may be a relationship but not a commitment.

Repeated Purchase Behavior: The consistent repeat purchase is one kind of “Loyalty-Prone” behavior (Cunningham, 1956) which forms the base for brand loyalty. Repeated purchase behavior is an axiomatic term that simply refers to the extent to which consumers repurchase the same brand in any equal-length period of time (Ehrenberg, 1988). The strength of behavioral brand loyalty is, therefore, directly a function of the repetitive occurrence of purchase or consumption behavior. Consumer establishes a systematic biased response or habit simply due to the frequency of encounters (Saaty, 1994).

Brand Affect: Brand affect is defined as the potential in a brand to elicit a positive emotional response in the average consumer as a result of its usage (Chaudhuri and Holbrook, 2001). Brand affect can also be defined as a brand's potential to elicit a positive emotional response in the average consumer as a result of its usage (Moorman et al., 1992). Regarding brand effect, in a retail context, a positive relationship exists between positive affect and willingness to buy, and that the positive effects of store image increases loyalty (Ladhari, 2007).

Brand Relevance: A brand needs to stand for something that actually matters in a world of too many brands for

human cognition (Tucker, 2005). Therefore, brands relevance is a key component in ensuring brand loyalty (Kea, 2008).

Brand Performance: Perceived performance is the customer's evaluation of product or service performance following the consumption experience. Brand performance is the subjective evaluation of the core product (that is, attributes of the focal product), comprising both intrinsic (effectiveness) and extrinsic (packaging) characteristics (Musa, 2005). Brand performance, as indicated by various studies, is a FMCG loyalty factor that must be considered when measuring brand loyalty (Jacoby and Chestnut, 1978) (Dick and Basu, 1994) (Chaudhuri and Holbrook, 2002) (Musa, 2005).

Culture: Reference groups as the most important consumer buying organization in society (Kotler and Keller, 2006). Young individuals remain loyal to family brands until other factors take over (Sahay and Sharma, 2010). Family and culture play an integral role in purchasing behavior and brand loyalty (Lamb et al., 2008). Family introduces a psychological dimension to brand loyalty in that it indirectly promises security and trust through generations of use (Bravo et al., 2007).

Back Ground of the Problem: After the literature review it can be said that so far brand loyalty has been associated with some important variables but here in this research article main emphasis is given on brand presence, customers' expectation from the brand and its fulfillment, brand heritage because these variables have not gained much attention in previous studies as the determinants of brand loyalty.

- **Brand Presence:** Here brand presence can be defined as presence of the brand in customers mind.
- **Customers' Expectation from the Brand and Its Fulfillment:** A customer always expects some value from the brand. In case of FMCG products he wants to realize the value while he is using the product. Regular usage of a particular brand generates some expectation in customers mind from that brand. The expectations can be in terms of product design, color, flavor, packaging etc. which he wants to be fulfilled by the brand.
- **Brand Heritage:** Brand heritage can be stated as the long term presence of the brand in the market and to have brand heritage a particular brand should have good will in market for several years.

Objectives:

1. Main objective of this study is to find out the relationship among Brand loyalty and brand presence, customers' expectation from the brand

and its fulfillment, brand heritage for a particular set of FMCG brands.

2. Analysis of customers' response to know their perception on brand loyalty of FMCG products based on bathing soap brands.

Research Methodology:

Sampling Procedure: This study comprised a survey held amongst FMCG consumers. A sample of 70 respondents is selected for the study and the convenience sampling technique is followed. The sample is drawn from Kolkata and adjacent areas. The sample is consisted of respondents from different age groups and from different socio economic classes. The rationale for selecting a sample with such characteristics is that the sample:

- Sets a minimum educational level for entry into the research
- Represents a segment that is more informed about their choices and preferences
- Represents a community that is more likely to analyze their own purchasing behavior
- Represents lower to higher income earners that have a wider choice of brands to consider in their purchasing decision and they would be able to understand the terminology and nomenclature specified in the questionnaire.

Data Collection: The questionnaire is developed to capture the data. The responses on the questions are used to measure the brand presence, customers' expectation from the brand and its fulfillment, brand heritage and the influences of these three variables on brand loyalty. The responses of the respondents are recorded on a 5-point Likert scale. Respondents were asked to rate their favorite brand of bathing soap from 1 to 5 where 1 is the lowest rate and 5 is the highest rate. In this process the data generated is in interval scale. At the time of tabulation the Likert scale is labeled as : 1= strongly disagree , 2= disagree, 3= neutral , 4= agree and 5= strongly agree. Other questions which indicate respondent's demographic and socioeconomic situations are in the form of multiple choice questions.

Sample Design: In this study the total number of respondents = 70. This sample is consists of people from different age groups. The following table shows the distribution of respondents based on their ages. The whole sample is divided in 4 different age groups.

Table 1: Age of Respondents

Age of Respondents	Number of respondents
18-23 years	15
24-35 years	20
36-50 years	30
50-60 years	5

The sample is divided into two groups based on their gender; male and female. In our study number of male respondents is less than number of female respondents. The respondents are selected randomly so this variation is completely coincidental.

Whole sample is again divided into three economic classes and the following table shows the distribution of respondents as per their monthly income.

Table 2: Level of Income of the Respondents

Level of income/ month	Number of respondents
Bellow Rs.5000	25
Rs.5000- Rs.15000	15
More than Rs.15000	30

Data Analysis: Data analysis is mainly done to identify the relationship of brand loyalty of bathing soap brands with brand presence, customers' expectation from the brand and its fulfillment, brand heritage. multiple regression analysis has been done for this purpose. These statistical functions are performed by using SPSS 16.

Table 3: Different Brands of Bathing Soaps and No. of Respondents using a Particular Brand

Name of the bathing than 5 times.	Number of loyal respondents purchased a brand for more soap brand
Lux	25
Dove	15
Fiamsa Di Wills	5
Life Buoy	15
Other	10

From table:3 it is apperant that Lux has highest number of loyal customers where as Fiamsa Di Wills has the lowest number of loyal customers. Here the analysis has been done to understand the reason behind their brand loyalty for the bathing soap brand which the individual respondents have purchased and atleast for 5 times.

Table 4: Variables Entered/Removed at the Time of Data Analysis

Model	Variables Entered	Variables Removed	Method
1	Brand expectation & Fulfillment, Brand Heritage, Brand Presence	.	Enter

a. All requested variables entered.

b. Dependent Variable: Brand Loyalty

Table 4 shows that all the variables which are considered at the time of analysis are taken into account at the time of calculation.

a. Predictors: (Constant), Brand expectation & Fulfillment, Brand Heritage, Brand Presence

b. Dependent Variable: Brand Loyalty

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.860 ^a	.740	.728	.605

From Table 5 the model summary shows that the coefficient of multiple determinant R Square value is 0.740. That means 74% of the variation in the dependent variable is explained by independent variable. It can be said that the regression equation useful for making predictions since the value of R Square value is close to 1. So predictors Brand expectation & Fulfillment, Brand Heritage, Brand Presence are explaining the dependent variable Brand Loyalty properly.

Let's focus on the three predictors, whether they are statistically significant and, if so, the direction of the relationship. The effect of the variable brand presence ($b=-0.405$, $p=.000$) is significant and its coefficient is positive indicating that the greater proportion of respondents think that a certain brand's presence in their mind is the main source of their brand loyalty. Next the variable brand Heritage, it is also significant to predict brand loyalty because the value of $b=0.334$ and $p=0.001$ which is less than 0.005. The variable brand expectation & fulfilment is an influential and significant ($p=0.002$) predictor of brand loyalty. It has a positive relationship with the dependent variable ($b=0.248$).

So the regression equation is $Y = 0.022 + 0.405X_1 + 0.334X_2 + 0.248X_3$ where Y is the dependent variable brand loyalty, X_1 is the first independent variable brand presence, X_2 is the second independent variable Brand Heritage and X_3 is the third independent variable Brand expectation & fulfillment.

Table 6: Coefficients of Brand expectation & Fulfillment, Brand Heritage, Brand Presence

Model	Un Standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.022	.316		.068	.000
Brand Presence	.405	.092	.415	4.389	.000
Brand Heritage	.334	.094	.314	3.564	.001
Brand expectation & Fulfillment	.248	.076	.263	3.257	.002

a. Dependent Variable: Brand Loyalty

Findings: From the data analysis some major findings have come out:

- Brand loyalty of bathing soap brands depends on brand presence of that particular brand. When a customer going to purchase a bathing soap for him/her he/she always have a preferred brand in his/her mind and based on that the purchase decision is made. From the responses of the customers it is also evident that they always compare a new brand of bathing soap with the brand which is there in their mind. Ultimately they repurchase a bathing soap brand based on its presence in their mind.
- Brand loyalty of bathing soap brand also depends on customers' expectation from the brand and its fulfillment. In this case respondents who are using Lux for a long time they have mentioned that they expect new variety of lux after a certain interval and the brand fulfill their expectation. As a result Lux has the highest number of loyal customer base among all other bathing soap brands in our study. Same thought is there who are using Fiam Di Wills though it is a comparatively new brand in bathing soap market but it is gaining loyal customer base on a faster rate just due to the customers expectation from the brand and its fulfilment.
- Brand heritage has come out as another determining factor of brand loyalty from the analysis of data and from customers' responses. In case of Lux this is the main independent variable for its brand loyalty. Lux has a good will in as a bathing soap in Indian market from a long period of time. Some of the respondents have mentioned that Lux was a popular brand when their mothers were at their young age. Most of the customers consider the brand heritage of a particular brand when they are going to purchase a

FMCG product in this case bathing soap.

- A bathing soap brands mere existence in the market has no significant effect on its brand loyalty.

Conclusion: From previous research works we have identified three variables, brand presence, customers' expectation from the brand and its fulfillment, brand heritage which are not yet got much importance but can be important determinants of brand loyalty. In our study we collected responses from different people of different age group and of different income levels based on their selection of bathing soap brands as a FMCG product. Qualitative and quantitative analysis of their responses proved that brand loyalty positively depends on brand presence, customers' expectation from the brand and its fulfillment, brand heritage. According to our study Lux has the highest loyal customer base which is followed by Dove and Life Buoy. The customers of above mentioned bathing soap brands have identified that brand presence, customers' expectation from the brand and its fulfillment, brand heritage are key factors of their brand loyalty.

References:

1. David A. Aaker, Managing Brand Equity ;New York, NY: The Free Press, 1991.
2. Ahmed I. Moolla1, 2. a. (2012). Empirical Evaluation of a Model That Measures the Brand. Soc Sci.
3. Back KJ, Parks SC 2003. A Brand Loyalty Model is Involving Cognitive, Affective, And Cognitive Brand Loyalty and Customer Satisfaction. Journal of Hospitality and Tourism Research, 27(4): 419-435.
4. Chaudhuri A, Hoibrook MB 2002. The Chain Of Effects From Brand Trust And Brand Affect To

- Brand Performance: The Role Of Brand Loyalty. *Journal of Marketing*, 65(2): 141-149.
5. Dick AS, Basu K 1994. Customer Loyalty: Toward an Integrated Model. *Journal Of The Academy Of Marketing Science*, 22(2): 99-113.
 6. Engels J 2005. How Can You Measure Loyalty? From: <<http://mktg.uni-svishtov.bg/ivm/resources/How%20Can%20You%20Measure%20Loyalty.pdf>> (Retrieved on January 23, 2014).
 7. Garbarino E, Johnson MS 1999. The Different Roles of Satisfaction, Trust, And Commitment In Customer Relationships. *Journal of Marketing*, 63(2): 70-87.
 8. Gordon ME, McKeage K, Fox MA 1998. Relationship Marketing Effectiveness: The role of involvement. *Psychology and Marketing*, 15(5): 39-45
 9. Hess J 1995. Construction and Assessment of a Scale to Measure Consumer Trust. AMA Educators' Conference, Enhancing Knowledge Development in Marketing, 6(1): 20-25.
 10. Hair JF, A. R. (1998). *Multivariate Data Analysis*. Upper Saddle River,: Prentice-Hall.
 11. Jacoby, J. C. (1978). A Behavioral Process Approach to Informal Acquisition in Nondurable Purchasing. *Journal of Marketing Research*.
 12. JE, S. (2010). What is FMCG All About? From <<http://enzymearticles.com>> (Retrieved on 21st January 2014).
 13. Jacoby J 1971. A Model of Multi-Brand Loyalty. *Journal of Advertising Research*, 11(3): 25-31.
 14. Jacoby J, Chestnut R 1978. *Brand Loyalty: Measurement and Management*. New York, NY: John Wiley.
 15. Klemperer PD 1987. Markets with Consumer Switching Costs. *Quarterly Journal of Economics*, 102: 375-394.
 16. Kotler P, Keller KL 2006. *Marketing Management*. 12th Edition. London: Prentice Hall.
 17. Miller DW, Marks LJ 1996. The Moderating Effects of Enduring Involvement on Imagery-Evoking Advertisements. *American Marketing Association*, 121- 128.
 18. Odekerken-Schröder G 1999. The Role of the Buyer in Affecting Buyer-Seller Relationships: Empirical Studies in a Retail Context. Ph.D. Thesis, Unpublished. Maastricht: Maastricht. University.
 19. Punniya Moorthy M, Raj PM 2007. An Empirical Model for Brand Loyalty Measurement. *Journal of Targeting, Measurement and Analysis for Marketing*, 15(4): 222-233.
 20. Saaty TL 1994. How to Make a Decision: The Analytic Hierarchy Process. *Interfaces*, 24(6): 19-43.
 21. Sahay A, Sharma J 2010. Brand Relationships And Switching Behaviour for Highly Used Products in Young Consumers. *Vikalpa*, 35(1): 1-30.
 22. Schijins JMC 2003. Loyalty and Satisfaction in Physical and Remote Service Encounters. *Bedrijfskunde*, 74(1): 57-65.
 23. Sharp B, Wright M, Goodhardt G 2003. Purchase Loyalty is Polarised into Either Repertoire or Subscription Patterns. *Australasian Marketing Journal*, 10(3): 7-20.
 24. Smith JE 2010. What is FMCG All About? From <<http://enzymearticles.com>> (Retrieved on January 5, 2014).
 25. Storbacka K, Strandvik T, Grönroos C 1994. Managing Customer Relationships for Profit: The Dynamics of Relationship Quality. *International Journal of Service Industry Management*, 5(5): 21-38.
 26. Westbrook RA, Oliver RL 1991. The Dimensionality of Consumption Emotion Patterns and Customer Satisfaction. *Journal of Consumer Research*, 18(1): 84-91.