

CHAPTER – I

INTRODUCTION

1.1 Background of the Study

To general public, marketing is selling through advertising which means selling and advertising are the strongest parts of marketing for them. Marketing helps an organization to find out what their customers want. It also helps to decide what products are to be made. The decision is carried on after a long research in the market.

Production is the prime activity of every industry and successful marketing of the product is the ultimate goal of any industry. Today's marketing environment is characterized by globalization, technological changes and strong competition. Successful marketers are those who deliver goods that customers are willing to purchase according to their ability to purchase. For this reason, marketers today conduct many researches to study consumer decisions. Once it is understood, marketers become able to predict and shape their marketing strategies accordingly. Without doubt, marketers who understand markets and consumers' behavior have great competitive advantage over other competitors. Therefore, it is obvious that a manufacturer must determine the needs, wants of their customer first, and then brings the product in the market accordingly.

According to Prof. Philip Kotler, "Marketing is a social and managerial process by which individuals and groups obtain what they need and what through creating offering and exchanging products of value with others"(Agrawal, 2000:2).

Prof. William J. Stanton defines marketing as "a total system of business activities designed to plan, price, promote and distribute ant-satisfying products to target markets to achieve organizational objectives" (Agrawal, 2000: 2).

Similarly, the American Marketing Association defines marketing as "the process of planning and executing this conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individuals and organizational goals" (Agrawal, 2000:2).

Hence, above definitions of marketing suggest that it consists of some activities consisting of study of consumer needs, products, price and place, promotion to facilitate the exchange that satisfies individual as well as organizational objectives within the social and marketing environment prevailing today. The consumer or customer gets the product he/she wants and the manufacturer or marketer gets the profit with satisfaction. This highlights the importance of product as the whole process of marketing. Product is always an important element of marketing mix. It is more than goods and services as people think it to be.

Nowadays, most of the consumers buy products with the help of brand rather than by inspecting the products. It means, successful marketing of product means successful marketing of the brand of the product. Prof. Philip Kotler defines "A product is anything that can be offered to market to satisfy a want or need"(Kotler, 2002: 418).

After producing a product, identification of the product should be given. For this, brand is used to identify the product. Branding constitutes an important part of the product. Therefore, building brand requires a great deal of time, money, promotion, packaging, etc. Prof. Kotler further says, "A brand is a name or mark intended to identify the product of one seller or group of sellers and differentiate the product from competing products" (Kotler, 2002: 420).

Then, brand is not only a name given to a product but also a technique by which the quality or the product of various producers are differentiated. Therefore, every manufacturer or marketer is trying his best to make the

consumers develop a positive attitude toward the brand of their product and buy the brand repeatedly. To put more precisely, every manufacturer wants and tries his best to make the consumers loyal to the brand of their product. However, quite naturally, all the consumers do not deal or behave with the brands exactly in the way that marketers want. In spite of availability of different brands, some are indifferent in selection of a brand. Similarly, some are constantly switching from one brand to other. Every brand has a certain image in the market. Every brand is known for its own feature and quality. So, the consumers, according to their faith, trust on quality and feature, according to the experience of the same or due to another psychological element, prefer one brand to others. If they think a brand is good in terms of quality, price, social status or any other, they develop a positive attitude toward the brand and repeatedly purchase the brand. When this happens, i.e., when consumers develop a positive attitude towards the brand and an intention to repurchase, the manufacturer has gained a great asset known as brand loyalty.

In simple term, brand loyalty means a consumers' strong faith or belief on a particular brand, which results the action of repurchasing the same brand. The consumer her is said to be brand loyal.

A consumer's purchasing behavior is influenced by four major factors; cultural, social, personal and psychological factors, these factors cause consumers to develop product and brand preferences. Although, marketers cannot directly control many of these factors, understanding of their impact is essential, as marketing mix strategies can be developed to appeal to the preferences of the target market.

While purchasing any product, a consumer goes through a decision process. This process consists of up to five stages; problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. The length of this decision process will vary, ranging from shorter

routine response behavior to limited problem solving and a more comprehensive extensive problem solving. A consumer may not act in isolation in the purchase, but rather may be influenced by any of several people in various roles. The number of people involvement and complexity of the buying decision behavior.

Brand Loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to purchase a brand continually, it occurs when the consumer perceives that the brand offers the right product features, image or level of quality at that right price . Consumer behavior is a habitual because habits are safe and familiar. In order to create brand loyalty, marketers must break consumer habits, help them acquire new habits and reinforce these habits by reminding consumers of the value of their purchaser and encourage them to continue purchasing that product in the future.

1.2 Focus of the Study

In the competitive market brand has become so hard that hardly anything goes understand. Even the goods value one rupee has a package with distinctive symbols of manufacturer. Achievement of an industry is the main function of the successful marketing of its products. The term "successful marketing" to hear is very easy; but in reality, it is very complicated. Successful marketing require proper branding labeling, and packaging. Therefore producing a product is not sufficient for successful marketing.

Thus the brand loyalty leads to strong brand preference and repeated purchasing behavior. Such brand preference give extra benefit to companies even to extent of high price charging because consumers do not mind to pay even more for their preferred brand. This study is therefore conducted mainly to measure the loyal consumers on branding. Therefore, this study focuses mainly on the brand and loyalty of consumer in Jorpati area of valley. For this purpose, two types high involvement of product and two types of low

involvement product have been selected. The products selected for the study are as follows:

- | | |
|---------|------------|
| 1. Tea | 2.Hair Oil |
| 3. Soap | 4.Shampoo |

1.3 Statement of the Problem

Growing population of Nepal and level of income of consumers are increasing trend. This has addressed in increase of demand of different products. These reasons, many types of products are available in Nepalese market. Now, people can order and buy any kinds of products without leaving comfort of their room. Television advertisement and internet shopping have revolutionized the marketing and sales within the short span of time.

Now day, one can use any product that is produced in another corner of the world. Now consumer is not compelled to buy any particular product; rather they are quite free to choose anything they think best.

Therefore, the basic problem of this study is to measure the loyal consumer in Jorpati Area of Kathmandu valley. Mainly, the following problem can be found to be privileged in market.

-) What are different brands in market? Do the consumers response and stick up to any particular brand or do them repeatedly switch to different brands?
-) What are the real numbers of consumers? Their belief and attitudes toward the brand are not known exactly.
-) What are competitive brands available in market?

1.4 Objectives of the Study

The main intention of this study to locate weather loyalty on branding exits in Jorpati area of Kathmandu valley or not, this study includes following specific objectives.

-) To analyze consumers' brand consciousness.
-) To identify the relationship of brand loyalty with demographic variables like age, sex and income.
-) To find out the number and percentage of brand loyal consumers.
-) To recommend important measures that would help to develop marketing strategies and brand loyalty.

1.5 Significance of the Study

In the competitive market, successful marketing of products demand on understanding of consumer's taste, focus and loyalty. The significance and importance of this study can be listed in the following points.

-) The manufacturers and marketers of Jorpati area of Kathmandu Valley will be highly benefited by this study. They can use the findings of the study as the guideline for making marketing strategies for their products so that they can achieve success.
-) This study will help to know the consumers' behavior on their products. Hence, manufacturers and marketers can decide the advertisement policy, consumers' response to the price and consumers' perception about their product.
-) The study can help in the segmentation of their market into loyal consumer market and non-loyal consumer market.
-) This study can give manufacturers and marketers protection from competition.
-) This study can be helpful in planning marketing mix.

1.6 Limitations of the Study

This study is simply a partial fulfillment of MBS degree and has to be finished within a short span of time. Therefore, it is natural to have several limitations, which can weaken the objectives of this study.

Some of the limitations are as follows:

-) Only four products are included in this study i.e., Tea, soap, Hair oil, and shampoo are selected for the research. Conclusions derived may not be necessarily applicable to other products.
-) Convenience sampling is taken for participation.
-) This study is totally based on the views and responses received from consumers of Jorpati area of Kathmandu Valley only. The findings of the study might be applicable for other products and other parts of the country.
-) In this research, data will be primary in nature.

1.7 Organization of the Study

This study has been presented according to the research structure prescribed by the faculty of Master of Business Studies (MBS). The body of the research has been divided into five chapters these are as follows.

Chapter - I : Introduction

Chapter - II : Conceptual Framework and Literature Review

Chapter – III : Research Methodology

Chapter - IV : Presentation and Data Analysis

Chapter - V : Summary, Conclusion and Recommendations

Chapter one is the introductory which deals with background of the study, Statement of the problem, Objectives of the study, Significance of the study and Organization of the study.

The second chapter deals with the review of literature relating to the brand loyalty, it includes two parts. The first part deals with the conceptual framework of the study while the second part is related with review of previous studies.

The third chapter is the research methodology which deals with the research design, nature and source of data, data gathering procedure and analysis of data.

The fourth chapter deals with the presentation and analysis of relevant data and information using various statistical tools.

The last chapter is concerned with summary, conclusion and recommendation of the study.

Besides, these bibliography and appendices will be present at the end of the thesis. Similarly acknowledgement, Table of content, list of table, list of figure, abbreviation is included in the front part of the thesis report.

CHAPTER- II

REVIEW OF LITERATURE

This Chapter is concerned with the review of literature .The chapter have been divided into main two parts, the first part implies the conceptual framework of the study while second part is related to the review of previous studies i.e. books, journals, dissertations etc.

2.1 Conceptual Review

For this study, relevant literatures have been reviewed from books journals, magazines, published and unpublished articles and so on. Relevant literatures are also cited from related web sites. A library is frequently visited for this purpose. This chapter presents an outline of the literature reviewed during the study.

2.1.1 Meaning and Concept of Brand Loyalty

Brand loyalty, in marketing, consists of a consumer's commitment to repurchase the brand and can be demonstrated by repeated buying of a product or service or other positive behaviors such as word of mouth advocacy. True brand loyalty implies that the consumer is willing, at least on occasion, to put aside their own desires in the interest of the brand. Brand loyalty has been proclaimed by some to be the ultimate goal of marketing. Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints, a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if Joe has brand loyalty to Company A he will purchase Company A's products even if

Company B's are cheaper and/or of a higher quality (www.wikipedia.com, 2008/06/17).

An example of a major brand loyalty program that extended for several years and spread worldwide is Pepsi Stuff. Perhaps the most significant contemporary example of brand loyalty is the fervent devotion of many Mac users to the Apple company and its products. Studies of loyalty on branding began when researches on consumer behavior became popular around the late 1950s and early 1960s. Most of the products today are sold by the brands. In the developed countries like UK, USA, and Japan, even vegetable products are sold by brands. This increasing use of brand has significantly increased the necessity to understand the loyalty in branding behavior of the consumer. According to Schiffman and Khanuk, "Just as there are different approaches to the definition and measurement of information processing; checks there are different views as to the definition of brand loyalty. Different scholars, experts, behavioral scientists and researchers have defined brand loyalty in different ways and have utilized different approaches and criteria to measure brand loyalty. Some defined it in terms of consumer behavior, while others defined it in terms of consumers as well as their attitude (www.wikipedia.com, 2008/06/17).

Marketing has been developing along with development in human civilization. If we trace three-four centuries back to the history of human civilization, we find marketing of that time, by modern standards, was relatively uncultured, they did not need any mechanism, tolls, or techniques of marketing as used today. Now all situations have changed the needs and wants have changed. Human aspiration for excellence and better status have given birth to thousand of discoveries, inventions and innovations and established thousands of units of different types of industries to fulfill that aspiration. These changes, in turn, not only invented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most

competitive field. Knowing the importance of loyalty on branding, many researches have been carried out. Different researches effort on different base and have used different measures of brand loyalty. Hence, it seems very necessary to pay particular attention on definition of the term and approaches to measurement while reviewing the researches.

One of the earliest studies defined on loyalty by James F. Engel and Roger Blackwell, “The sequences of purchasing a specific brand, the key of this definition are that the purchasing pattern of a specific brand determines loyalty to the brand. This definition classified brand loyalty into four categories: 1. Undivided loyalty, 2. Divided Loyalty, 3. Unstable Loyalty and 4. No Loyalty. Brand loyalty is the proportion of total purchase within given product category devoted to the most frequently purchased brand.” The definition of loyalty on branding that is based on the brand choice sequence approach or preferences over time approach or proportion of purchase approach are the operational definitions. They do not make any differentiation between a spurious loyal buyer and a true loyal buyer. Similarly, according to these definitions, it is difficult to compare the findings. For example, even in the same study, result may vary according to the approaches used. They define brand loyalty in terms of consumer behavior or consumer purchases only. In this sense, they are based on repeat purchase behavior rather than brand loyalty behavior. “To be truly brand loyal, the consumer must hold a favorable attitude toward the brand in addition to purchasing it repeatedly.”

The definition given by Jacoby is considered the best, easiest to understand and most complete of all the definitions based on preference purchase approach. Jacoby states, “Brand loyalty is (1) the biased (i.e. non random) (2) behavioral response i.e. purchase (3) expressed over time (4) by some decision making unit (5) with respect to one or more alternative brands out of a set of such brands, and is (6) a function of psychological (i.e. decision making evaluative processes).

The theme of Jacoby's definition of loyalty on branding should be measured in terms of both consumer purchases and consumer preferences. Loyalty on branding is purchase behavior of a decision-making unit. Such behavior is based on psychological processes and is biased for one or more brands for a specific time period. Jacoby's definition is quite able to distinguish between a true loyal buyer and spurious loyal buyer. Evaluation of a consumer's purchases explains which specific brand or a set of brand a consumer purchases repeatedly whereas the evaluation of consumer preference answers why he/she repeats purchase of that brand or brands. He may buy some brands due to many factors such as psychological commitment, ignorance of other alternative brand or brands, unavailability of other alternative brands or many other factors. Anyway, it is necessary to know which factor is contributing to loyalty.

Another important aspect of Jacoby's definition is that it recognizes the existence of multi-brand. When we speak of loyalty on branding, we concentrate our mind on a specific brand. However, reality is rather different, loyalty on branding means loyalty to one or more brands that the consumer repeatedly purchase the given product category.

Since preference purchase definition of brand loyalty includes both the consumer preference and the consumer purchase, it puts forward a clear concept of brand loyalty. Brand loyalty, as a concept, is both an input variable and on output variable. As input variable, it is the cause of the consumer decision and as an out variable; it is the result of the consumer decision. So, researches have not only defined what brand loyalty is but have also endeavored to find out how it, i.e. brand loyalty develops. How the loyalty on branding has placed the important literature on brand loyalty. However, the researches do not have same attitude toward the brand loyalty. Likewise, on definitions, researches have different views on how loyalty develops.

Brand loyalty, in fast moving consumer goods categories, is a top issue, with several brands resorting to price cuts across categories. More importantly, price cuts or sales promotion by themselves do not seem to have done much for brands in terms of sustaining brand loyalty. They may attract consumers in the short run. Consumers may stock the brands and consumers new to the brand may try it. But over a period, the brand's value may be diluted in consumers psyche and will eventually lose a strong base of consumers.

2.1.2 Factors Influencing Brand Loyalty

It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' Perceived value, Brand trust, Customers' satisfaction, Repeat purchase behavior and Commitment are found to be the key influencing factors of brand loyalty. Commitment and Repeated purchase behavior are considered as necessary conditions for brand loyalty followed by Perceived value, satisfaction and brand trust.

2.1.3 Portfolios of Brands

Andrew Ehrenberg, then of the London Business School said that consumers buy 'portfolios of brands'. They switch regularly between brands, often because they simply want a change. Thus, 'brand penetration' or 'brand share' reflects only a statistical chance that the majority of customers will buy that brand next time as part of a portfolio of brands they favors. It does not guarantee that they will stay loyal.

Influencing the statistical probabilities facing a consumer choosing from a portfolio of preferred brands, which is required in this context, is a very different role for a brand manager; compared with the - much simpler - one traditionally described, of recruiting and holding dedicated customers. The concept also emphasizes the need for managing continuity.

2.1.4 Brand Architecture

Brand architecture is the structure of brands within an organizational entity. It is the way in which the brands within a company's portfolio are related to, and differentiated from, one another. The architecture should define the different leagues of branding within the organization; how the corporate brand and sub-brands relate to and support each other; and how the sub-brands reflect or reinforce the core purpose of the corporate brand to which they belong

2.1.5 Types of Brand Architecture

There are three generic relationships between a master brand and sub-brands:

Monolithic brand or Branded house: Examples include Virgin Group, Red Cross or Oxford University. These brands use a single name across all their activities and this name is how they are known to all their stakeholders – consumers, employees, shareholders, partners, suppliers and other parties.

Endorsed brands or House blend: Like Nestlé's Kit Kat, Sony PlayStation or Polo by Ralph Lauren. The endorsement of a parent brand should add credibility to the endorsed brand in the eyes of consumers. This strategy also allows companies who operate in many categories to differentiate their different product groups' positioning.

Product brand or House of brands: Like Procter & Gamble's Pampers or Henkel's Persil. The individual sub-brands are offered to consumers, and the parent brand gets little or no prominence. Other stakeholders, like shareholders or partners, know the company by its parent brand.

2.1.6 Individual Branding

Individual branding, also called multi branding, is the marketing strategy of giving each product in a product portfolio its own unique brand name. This is contrasted with family branding in which the products in a product line are

given the same brand name. The advantage of individual branding is that each product has a self image and identity that's unique. This facilitates the positioning process. That means that there are less Halo-effects and one can position all products differently without making trade-offs. Companies such as Coca-Cola Co. have adopted this approach for instance, Coca-Cola and Bacardi Mixers both which have their own unique brand name but are owned and marketed by Coca-Cola Co.

Additionally the term individual branding is used for keeping the brands of a company unchanged after a merger and acquisition.

2.1.7 Personal Branding

Personal branding is the process whereby people and their careers are marked as brands. It has been noted that while previous self-help management techniques were about self-improvement, the personal branding concept suggests instead that success comes from self-packaging. The term is thought to have been first used and discussed in a 1997 article by Tom Peters.

Personal branding often involves the application of one's name to various products. For example, celebrity real-estate mogul Donald Trump uses his last name extensively on his buildings and on the products he endorses (e.g., Trump Steaks) (www.wikipedia.com).

2.1.8 Brand Aversion

Brand aversion is an antonym of brand loyalty. It is when consumer experiences distrust or a disliking of products from a particular brand based on past experiences with that brand and its products, similar to taste aversion.

Brand aversion usually happens after recent bad press, a mass product recall, or other poor product launches. An example would be US voter's aversion to Diebold voting machines based on their alleged inferiorities

2.1.9 Brand Equity

Brand equity refers to the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name. And, at the root of these marketing effects is consumers' knowledge. In other words, consumers' knowledge about a brand makes consumers respond differently to the marketing of the brand. The study of brand equity is increasingly popular as some marketing researchers have concluded that brands are one of the most valuable assets that a company has brand equity measures the total value of the brand to the brand owner, and reflects the extent of brand franchise. The term brand name is often used interchangeably with “brand”, although it is more correctly used to specially denote written or spoken linguistic elements of a brand. In this context a “brand name” constitutes a type of trademark if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may seek to protect proprietary rights in relation to a brand name through trademark registration. The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer clothes. In non-commercial contexts, the marketing of entities which supply ideas or promise rather than product and services (e.g. political parties or religious organizations) may also be known as “branding”.

Consumers may look on branding as an important value added aspect of products or services, as it often serves to denote a certain attractive quality or characteristic. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the product has no associated branding (such as a generic, store-branded product), people may often select the more expensive branded product on the basis the quality of the brand or the reputation of the brand owner (www.wikipedia.com).

2.1.10 Positive Brand Equity

An interesting question is raised- can brands have negative brand equity? From one perspective, brand equity cannot be negative. Positive brand equity is created by effective marketing including via advertising, and promotion. A second perspective is that negative equity can exist. Looking at a political "brand" example, the "Democrat" brand may be negative to a Republican, and vice versa.

2.1.11 Guiding Principle of Branding

Vortex was developed around a set of guiding principles about branding-proven beliefs that introduce every aspect of our approach, services, and methodologies.

-)] Branding gives you the means to break out of the appearance of offering commodity or parity services and products. Nothing-not even an actual improvement in your products or services-can achieve this end as effectively.
-)] Branding is neither an art nor a science, but a process of improving relationships. It uses elements, processes, systems, and rules of both science and art. There is no single, simple solution to brand value improvement; rather, it is an individualized, customized, and evolving landscape.
-)] Communications are a critical part, but not the sole aspect of branding. Strategic branding encompasses a continuum of services and systems that extends from corporate goals to customer needs.
-)] It is impossible to optimize every branding opportunity effectively. Although all elements are important, not all are equal. Focusing on your brand's strongest characteristics will return greater rewards for less "power."
-)] Business prospers and grows when leaders find the essence of the situation, learn the key drivers, and those are presented with clear and narrow choices. Your brand is the place we start, offering a range of

services that will transform your organization into one that has the power to move forward (Kayastha, 2003: 22).

2.1.12 Importance of Brand Loyalty

There are three main reasons why brand loyalty is important:

- J) **Higher Sales Volume** – Reducing customer loss can dramatically improve business growth and brand loyalty, which leads to consistent and even greater sales since the same brand is purchased repeatedly. A research conducted in United States found that the average United States Company loses half of its customers every five years, equating to a 13 percent annual loss of customers. This statistic illustrates the challenges companies face when trying to grow in competitive environments. Achieving even 1 percent, annual growth requires increasing sales to customers, both existing and new, by 14 percent.

- J) **Premium Pricing Ability** – Studies show that as brand loyalty increases, consumers are less sensitive to price changes. Generally, they are willing to pay more for their preferred brand because they perceive some unique value in the brand that other alternatives do not provide. Additionally, brand loyalists buy less frequently on cents-off deals – these promotions only subsidize planned purchases.

- J) **Retain Rather than Seek** – Brand loyalists are willing to search for their favorite brand and are less sensitive to competitive promotions. The result is lower costs for advertising, marketing and distribution. Specifically, it costs four to six times as much to attract a new customer as it does to retain an old one

2.1.13 Factors for Building & Maintaining Brand Loyalty

Building and maintaining brand loyalty have been a central theme of marketing theory and practice in establishing sustainable competitive advantage. In traditional consumer marketing, the advantages enjoyed by a brand with strong

customer loyalty include ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced selling costs, a strong barrier to potential new entries into the product/service category, and synergistic advantages of brand extensions to related product/service categories.

The following are some aspects of marketing mix elements and consumer behavior, which could contribute to brand loyalty:

Product Differentiation: If the products are differentiated in terms of their characteristics and this difference is perceivable, there are chances of brand loyalty being formed based on satisfaction with greater performance or fit of product with needs. In this case, loyalty is driven by functional or symbolic benefits. Functional benefits would be specific tangible features of the product whereas symbolic benefits would be intangibles such as brand personality and “hedonistic” value of purchases.

Price Differentiation: If the price differentiation in the market is perceivable, price-led loyalty might exist in the market. Price-led loyalty is practiced by supermarkets, airline companies and FMCG brands, which come out with frequent sales promotions based on freebies. Alternatively, price might be taken as an indicator of brand quality, and the customer might go in for higher priced options. Price-led loyalty has to be carefully considered with other marketing mix elements and the consumers should never perceive dilution, especially in low-priced bands. Hence, lower prices should create a sense of value through the product offerings as well as through communication (Kayastha, 2003: 25).

2.1.14 Brand Management

Brand management is the application of marketing techniques to a specific product, product line, or brand. It seeks to increase the product's perceived value to the customer and thereby increase brand franchise and brand equity.

Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This can result from a combination of increased sales and increased price, and/or reduced COGS (cost of goods sold), and/or reduced or more efficient marketing investment. All of these enhancements may improve the profitability of a brand, and thus, "Brand Managers" often carry line-management accountability for a brand's P&L profitability, in contrast to marketing *staff* manager roles, which are allocated budgets from above, to manage and execute. In this regard, Brand Management is often viewed in organizations as a broader and more strategic role than Marketing alone.

The annual list of the world's most valuable brands, published by Inter brand and Business Week, indicates that the market value of companies often consists largely of brand equity. Research by McKinsey & Company, a global consulting firm, in 2000 suggested that strong, well-leveraged brands produce higher returns to shareholders than weaker, narrower brands. Taken together, this means that brands seriously impact shareholder value, which ultimately makes branding a CEO responsibility (www.wikipedia.com, 2008/07/03).

2.1.15 Brand Implementation

Brand implementation refers to the physical application of brand identity across visual identity carriers. This can include signage, uniforms, liveries and branded merchandise. Brand implementation encompasses facets of architecture, product design, industrial design, quantity surveying, engineering, procurement, project management and retail design.

Brand implementation emerged as a discipline in the 1990s when brand owners recognized the need for consistency across branded estates. Traditionally, brand implementation was handled by various parties, including shop-fitters, interior designers and sign companies. Lack of centralized project management led to inconsistencies, while information dissymmetry meant suppliers had too much control over brand issues. Brand implementation was thus coined as an umbrella term for all aspects of the application and maintenance of physical brand assets.

Today: Brand implementation is now a critical discipline focused on binding the relationship between the target audience and the brand. This allows brand implementation firms to identify the best possible manufacturing solution for each project.

Magic and Logic: Brand implementation does not involve the design or creation of brand identity. Instead, brand implementation agencies work closely with branding agencies to ensure that the latter's work is applied accurately and consistently. This relationship is referred to as Magic and Logic. Branding agencies look after the Magic (creative) and brand implementation agencies look after the Logic (implementation)

2.1.16 Brand Orientation

Brand orientation is a deliberate approach to working with brands, both internally and externally. The most important driving force behind this increased interest in strong brands is the accelerating pace of globalization. This has resulted in an ever-tougher competitive situation on many markets. A product's superiority is in itself no longer sufficient to guarantee its success. The fast pace of technological development and the increased speed with which imitations turn up on the market have dramatically shortened product lifecycles. The consequence is that product-related competitive advantages soon risk being transformed into competitive prerequisites. For this reason,

increasing numbers of companies are looking for other, more enduring, competitive tools – such as brands. Brand orientation refers to "the degree to which the organization values brands and its practices are oriented towards building brand capabilities”

2.1.17 Measurement of Brand

There are many ways to measure a brand. Some measurements approaches are at the firm level, some at the product level and still others are at the consumer level.

Firm Level: Firm level approaches measure the brand as a financial asset. In short, a calculation is made regarding how much the brand is worth as an intangible asset. For example, if you were to take the value of the firm, as derived by its market capitalization - and then subtract tangible assets and "measurable" intangible assets- the residual would be the brand equity. One high profile firm level approach is by the consulting firm Inter brand. To do its calculation, Inter brand estimates brand value on the basis of projected profits discounted to a present value. The discount rate is a subjective rate determined by Inter brand and Wall Street equity specialists and reflects the risk profile, market leadership, stability and global reach of the brand.

Product Level: The classic product level brand measurement example is to compare the price of a no-name or private label product to an "equivalent" branded product. The difference in price, assuming all things equal, is due to the brand. More recently a revenue premium approach has been advocated.

Consumer Level: This approach seeks to map the mind of the consumer to find out what associations with the brand that the consumer has. This approach seeks to measure the awareness (recall and recognition) and brand image (the overall associations that the brand has). Free association tests and projective techniques are commonly used to uncover the tangible and intangible attributes, attitudes, and intentions about a brand. Brands with high levels of

awareness and strong, favorable and unique associations are high equity brands.

Any of this calculation is at best approximations. A more complete understanding of the brand can occur if multiple measures are used (www.wikipedia.com).

2.1.18 Branded Asset Management

Branded asset management refers to the implementation of brand modifications and life-cycle management of branded assets. The branded assets category includes managing digital brand execution.

Branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable assets that firms have. A brand is more than simply a name and the physical embodiment of that name on stationery, clothes, plant and equipment. A brand has a meaning to all stakeholders and represents a set of values and promises, even a personality. Most companies with the biggest increases in brand value operate as single brands all over the world. The goal for many corporations today is to create consistency and impact, both of which are a lot easier to manage with the concept of a global brand - single worldwide identity. It's a more efficient approach, as the same strategy can be used globally. Yet, global marketing and increased competition have added pressure to the brand management structure. The marketplace is cluttered with hundreds of brands that strive to seize the attention of consumers.

2.1.19 Re-branding

The effects of global marketing and increased competition have added pressure to the brand management structure. The marketplace is cluttered with hundreds of brands often competing with each other to seize the attention of consumers.

Increased competition: as competition intensifies across all business categories, we see an increasing number of companies reviving their brands to stand out from the competition and capture a larger share of the market. Branding has been seen as a way of building a strong reputation

Mergers, Acquisitions and Takeovers: in a global economy subject to changing market dynamics the role of brands has never been greater. The global marketplace has attracted the activity of mergers and acquisitions. Following such an activity companies are likely to re-brand to reflect the new brand name, and this will have to be modified on all branded assets (internal, external signage, point of sale material) that carry the brand in the retail environment. Examples of major M&A include Sony-Ericsson, Daimler-Chrysler.

Return on Investment: Companies often revive their brands to keep it with target customer needs and expectations and combat competitive threats.

2.1.20 The World's 10 Most Powerful Brands

According to a survey conducted by Millward Brown's BrandZ index. The survey assigned values to various brands based on their financial strength and consumer sentiment.

Google: Google, with a brand value of \$66.434 billion, is the world's most powerful brand. The global search engine giant was started as a research project in January 1996 by Larry Page and Sergey Brin, two PhD students at Stanford University, California. Google Inc was incorporated on September 7, 1998, at a friend's garage in Menlo Park, California. The company, known for its innovations and stupendous growth rate, went public on August 19, 2004. Page and Brin's search engine was originally called Back Rub. The name 'Google' originated from 'googol', which refers to the number represented by a 1 followed by one-hundred zeros. Eric E. Schmidt is the CEO of Google, while co-founder Sergey Brin and Larry page is Technology President and Products

President, respectively. The company is listed on the NASDAQ stock exchange under the symbol GOOG. 'Google' is now a verb, having found its way into the dictionary. It means 'to use the Google search engine to obtain information on the Internet.'

GE: General Electric's brand value has been estimated at \$61.880 billion, making it the world's second most powerful brand. GE is a giant US multinational, with headquarters in Fairfield, Connecticut, engaged in Technology and services industries. It is the world's second largest company in terms of market capitalization. The famous inventor Thomas Alva Edison opened a new laboratory in Menlo Park, New Jersey in 1876, where the incandescent electric lamp was invented. By 1890, Edison formed the Edison General Electric Company. In 1879, Elihu Thomson and Edwin J. Houston formed the Thomson-Houston Electric Company to rival Edison's firm. However, in 1892, both the companies merged to give birth to the General Electric Company. GE slowly began to diversify its operations. Today its businesses span information technology, financial services, industrial technology, aviation, healthcare, oil and gas, films and entertainment, theme parks, locomotives, insurance, etc. In India, too, GE's enjoys widespread presence. Jeffrey Immelt is GE's chairman & CEO; while Keith Sherin is the CFO, and Robert Wright is GE vice chairman.

Microsoft: Microsoft Corporation is the world's largest software company, with global annual revenue of over \$44.28 billion. With a brand value of \$54.951 billion, it also is the planet's third most powerful brand. Bill Gates, the world's richest man, is the executive chairman of the software giant which he co-founded along with Paul Allen in 1975. On June 25, 1981, the company was incorporated on August 12, 1981; IBM introduced its personal computer with Microsoft's 16-bit operating system, MS-DOS 1.0. On Feb 26, 1986, Microsoft moved to corporate campus in Redmond, Washington, and on March 13, 1986, Microsoft stock went public. On May 22, 1990, Microsoft launched Windows

3.0. On November 20, 1985, Microsoft released its first retail version of Microsoft Windows, originally a graphical extension for its MS-DOS operating system. Gates is equally admired for his insight and criticized for his business tactics. Steve Ballmer is the company's CEO, while Ray Ozzie is chief software architect. Microsoft employs 76,000 people across 102 countries.

Coca-Cola: Coca-Cola's brand value has been estimated at \$44.134 billion, making it the world's fourth most powerful brand. Coca-Cola, a carbonated soft drink, was intended as a patent medicine when it was invented in 1885 by Dr. John Stith Pemberton in Covington, Georgia. It was then called Pemberton's French Wine Coca. Pemberton's partner and bookkeeper, Frank M. Robinson, suggested the name and penned the now famous trademark 'Coca-Cola' in his unique script. Coca-Cola was bought over by businessman Asa Griggs Candler in 1887 and incorporated it as the Coca Cola Company in 1892. Griggs made the brand a force to reckon with through his marketing strategies. Coca-Cola was sold in bottles for the first time on March 12, 1894. In 1919, a group of investors headed by Ernest Woodruff and W. C. Bradley purchased The Coca-Cola Company for \$25 million. Coca-Cola is also the world's best known brand. E. Neville Isdell is the company's chairman and chief executive officer.

China Mobile: China Mobile is the world's 5th most powerful brand with a value of \$41.214 billion. China Mobile Communications Corporation, also known as China Mobile or CMCC, is China's largest mobile phone operator. It is the world's largest mobile phone operator ranked by number of subscribers, with over 296 million customers. By turnover it is second to Vodafone, which owns 3.3% of the China Mobile. A state-owned enterprise, it was spun off from former monopoly China Telecom in 2000, and now has a 65% share of the highly competitive Chinese mobile market. China Mobile is the largest company registered in Hong Kong. Wang Jianzhou is the telecom major's chairman and CEO.

Marlboro: Marlboro's brand value has been estimated at \$39.166 billion, making it the 6th most powerful brand. Marlboro, made by Altria, is the world's best selling cigarette brand. It is famous for its billboard advertisements and magazine ads of the Marlboro Man. Philip Morris, a London-based cigarette manufacturer, created a New York subsidiary in 1902 to sell several of its cigarette brands, including Marlboro. Marlboro then suddenly faltered badly in the market till the 1950s, when it made a rollicking comeback following the introduction of a new cowboy image for the brand. Sales skyrocketed by 5,000%. Marlboro with a filtered tip was launched in 1955. The brand is named after Great Marlborough Street, the location of its original London factory. Virginia is now the location of the largest Marlboro cigarette manufacturing plant. Altria CEO & chairman is Louis Camilleri.

Wal-Mart: The world's 7th most powerful brand, Wal-Mart, is estimated to be worth \$36.880 billion. Wal-Mart Stores is an American public corporation and the world's largest retailer. It is the largest private employer, the largest grocery retailer, and the largest toy seller in the United States. It was founded by Sam Walton, who opened his first Wal-Mart discount store in Rogers, Arkansas, in 1962. The company was incorporated on October 31, 1969, and listed on the New York Stock Exchange in 1972. Sam Walton died on April 5, 1992 at the age of 74. His widow Helen R Walton, daughter Alice L Walton, and sons Jim C Walton, John T Walton and S Robson Walton, each with a personal wealth of \$20.5 billion, have all been ranked among the richest Americans by Forbes. H Lee Scott is Wal-Mart CEO, while S Robson Walton, is the retail giant's chairman.

CITI: Citi is the world's 8th most powerful brand with an estimated value of \$33.706 billion. Citigroup Inc was formed following the \$140 billion merger of Citicorp and Travelers Group on April 7, 1998 to create the world's largest financial services organization. The company employs almost 300,000 people around the world. Travelers were founded in 1864 in Hartford, Connecticut. It

dealt in insurance and is noted for many industry firsts: the first automobile policy, the first commercial airline policy, and the first policy for space travel. In the 1990s, it went through a series of mergers and acquisitions. It was bought by Primerica in 1993, but the resulting company retained the Travelers name. In 1995, it became The Travelers Group. It bought Aetna's property and casualty business in 1996. Citicorp was the descendant of First National City Bank, founded in New York City. It was one of the oldest banks in the United States (founded in 1812), and had the largest international branch presence of any United States headquartered bank. In the 1960s and 1970s, chairman Walter Wriston led the bank into sovereign debt and loan syndication. It was Wriston who led the technology of ATM cards before the banks. He also spearheaded the name change to Citibank in the late 1970s. Charles Prince is the company's chairman & CEO.

IBM: International Business Machines Corporation, also called IBM or 'Big Blue', is a multinational computer technology corporation headquartered in Armonk, New York, USA. Till 2006 it was the world's largest computer company, but has now ceded the top spot to Hewlett-Packard. With over 350,000 employees worldwide, IBM is the largest information technology employer in the world. The company which became IBM was founded in 1888 as Herman Hollerith and the Tabulating Machine Company. It was incorporated as Computing Tabulating Recording Corporation (CTR) on June 15, 1911, and was listed on the New York Stock Exchange in 1916. IBM adopted its current name in 1924, where it became a Fortune 500 company. Samuel J Palmisano is IBM chairman & CEO.

Toyota: Toyota with an estimated brand value of \$33.427 billion is the 10th most powerful brand in the world. Toyota Motor Corporation is a Japanese multinational corporation and the world's largest auto company that manufactures automobiles, trucks, buses, and robots. The headquarters of Toyota are located in Toyota, Aichi, Japan. It is the world's eighth largest company by revenue of \$179 billion as of 2006. The company was founded in

1937 by Kiichiro Toyoda as a spinoff from his father's company Toyota Industries to create automobiles. It created, first as a department of Toyota Industries, its first product Type A engine in 1934 and its first passenger car in 1936. Toyota Motor Co. was established as an independent company in 1937. Although the founding family name is Toyoda, the company name was changed in order to signify the separation of the founders' work life from home life, to simplify the pronunciation, and to give the company a happy beginning. Toyota is considered luckier than Toyoda in Japan. Katsuaki Watanabe is Toyota's president and CEO, while Fujio Cho is chairman. Shoichiro Toyoda is the company's honorary chairman; Hiroshi Okuda is senior advisor; and Katsuhiro Nakagawa is vice chairman.(Source : Internet)

2.1.21 Branding

If the category is organized and there is branding activity, there will be greater loyalty than there would have been if the category were unorganized. Branding activities can differentiate between brands on name, symbol, images and associations. Branding activity, in this context, refers to creating strong associations that will influence the consumers not only with regard to functional attributes but also with symbolism. Ruf and Tuf's campaign using a personality-oriented concept to create a belief in products made in one's own country is another new approach to branding activity (especially in a category with Western origins). Creating an association through sponsorship too is a branding activity. Branding activities in a broad sense could range from advertising to sales promotion and public relations involving several aspects.

2.1.22 Level of Risk

The perceived risks that typically occur are functional, social and psychological risks. These kinds of risks are perceived in several products ranging from personal care products to electric cars. A pioneering brand in a category, which offers a good product and addresses the perceived risks associated with the product, is likely to get a loyal base of consumers. Amazon.com, one of the

global pioneers in the business of online marketing, initially involved traditional categories, books and music, addressed and successfully overcame “the perceived risk” barrier to have a large group of loyal consumers. Smaller brands that compete with mega brands in the area of personal care (for example) can approach loyalty with this dimension.

2.1.23 Involvement of Consumer

A high brand involvement would mean a greater search intention, and satisfaction of the customer could lead to repeat purchase and the loyalty. Low involvement could lead to brand habit. Researching the involvement levels of consumers helps to decide which of the marketing mix elements will be useful to create a trial, and hence loyalty. To create and maintain brand loyalty marketer should consider about involvement of consumer while developing marketing strategy.

2.1.24 Sales Promotions

Sales promotions play a dominant role in creating and maintaining brand loyalty. Suitable promotional tools should be employed accordingly with nature of product. The more the number of price-discount led sales promotions, the lesser the likelihood of brand loyalty in the category/segment that is the focus of such efforts. This is because the consumers are inducted into the price war mind set. Sales promotions by themselves as a concept are not a bad idea provided they are used well with the overall strategy of the brand. A premium brand, which gets into frequent sales promotion, has the risk of losing its premium a permanent damage to a brand, which has spent years creating the premium quality.

The factors discussed cannot be treated in isolation. They are to provide a synergy to result in brand loyalty. The combination of these factors and the

timing of the combination is the topical challenge, which marketers face in an environment where loyalty is slowly eroding.

2.1.25 Brand Switching

Brand switching means consumer's habit of constantly shifting from one brand to other. In this sense, brand switching is opposite to brand loyalty. A brand loyal consumer is stuck with the specific brand or sets of brands. The buyer who is habitual to brand switching is loyal to no brands. Understanding why consumers are involved in brand switching behavior is very important for complete understanding of the brand loyalty behavior.

There are many causes of brand switching behavior. It is not usual to switch brands simply because of variety seeking. Some consumers switch brands because they are dissatisfied or bored with the same product; where as, others switch brand because they are concerned with price rather than brand names.

Consumers having been loyal to a brand for a long time may switch to other brand because of being dissatisfied or being bored with the brand, he has been using for the long time.

Similarly, if the consumers are more prices sensitive, then even a slight discount on the products of competitive brand may make him move towards those brands that offer cheaper products. However, the research on the brand switching reveals that brand switching is not very risky as it is tough. In other words, brand switching is not very much threatening to the manufacturers. A recent study on consumer purchase habits reported that brands with larger market shares have proportionately larger group of loyal buyers.

Thus, it follows that some interpersonal factors such as dissatisfaction price consciousness and aspiration for testing new brands causes brand switching. Similarly, external factors such as price, deals, coupons, free samples etc. cause

brand switching. However, the researches show that such brand switching cannot be converted into brand loyalty. The consumers do not keep in sticking up to the brand that they are switched to (Kayastha, 2003: 32).

2.1.26 Brand Loyalty Correlation

Brand loyalty correlation means the various factors that are associate or related with the differential degrees of brand loyalty. Brand loyalty correlation explains why brand loyalty varies across the product and consumers. Similarly, brand loyalty correlations identify the characteristics of brand loyal consumers and distinguish them from the non-loyal ones. Thus, the loyalties on branding correlation are of high importance for the marketers. Therefore, there must not be any conditions or confusions about the correlation. Correlation must be defined and stated precisely so that the marketer could use them as the guidelines for making strategies. And, this can be better done by improving the weakness of the past attempts and by developing the most scientific and accepted research tradition.

Many researches have been conducted to find out such correlation of brand loyalty. Engel and Blackwell, after analyzing the findings of around 34 researchers conducted by various scholars and experts, have made the following conclusions:

-) Socio-economic, demographic and psychological variables generally do not distinguish brand loyal consumers from other consumers when traditional definitions of brand loyal have been used.
-) When extended definitions of brand loyalty are used, some socioeconomic, demographic and psychological variables are related to brand loyalty. However, those relationships tend to be product specific rather than ubiquitous across product categories.
-) There is limited evidence that the loyalty behavior of an informal group leader affects the behavior of the other group members.

- J Store loyalty is commonly associated with brand loyalty.
- J There are some evidences that brand loyalty is inversely related to the number of store shopped.
- J The relationship between amount purchased and the brand loyalty are uncertain because of contradictory findings.
- J There is little evidence that perceived risk is positively related to brand loyalty.
- J Market structure variables, including the extensiveness of distribution and market share of leading brand exert a positive loyalty on brand loyalty.
- J The effect of the number of the alternative brands, special deals and price activity are uncertain due to contradictory findings.
- J Thus, the conclusion made by Engel and Blackwell is that even the researchers have found out some factors such as socioeconomic, demography, store loyalty, number of stores shopped, market share of leading brands and the correlation of brand loyalty. However, their findings are contradictory concerning to other factors such as amount purchased, inter-purchase time, number of alternative brands etc. seems that researchers have not yet been reached to any concrete result about what are correlation and non-correlation of brand loyalty.
- J Brand loyalty correlation is the important aspect of the study of loyalty on branding. Brand loyalty correlation tells why brand loyalty varies across products and consumers. Similarly, brand loyalty correlation identifies the characteristics of brand loyalty consumers and distinguishes them from the non-loyal ones. Thus, there must not any contradiction or confusions about the correlation. Correlation must be defined and stated precisely so that the marketer could use them as the guidelines for making strategies. Moreover, this can be better done by improving the weakness of the past attempts and by developing the most scientific and accepted research tradition.

2.1.27 Brand Loyalty Models

A wide variety of models have been employed in an attempt to understand and predict brand loyalty behavior of the consumer. They identify factors affecting loyalty behavior and predict how such factors affect behavior in the future.

The models that have been employed to analyze the brand loyalty behavior are stochastic in nature. Stochastic models predict behavior based on probabilities. That is to say, stochastic models treat the response of the consumer in the market place as the outcome of some probabilistic processes. The models recognize many factors, such as consumer variable and exogenous variable that determine the outcome of behavior. Even though these factors or variable are not measured or explicitly included in the model, they are represented by probability distribution and their affect is accounted. So far, most attempts at stochastic modeling have been concerned with predicting brand-switching behavior and the rate of trial and repeated purchasing for new products.

While talking about the repeated purchasing behavior of the consumer, some questions may arise. They are:

-) Are all the members of the population (i.e. the target market segment) is concerned the same in terms of brand loyalty behavior?
-) Do the acts of purchasing and using the given brand affect the probability that the given brand is purchased again in the near future?
-) Are the probabilities of the brand choice changing systematically over time because of the influence of promotion, distribution or shifting tastes?

The first question mentioned above is related to the degree of the loyalty that varies across consumers. The second question is related to the effect of the learning in brand choice process. And the last question deals with influence of time factor as well as promotion, distribution and shifting tastes in brand

choice. In fact these questions deal with impact of consumer variables and exogenous variables on the consumer behavior.

Consumer behavior on specific brand is affected by consumer variables such as personality, attitude, income etc. and exogenous variables such as advertising, price, and competitive activity. Considerable efforts have been made to develop models that describe a functional relationship between the probabilities of choosing a brand during a purchase occasion and the factor (i.e., attitude, personality, income past purchase, price, competitive activity etc.) which affect the probability, Some of these models, which are important as well as most widely use are reviewed here (www.google.com).

2.1.28 Bernoulli Model

This is the earliest model of brand loyalty. In this model, the consumer is assumed to have a constant probability (P) of purchasing the brand under study. The probability (P) is determined from aggregate brand choice data and is assumed independent of all external influences, Prior purchases or consumer characteristics.

In this model, the probability of purchasing brand A at a Particular occasion (T) is represented by P (AT). For example, let the brand under study be A, all other brands be B and the probability of purchasing the brand A at a purchase occasion P (AT). Then, according to the Bernoulli model, P (AT) is determined from aggregate brand choice between brand A and Brand B.

This model suggests that there is no feedback from post purchase events. The response function is free to change over time, however, suggests that number of brands available at a store, special price deals and out of stock situation of the brand influence the probability function. This shows that if brand (A) becomes available at many stores, then the probability of buying that brand may be greater for the consumers who purchase that brand.

There are several variations of the basic Bernoulli model. Although these variations have explicitly considered the heterogeneity in the population, yet they have not abandoned the assumption made by the basic model, i.e. the past purchases have no effect on the present or future purchase probability. (www.google.com)

2.1.29 Markov Model

This model takes the assumption about past purchases; it assumes that past purchases influence the probability of current purchase. Many models have been built up on this assumption and they are known as Markov models. Among these models, the most commonly use one is the first-order Markov model.

The first-order Markov model analyses the impact of short-term consumer learning on the purchases probability. This model assumes that the outcome of the last purchases decision affects the brand choice probability on the next trial but the model denies that except the last one other previous purchase have no effect on the probability. For example, the purchase sequences AB and BB would both lead to the same prediction about probability of purchasing brand 'A' on the next purchases because in the both case the last purchase is brand 'B'.

The first-order Markov model can be better illustrated by a product category having three brands. Let us suppose the following probability representing brand choice behavior of customer in a place.

Last Purchase	Next Purchase		
	A	B	C
A	0.08	0.10	0.10
B	0.10	0.60	0.30

The probabilities started in the table above or the transitional matrix given above show that the brand purchase in the last purchase exerts great influence on the probabilities that is applicable in the next purchase. That is, if a consumer had purchased brand 'A' in last the purchase, it is almost certain that it will be bought in the next purchase. But, if a consumer had purchase brand 'A' again during the next purchase, 80% chances that he will buy 'A' again during the next purchase, 10% chance of buying 'B' and 10% chances of buying 'C'. If the same consumer had purchased brand 'B' in place of brand 'A' in the last purchase, then his chance of buying brand 'A' in the next purchase is 10% that of buying 'B' is 60 percent and of 'C' is 30 percent.

The transitional matrix mentioned above, which the Markov model assumes to be stationary (i.e. that remain unchanged through time) can be used to predict the future brand-share values for A, B, and C. Furthermore, the transitional matrix (probabilities) in the model can be used as one way of measuring both the holding power of a given brand and its ability to attract patronage from other brands. Furthermore, this model has been used to estimate the number of periods that will pass before a given brand will be tried.

There are some factors that the other experts point out as the weaknesses in the first-order Markov model. They have challenged the assumptions such as stationary transitional matrix first-order, population homogeneity etc. and have developed other models, though following the principle of basic Markov model (i.e., previous purchases affects the brand choice probability in the present and future), which are, largely, independent of these assumptions. Some of such models are the second-order Markov models, which consider the effect of last two purchases, models based on non-stationary transitional matrix and the models taking into account the impact of population heterogeneity on brand choice probability. (Engel, J.F. and Black, R., 1982: 581).

2.1.30 Linear Learning Model

The primary concept of this linear learning model is similar to that of Markov model. That is, past purchase affects the future brand-choice probability changes by a certain amount depending on the outcome of a given brand-choice event (whereas in the Markov model, the probability is set to a predetermined value that depends solely on the outcome of the event). Suppose that buying brand 'A' raises the probability of buying brand A by 10%. If the probability were 0.70 before a given trial, it would produce output probability of 0.50 after the purchase of 'A' and 0.35 after the purchase of 'B'. Thus, linear learning model shows that there is a linear relationship between pre-purchase and post-purchase probabilities.

For the first time, Alfred Kuchn applied this model to brand choice data and found that it provided good predictions. Many researchers have tested this model even after Alfred Kuchn and have found the performance of the model rather well in the most of the tests. There are many models so far developed as the modifications to the basic linear learning model. Some of them considered as important are those, which incorporate the effects of external market forces into learning model by making their parameters functions of these forces.

2.1.31 New Trier Model

The new Trier Model was developed by David A. Akar to model the behavior of a consumer who has purchased a new brand. New brand, here, implies the one that is not used before by a consumer, or if even used before, that is completely forgotten he had used that before.

According to this model, there is a trial period after the initial purchases and the probability of purchasing a particular brand in the future is an outcome of the consumer's experiences relating to that brand in the trial period. In the initial purchase, the probability of purchasing the particular brand is constant for the consumer who bought it. This trial period purchase affects the

probability. After the initial purchase, there may be a number of trial-period purchases. The number of such purchases may vary from consumer to consumer. During the very trial-period purchases, the consumer develops a new purchase of the brand that was purchased in the initial purchase; it may also result into rejection of that brand.

Thus, the new Trier model assumes that past purchase don not affect the present or future purchase probability and the probability is non-stationary and varies from consumer to consumer. Even though the model is considered simple and easier to understand, the assumption of the zero-order processes has limited its use. (Engel, J.F. and Black, R., 1982:583-584).

2.1.32 Probability Diffusion Model

David Montgomery proposed the probability diffusion model. This model assumes that the past purchases don not affect the brand-choice probability in the time to come. According to this model, an individual's response probability is a function of external environmental factors. The probability is non-stationary and varies from consumer to consumer. Thus the mechanism of the probability diffusion model is to some extent related to that of the Markov Model.

Above we reviewed some; widely used brand loyalty models based on the stochastic structure. Based on the principle of stochastic model, these models therefore cannot be free from the problems immanent into the stochastic model. All the stochastic models of brand loyalty stated purchased and relatively low priced. These models avoid the issue of multi-brand loyalty, and neglect the change in stochastic process. Similarly, the effects of heterogeneity and non-stationary are quite confusing in the models.

Moreover, the models demand actual purchase dates that is not always obtainable. Thus, it seems that these models still need some modifications or

improvements for their effective use in accurate predictions of brand choice behavior.

2.2 Review of Previous Research

2.2.1 Review of Journals

In 1952, the first study on brand loyalty was published by George Brown. This study was conducted on a panel of 100 households. Survey method was used for this study. The survey was conducted on the household purchases of frequently purchased low involvement goods such as coffee, orange juice, soap and margarine. Households making five or more purchase was placed in one of the four brand loyalty categories depending on the sequence, Brown noted that households demonstrating some degree of loyalty varied from 54 to 95 percent depending on this product involve. On the other hand, percentage of the household which were undividedly brand loyal varied from 12 to 73 percent from product to product.

In weekly Magazine "Arthik Abhiyan " Acharya, Basanta wrote titled on " Basic Tips of Brand Name " As we heard the saying that " talkers win the world" like wise, brand name is essential in advertisement. Without brand name we cannot advertisement. Without the brand name, new product cannot be exist in the market. Though, its very difficult and challenging to decide brand name or loyalty but it is quite essential,. Deciding a brand name is not a joke, its very tough job. So, before introducing the product in the market is not as challenging as to decide its brand name.

Selecting /Deciding

-) It should be match with its service
-) It should be descriptive
-) It should be catchy and simple
-) It should be eternal
-) It should be easy to translate in different languages

Main bases of selecting the brand name

-) According to the name /surname of the founder: It is seen that many people have selected the brand name out of the reputed person's name or their (founder's) own name. Like, Mall Hotel, Dwarika Hotel, Sahu Hanumandas Prasad Ko Pasal, Samrat Stationery. Sanjeev Pharma, Budhathoki Driving Center, Shrestha Tailoring etc
-) On the basis of shortcut name: Short cut name one can choose the name brand. Especially established company select the type of shortcut brand name. For example: D.D.C, Ice cream. D.D.C Cheese, DDC Ghee, and UFO etc.
-) On the basis of the geography: It has been seen that on the basis of geography, brand name is selected. That type of name brand is selected only for the especially of that places. e.g. Mankamana Cable Car, Syanjali Bhojanalaya, Tanahu Guest House etc. Many more commercial bank and F.M. stations of today are selected on the basis of geographically. e.g. Muktinath Development Bank, Tribeni Development Bank, Pokhara Finance, Kaski Finance, Swargadwari F.M., Narayani F.M. Lumbini F.M. Tribene F.M.etc.
-) On the basis of description: These type of brand name peaks about itself. For example Rs. 99 shop.
-) On the basis of borrowing words: It has been seen that borrowing the words from foreign languages brand name can be selected. While selecting brand name from foreign language, its essence should be maintained. For example, Tiptop, Tailoring, Pizza express, Swift Travels.
-) On the basis of compound and newly formed words : We can select the brand name from compound and newly formed word e.g. Microsoft, World Link etc. At last, above points are not enough to select the brand name . It is the guide line. Apart from this all should be based on the theory and assumption.

While analyzing the world wide brands' name all have come to the conclusion that from the name of fruits or form the two or three syllabic words, successful brand name are made. e.g. : Apple, Blackberry Orange, Nike, Yahoo, Pepsi, Coke, Tata, Ford, Sony, Honda, etc. Achary, (2066.22.28, July 6-22, 2009) Weekly Magazine "Arthik Abhiyan".

2.2.2 Review of Articles

Steve is a media professional and writes for different online published article titled on "Brand Loyalty can Increase Sales"

Human mind is a strange thing. It combines the conscious and the unconscious, the rational and the irrational. People act as the mind asks them to do. If somebody can influence the human mind he/she can get the desired result. This is very much true in case of branding your company.

Whether you have a small business or a big business, the customers have developed certain ideas about your company, product or service and this is called brand in a nutshell. The best way of improving your business is spreading awareness about your brand among the consumers.

It seems that many of the companies have lost sight of the significance of establishing brand loyalty and it is mainly reflected in the poor quality of their product and inadequate customer service. So firstly you should improve the quality of your product as well as offer satisfactory customer service.

Another important factor that contributes a lot in developing brand loyalty is advertisement and marketing. In present time wherever we look TV ads, banners, hoardings, magazines, billboards draw our attention and we find some or the other brand is reminding us of our need and promising to provide us with more than our expectations.

When a customer comes to buy a product a number of factors mold his/her decision of buying a product of a particular brand. The decisive factors include past experience of quality, price, word-of-mouth, customer service, brand connotation and so on. Brand loyalty occurs only when the customer is satisfied.

Brand loyalty can be divided into two broad categories: behavioral brand loyalty and attitudinal brand loyalty.

Behavioral Brand Loyalty

Behavioral brand loyalty is mainly determined by repeat purchase. If a customer buys your product over and over again it means that the customer is loyal towards your brand. But at times it might not be true and the customer might be forced to buy your products because of situational constraints. However customer behavior always reflects his/her perception about a brand. Depending on a customer's perception a company develops its branding strategy.

Attitudinal Brand Loyalty

Attitudinal brand loyalty should be the ultimate goal of any company. It determines a customer's favorable attitude towards a brand. It is not only indicated by repeat purchase but much more than that. If a customer is completely committed to a brand he/she will be indifferent to price change. They will be ready to pay high for a product when they know that the company offers value for money. Not only that he/she will also recommend your brand to others when they realize that your brand actually keeps the promise it makes.

When the customers are committed to your brand they will not only look for their own interest but also the interest of the brand. So be honest to your customers and don't fool them. You can be benefited by doing so (e.g. selling a bad product at a high price) for once but you will lose that customer for

ever. Brand loyalty is an asset for a company (Steve McMains, Posted, 2009) (www.articlesbase.com).

2.2.3 Review of Thesis

A study titled "A study on Brand Loyalty on Nondurable Product" carried out by Ekta Singh 2008 has addressed the following major objectives.

-) To find out the brand loyalty
-) To know the consumer behavior on Non durable Product
-) To make the guideline for making marketing strategies
-) Similarly this study will be valuable reference to he scholars and researchers.

Major Finding of the study are :

-) It is found that Nepalese consumers give high importance to Brand in the consumer non-durable goods. The weighted mean of the various important points given (i.e. from 01 to 05) by the respondent is 3.94
-) Most of the consumers are found buying the products selected for this study by brand rather than by inspection or influences. The percentage of consumers who buy by brand is 70% in Cold Drink, 74% in instant noodles. 52 % in Hair Oil and 60% in Shampoo.
-) In each product selected for the study, at least 64% of the consumer are found to have knowledge of maximum alternative brands available in the market. This shows the high brand awareness in Nepalese Urban consumers.
-) Majority of the Nepalese urban consumers are found brand loyal.

A study titled "A brand preference study between Sanmiguel and Tuborg Beer in Kathmandu Metropolitan City" carried by Santosh Adhikari, in 2002 has addressed the following major objectives.

-) Examine the buying habit regarding beer and the buying of the consumers.

-) To find out the effective advertising media for beer and their impact on the consumers
-) To find out the sales volume of beer in Kathmandu metropolitan city.
-) To suggest measures for promotion marketing of Sanmiguel and Tuborg

Major Finding of the study are:

-) 42% are occasional drinkers with 25% preferring Sanmiguel and 17% preferring Tuborg out of 100 beer drinkers.
-) The advertisement of Tuborg has the highest recall value among beer drinkers.
-) 55.93% of beer drinkers preferred to Drink beer with friend Sanmiguel stand for 22.58% and Tuborg by 33.35%.
-) Brand preference between the two brands Tuborg and Sanmiguel were found to be 56% and 44% respectively.
-) The major attributes for an " Ideal ;Brand " were found to be :
Taste – 77.33%, Price-13.33%, Packaging- 5.00 %, Promotional campaign 5.0%. Taste and Pricing (factors) attributes were found different to two brands but other factors found similar.
-) Tuborg has found to be more popular in terms of different periphery.

A study titled "Brand Loyalty on Consumer Product" carried out by Deepak Sherstha , in 2008 has addressed the following major objectives.

-) To find out the brand loyalty of Katmandu Valley
-) To identify the relationship of brand loyalty with demographic variables like age, sex and income.
-) To find out the number of brand loyal consumers or percentage of brand loyal consumer.
-) To recommend important measures that would help the develop marketing strategies and for conducting further researchers on loyalty on branding in future.

Major Finding of the study are:

-) In the case of Shampoo, male and female are found to have equally loyal., Tests how that there is no difference in brand loyalty between male and female.
-) In case of mineral water greater % of female are found to have loyal and most of male are found to have no loyalty. Test shows that there are significant difference between male and female.
-) Similarly in the case of toothpaste % of loyal respondent are found high. They are equally brand loyal. There is no significant difference in brand loyalty between male and female.
-) In case of hair oil male and female respondent are found highly loyal. Among them female are more than and test statistics shows that there is no difference in brand loyalty between male and female.
-) Under age group 15-20, greater % of respondent are found to have divided loyalty and then found to have no loyalty in case of soap.
-) There is no relation between age and brand loyalty. Greater % of respondent is found to have divided loyal among them.
-) Most of the respondent are found to have undividedly loyal in case of shampoo. This indicates that, they are conscious in the case of shampoo. Test statistics shows that there is no relation between age and brand loyalty.
-) In the case of Mineral water greater % of respondent are found to have loyalty. Among them greater % of respondent of age group 20-25 are found loyal. Test statistics indicates that there is no relation between age and brand loyalty.
-) In the case of toothpaste most of respondents I fall undividedly loyal categories. Most of respond of age group 20-25 and 25-30 are found strongly loyal. Test statistics indicates that there is no relation between are and brand loyalty.
-) In the case of hair oil most of respondent are found have to undividedly brand loyal. Among them greater % of age group 30 and above, are

- found more loyal than other group. The test statistics shows that there is no relation between age and brand loyalty.
-) Under income group 2000 and above greater% of respondent are found to have to undividedly loyal in the case of shop. Test statistics show that there is no relation between income and brand loyalty.
 -) In the case of shampoo greater % respondent of income group are found to have undividedly brand loyal. In this case most of respondent are fall in to undividedly brand loyal. And test statistics show that there is no relation between income and brand loyalty.
 -) In the case of mineral water most of the respondent is found to have no loyal. But among them greater % of respondent of income group 20000 and above are found undividedly loyal in the case of Mineral water. This indicates that there is no relation between age and brand loyalty.
 -) In the case of toothpaste most of respondent or greater % of respondent are found loyal consumer categories. Among them greater % of income group 10 to 13 and above are found more loyal than other.
 -) Advertising campaign is found to be the dominant factor for brand switching in product soap, shampoo, and mineral water.
 -) In the case of products toothpaste and hair oil, majority of the people are affected by price activities (price off) for brand switching.
 -) It is found that incentives like price off free, goods etc highly effects people to purchase the brand.

A study titled on "A study on Brand Loyalty " carried out by Yogesh Panta in 1993 has addressed the following major objectives.

-) To examine the brand awareness of the Nepali consumer
-) To find if Nepali consumer are loyal or not
-) To identify the correlates of Brand Loyalty.

Major Finding of the study are:

-) Nepali consumers are aware of various brands of the product offered.

-) The brand loyalty in Nepalese consumers varied as per variable such as age, sex, martial status, family system, education etc.

2.3 Research Gap

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception becomes the foundation for a new buying habit. Consumers initially will make trial purchases of the brand and after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar. There is little research in brand loyalty. In the case of Jorpati area of Kathmandu valley this is a first research in the brand loyalty. The main objective is this study to analyze consumers' brand consciousness in Jorpati area of Kathmandu Valley & to find out the relationship of demographic variables (Age, gender and income etc.). So this research is used of primary data to find out the actual brand consciousness in Jorpati area of Kathmandu valleys' consumers.

CHAPTER - III

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is composed of two words: 'Research' and 'Methodology'. Research is the systematic and organized effort to investigate a specific problem that needs a solution. This process of investigation involves a series of well thought out activities of gathering, recording, analyzing and interpreting the data with the purpose of finding answer to problem. Thus, the entire process by which we attempt to solve problem is called research, while 'Methodology' is the research method used to test hypothesis. A sound and systematic methodology is required to carry out any study, if it is to be worthwhile.

3.2 Research Design

The research design adopted for this study is descriptive based on survey study. This study mainly aims to find out loyalty on branding of the Nepalese consumer. Therefore, the survey research design is adopted for the study. The data and information collected from the survey of the consumer are rearranged, tabulated, analyzed and interpreted according to the need of the study for attaining the stated objectives.

This study is an exploratory study. This study mainly aims to find out loyalty on branding of the consumers of Jorpati area of Kathmandu valley. Therefore, the survey research design is adopted for the study. The consumers of Jorpati area of Kathmandu valley are extensively surveyed to obtain data and information about the consumer's personality, purchasing pattern of different brands of the products selected for the study, and the attitude, responses and reaction relating to brands. The data and information collected from the survey of the

consumer are rearranged, tabulated, analyzed and interpreted according to the need to the study for attaining the state objectives.

3.3 Nature and Sources of Data

The data used are primary in nature. These primary data required for the study are collected from the consumers of Jorpati area of Kathmandu valley.

3.4 Population and Sampling

All consumers of related products in Jorpati area of Kathmandu valley are population of the study. It is almost impossible to include the whole population in the study. Therefore, out of this population, only 150 samples are taken for this study. The snowball sampling technique (purposive sampling) is applied as sampling method.

3.5 Method of Data Collection

Structured questionnaire is to collect the primary data from the respondents. Personal interview is conducted with the respondents with the help of the questionnaire.

3.6 Techniques of Data Analysis

The present study is based on both the analytical and descriptive approach. Various statistical analysis tools are used. The following techniques are followed in analyzing the data:

-) Collection of relevant information,
-) Identification of data suited to fulfill the purpose of the study,
-) Classification and tabulation of data,
-) Derive conclusion, summary and recommendations based on the analyzed data.

3.7 Statistical Tests

3.7.1 Chi-square test (χ^2)

Chi-square test is a non-parametric test because it depends only on the set of observed and expected frequencies and degree of freedom. Chi-square is a test, which describes the magnitude of difference between observed frequency and expected (theoretical) frequencies under certain assumptions. In other words, it describes the magnitude of the discrepancy between theory and observation. It is defined as.

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

Where; O = Observed frequencies

E = Expected frequencies

This test is good for nominal or ordinal scale of measurement. Nominal scale of measurement deals with the data, which can only be classified into categories. Whereas the ordinal level of measurement assigns different ranks to above categorized data.

CHAPTER– IV

DATA PRESENTATION AND ANALYSIS

4.1. Introduction

This chapter related to the presentation and analysis of the data collected from various source. This chapter has been divided in to two sections the first section of the chapter deals with the analysis of the data while the second section is related to major finding of the study.

4.2 Gender and Brand Loyalty: Tea

The number of respondent of product tea is 150. According to their response, both male and female respondents were asked to name of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern. Total number of customers is categorized into four groups according to their purchase pattern and preference relating to different brand of tea products. Table 4.1 present the frequency and percentage distribution of respond by Gender and different degree of brand loyalty on product tea.

Table 4.1

Gender & Brand Loyalty on Tea

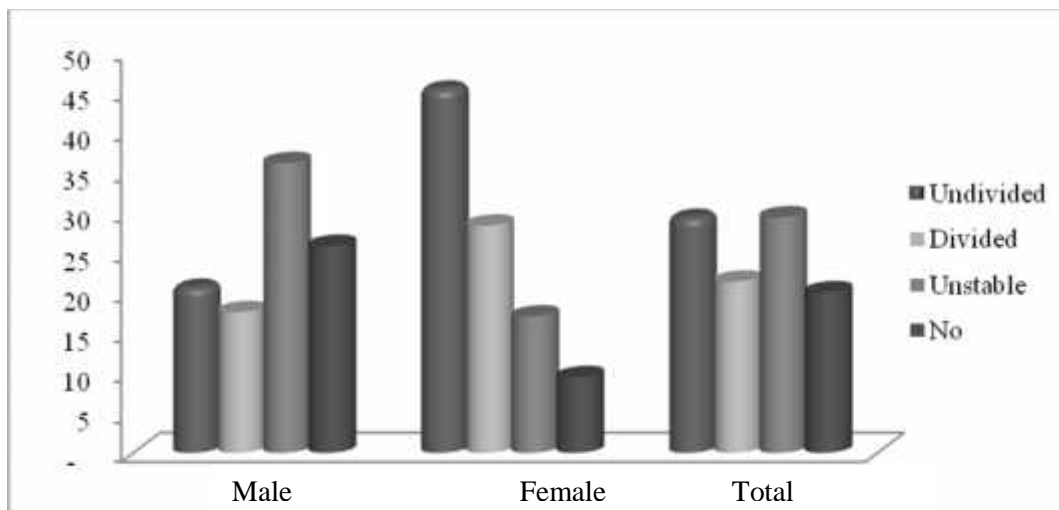
Brand Loyalty	Male		Female		Total	
	No	%	No	%	No	%
Undivided(MMMM)	20	21	24	45	44	29
Divided(MNMN)	17	18	15	28	32	21

Unstable(MMNN)	35	36	9	17	44	29
No (MNOP)	25	26	5	9	30	20
Total	97	100	53	100	150	100

Source: Field Survey, 2009

Figure 4.1

Gender & Brand Loyalty on Tea



Source :Table 4.1

From the above table and the chart Gender and brand loyalty for Tea product appears different situation. In total 29 percent of customer show the undivided loyalty for the product 21 percent of customers show the divided loyalty for product likewise 29 and 20 percentage customers show the unstable loyalty and no loyalty for product respectively.

4.2.1 Chi-square test: Gender and Brand loyalty for Product Tea

Ho: There is no significant difference in brand loyalty between male and female to the purchase of Tea products.

Table 4.2

Brand Loyalty for Product Tea

S.N.	Particulars	Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	Male	20	17	35	25	97
2	Female	24	15	9	5	53
Total		44	32	44	30	150

Source : Field Survey, 2009

Table 4.3

Computation of Chi-Square Test

R,C	Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E) ²	(O-E) ² /E
1,1	20	28.45	(8.45)	71.46	2.51
1,2	17	20.69	(3.69)	13.64	0.66
1,3	35	28.45	6.55	42.86	1.51
1,4	25	19.40	5.60	31.36	1.62
2,1	24	15.55	8.45	71.46	4.60
2,2	15	11.31	3.69	13.64	1.21
2,3	9	15.55	(6.55)	42.86	2.76
2,4	5	10.60	(5.60)	31.36	2.96
Total					17.81

Source: Table 4.2

Degree of Freedom: $(r-1)(c-1) = (2-1)(4-1) = 3$

For these data the t^2 -test statistics is 17.81, which is greater than the critical value of 7.815 at 5% level of significance. So the null hypothesis is not accepted. It implies that there is significant difference in brand loyalty between male and female to the purchase of tea products.

4.3 Gender and Brand Loyalty: Hair oil

The number of respondents of product Hair oil is 150. According to their response, both male and female respondents were asked to name of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern. Total number of customers is categorized into four groups according to their purchase pattern and preference relating to different brands of Tea products. Table 4.4 presents the frequency and percentage distribution of respondents by Gender and different degrees of brand loyalty on product hair oil.

Table 4.4

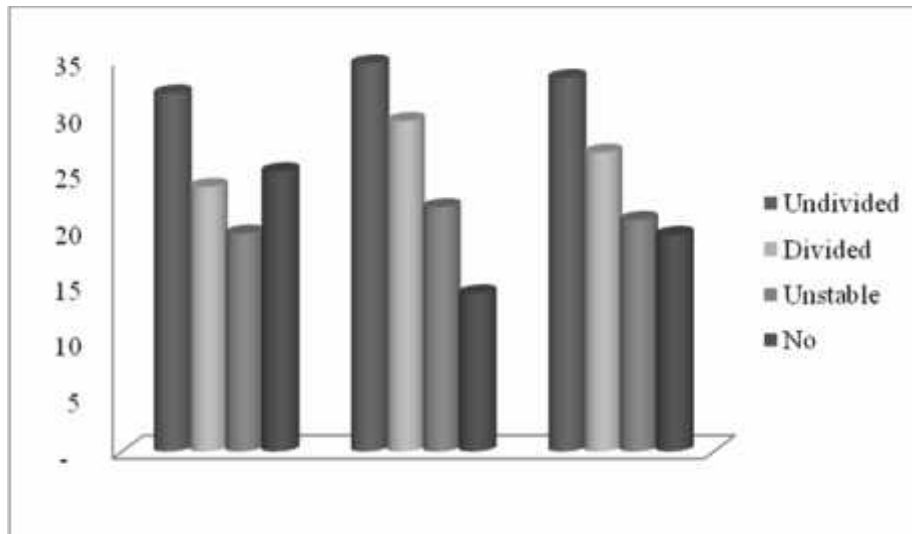
Gender & Brand Loyalty on Hair oil

Brand Loyalty	Male		Female		Total	
	No	%	No	%	No	%
Undivided(MMMM)	23	32	27	35	50	33
Divided(MNMM)	17	24	23	29	40	27
Unstable(MMNN)	14	19	17	22	31	21
No (MNOP)	18	25	11	14	29	19
Total	72	100	78	100	150	100

Source : Field Survey 2009

Figure 4.2

Gender & Brand Loyalty on Hair Oil



Source : Table 4.4

From the above table and the chart Gender and brand loyalty for hair oil appears different situation. In total 33 percent of customer show the undivided loyalty for the product 27 percent of customers show the divided loyalty for product likewise 21 and 19 percentage customers show the unstable loyalty and no loyalty for product respectively.

4.3.1 Chi- square test: Gender and Brand Loyalty for Hair Oil

Ho: There is no significant difference in brand loyalty between male and female to the purchase of hair oil.

Table 4.5**Brand Loyalty for Product Hair Oil**

S.N.	Particulars	Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	Male	23	17	14	18	72
2	Female	27	23	17	11	78
Total		50	40	31	29	150

Source : Field Survey 2009

Table 4.6

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E) ²	(O-E) ² /E
1,1	23	28	(5.45)	29.74	1.05
1,2	17	21	(3.69)	13.64	0.66
1,3	14	28	(14.45)	208.90	7.34
1,4	18	19	(1.40)	1.96	0.10
2,1	27	16	11.45	131.18	8.44
2,2	23	11	11.69	136.73	12.09
2,3	17	16	1.45	2.11	0.14
2,4	11	11	0.40	0.16	0.02
Total					29.83

Computation of Chi-Squire Test

Source: Table 4.5

Degree of Freedom: $(r-1)(c-1) = (2-1)(4-1) = 3$

For these data the t^2 -test statistics is 29.83, which is greater than the critical value of 7.815 at 5% level of significance. So the null hypothesis is rejected. It implies that There is significant difference in brand loyalty between male and female to the purchase of Hair oil products.

4.4 Gender and Brand Loyalty: Soap

The number of respondent of product soap is 150. According to their response, both male and female respondents were asked to name of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern. Total number of customers is categorized in to four groups according to their purchase pattern and preference relating to different brand of Soap products. Table 4.7 present the frequency and percentage distribution of respond by Gender and different degree of brand loyalty on product soap.

Table 4.7

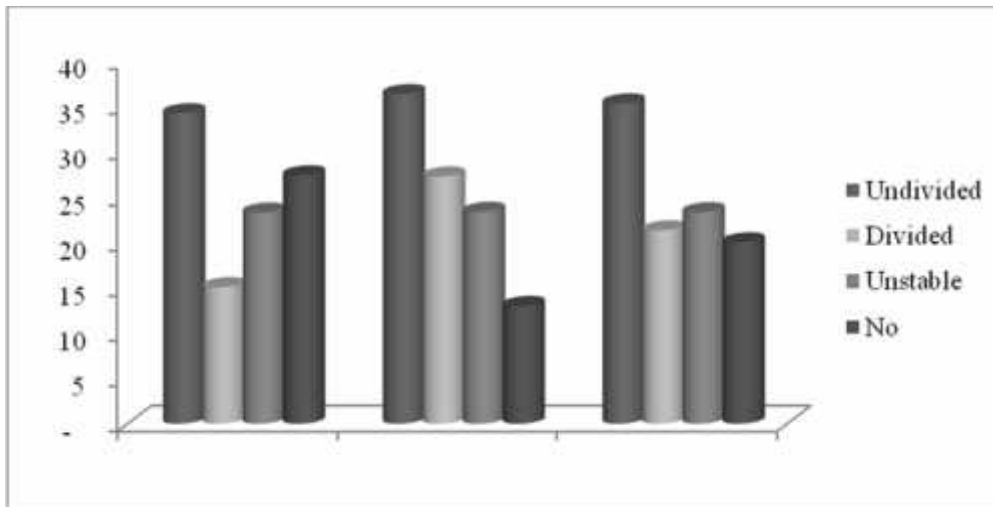
Gender & Brand Loyalty on Soap

Brand Loyalty	Male		Female		Total	
	No	%	No	%	No	%
Undivided(MMMM)	25	34	28	36	53	35
Divided(MNMMN)	11	15	21	27	32	21
Unstable(MMNN)	17	23	18	23	35	23
No (MNOP)	20	27	10	13	30	20
Total	73	100	77	100	150	100

Source : Field Survey 2009

Figure 4.3

Gender & Brand Loyalty on Soap



Source : Table 4.7

From the above table and the chart Gender and brand loyalty for Soap appears different situation. In total 35 percent of customer show the undivided loyalty for the product 21 percent of customers show the divided loyalty for product likewise 23 and 20 percentage customers show the unstable loyalty and no loyalty for product respectively.

4.4.1 Chi- square test: Gender and Brand loyalty for Soap

Ho: There is no significant difference in brand loyalty between male and female to the purchase of Soap.

Table 4.8

Brand Loyalty for Product Soap

S.N.	Particulars	Response on Brand Loyalty				Total
		Undivided	Divided	Unstable	No loyalty	
1	Male	25	11	17	20	73
2	Female	28	21	18	10	77

Total	53	32	35	30	150
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Source : Field Survey 2009

Table 4.9

Computation of Chi-Squire Test

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E)²	(O-E)²/E
1,1	25	28	(3.45)	11.93	0.42
1,2	11	21	(9.69)	93.96	4.54
1,3	17	28	(11.45)	131.18	4.61
1,4	20	19	0.60	0.36	0.02
2,1	28	16	12.45	155.09	9.98
2,2	21	11	9.69	93.96	8.31
2,3	18	16	2.45	6.02	0.39
2,4	10	11	(0.60)	0.36	0.03
Total					28.30

Source: Table 4.8

Degree of Freedom: $(r-1)(c-1) = (2-1)(4-1) = 3$

For these data the χ^2 -test statistics is 28.30, which is greater than the critical value of 7.815 at 5% level of significance. So the null hypothesis is rejected. It implies that There is significant difference in brand loyalty between male and female to the purchase of Soap products.

4.5 Gender and Brand Loyalty: Shampoo

The number of respondent of product shampoo is 150. According to their response, both male and female respondents were asked to name of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern. Total number of customers is categorized in to four groups according to their purchase pattern and preference relating to different brand of Shampoo products. Table 4.10 present the frequency and percentage distribution of respond by Gender and different degree of brand loyalty on product shampoo.

Table 4.10

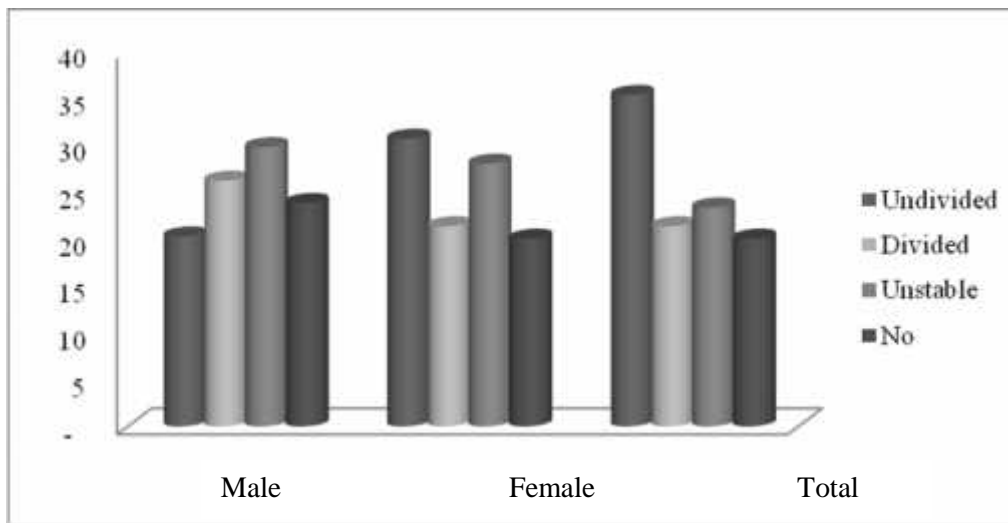
Gender & Brand Loyalty on Shampoo

Brand Loyalty	Male		Female		Total	
	No	%	No	%	No	%
Undivided(MMMM)	17	20	29	44	46	31
Divided(MNMMN)	22	26	10	15	32	21
Unstable(MMNN)	25	30	17	26	42	28
No (MNOP)	20	24	10	15	30	20
Total	84	100	66	100	150	100

Source : Field Survey 2009

Figure 4.4

Gender & Brand Loyalty on Shampoo



Source : Table 4.10

From the above table and the chart Gender and brand loyalty for shampoo appears different situation. In total 31percent of customer show the undivided loyalty for the product 21 percent of customers show the divided loyalty for product likewise 28 and 20 percentage customers show the unstable loyalty and no loyalty for product respectively.

4.5.1 Chi- square test: Gender and Brand Loyalty for Shampoo

Ho: There is no significant difference in brand loyalty between male and female to the purchase of Shampoo.

Table 4.11

Brand Loyalty for Product Shampoo

S.N.	Particulars	Response on Brand Loyalty				Total
		Undivided	Divided	Unstable	No loyalty	
1	Male	17	22	25	20	84
2	Female	29	10	17	10	66

Total	46	32	42	30	150
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Source : Field Survey 2009

Table 4.12

Computation of Chi-Squire Test

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E)²	(O-E)²/E
1,1	17	28	(11.45)	131.18	4.61
1,2	22	21	1.31	1.71	0.08
1,3	25	28	(3.45)	11.93	0.42
1,4	20	19	0.60	0.36	0.02
2,1	29	16	13.45	180.99	11.64
2,2	10	11	(1.31)	1.71	0.15
2,3	17	16	1.45	2.11	0.14
2,4	10	11	(0.60)	0.36	0.03
Total					17.09

Source: Table 4.11

Degree of Freedom: $(r-1)(c-1) = (2-1)(4-1) = 3$

For these data the χ^2 -test statistics is 17.09, which is less than the critical value of 7.815 at 5% level of significance. So the null hypothesis is rejected. It implies that There is no significant difference in brand loyalty between male and female to the purchase of Shampoo products.

4.6 Age and Brand Loyalty: Tea

Customer age may be one of the factors that affect their choice of the products. The choice of young customers may not be preferred by the ageing customers. Under this topic, customer's response on brand loyalty in term of age is analyzed according to their selected product categories. The age of the respondents are divided in to four groups viz. 15-20, 20-25, 25-30 and 30 and above. In the survey, respondents of different age group were asked to name the brand of product of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern and preferences. Age and Brand loyalty on Tea show the table below.

Table 4.13

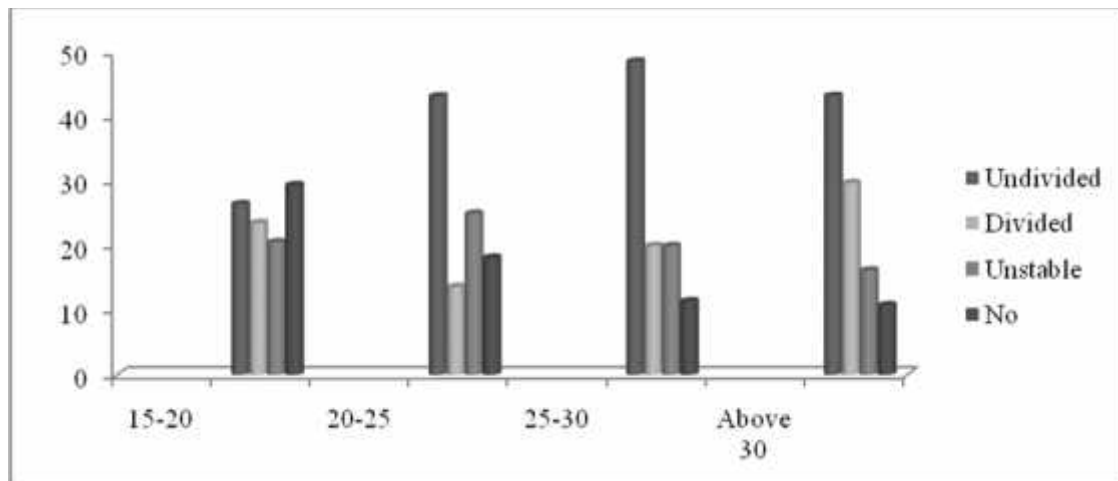
Age & Brand Loyalty on Tea

Brand Loyalty	15-20		20-25		25-30		Above 30	
	No	%	No	%	No	%	No	%
Undivided(MMMM)	9	26	19	43	17	49	16	43
Divided(MNMN)	8	24	6	14	7	20	11	30
Unstable(MMNN)	7	21	11	25	7	20	6	16
No (MNOP)	10	29	8	18	4	11	4	11
Total	34	100	44	100	35	100	37	100

Source : Field Survey 2009

Figure 4.5

Age & Brand Loyalty on Tea



Source: Table 4.13

The above table and chart reveals the customers age and brand loyalty for the purchase of the Tea product. In the case of age group 15- 20 years show the similar types of loyalty to purchase the product because they have not any idea about the brand of Tea available in market. Similarly the age group 20-25, 25-30 & above 30 have more undivided loyalty they are concern about the brand of Tea available in the market.

4.6.1 Chi- square test: Age and Brand loyalty for Tea

Ho: Age of individuals does not have significant influence on brand loyalty for Tea.

Table 4.14**Age & Brand Loyalty on Tea**

Brand Loyalty	15-20		20-25		25-30		Above 30	
	No	%	No	%	No	%	No	%
Undivided	9	26	19	43	17	49	16	43
Divided	8	24	6	14	7	20	11	30
Unstable	7	21	11	25	7	20	6	16
No	10	29	8	18	4	11	4	11
Total	34	100	44	100	35	100	37	100

Source : Field Survey 2009

Table 4.15**Computation of Chi-Squire Test**

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E) ²	(O-E) ² /E
1,1	9	13.83	(4.83)	23.30	1.68
1,2	8	7.25	0.75	0.56	0.08
1,3	7	7.03	(0.03)	0.00	0.00
1,4	10	5.89	4.11	16.86	2.86
2,1	19	17.89	1.11	1.22	0.07
2,2	6	9.39	(3.39)	11.47	1.22
2,3	11	9.09	1.91	3.64	0.40
2,4	8	7.63	0.37	0.14	0.02
3,1	17	14.23	2.77	7.65	0.54
3,2	7	7.47	(0.47)	0.22	0.03
3,3	7	7.23	(0.23)	0.05	0.01

3,4	4	6.07	(2.07)	4.27	0.70
4,1	16	15.05	0.95	0.91	0.06
4,2	11	7.89	3.11	9.65	1.22
4,3	6	7.65	(1.65)	2.71	0.35
4,4	4	6.41	(2.41)	5.82	0.91
Total					6.33

Source: Table 4.14

Degree of Freedom: $(r-1)(c-1) = (4-1)(4-1) = 9$

For these data the t^2 - test statistics is 6.33 which is less than the critical value of 16.919 at 5% level of significance the null hypothesis is rejected. It implies Age of individuals have significant influence on brand loyalty for the purchase of Tea products.

4.7 Age and Brand Loyalty: Hair Oil

Customer age may be one of the factors that affect their choice of the products. The choice of young customers may not be preferred by the ageing customers. Under this topic, customer's response on brand loyalty in term of age is analyzed according to their selected product categories. The age of the respondents are divided in to four groups viz. 15-20, 20-25, 25-30 and 30 and above. In the survey, respondents of different age group were asked to name the brand of product of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern and preferences. Age and Brand loyalty on Hair Oil show the table below.

Table 4.16

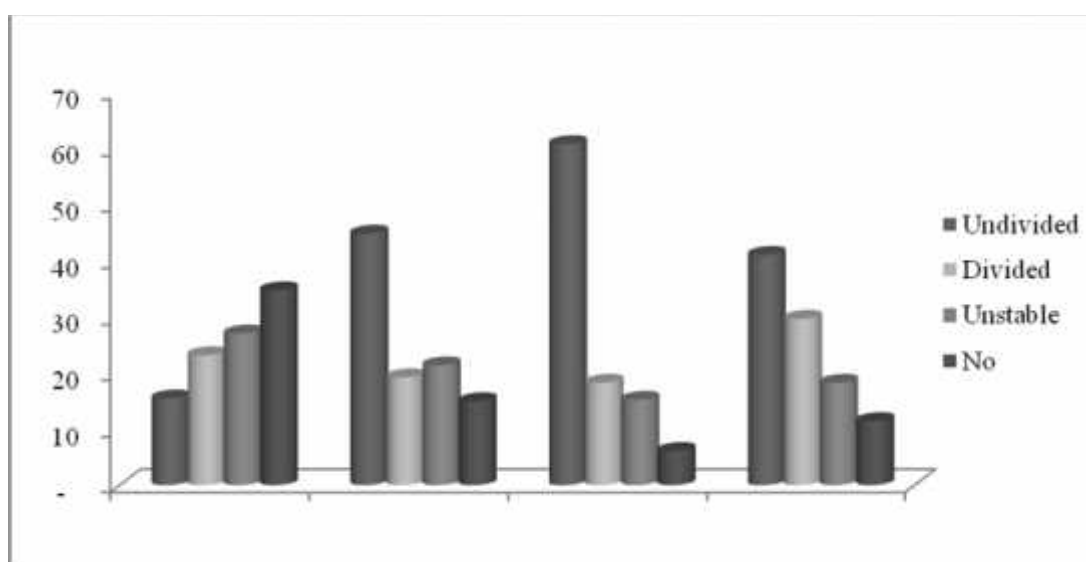
Age & Brand Loyalty on Hair Oil

Brand Loyalty	15-20		20-25		25-30		Above 30	
	No	%	No	%	No	%	No	%
Undivided(MMMM)	4	15	21	45	20	61	18	41
Divided(MNMN)	6	23	9	19	6	18	13	30
Unstable(MMNN)	7	27	10	21	5	15	8	18
No (MNOP)	9	35	7	15	2	6	5	11
Total	26	100	47	100	33	100	44	100

Source : Field Survey 2009

Figure 4.6

Age & Brand Loyalty on Hair Oil



15-20

Source: Table 4.16

The above table and chart reveals that 15 percent respondent of 15-20 age group, 45 percent respondent of 20-25 age group, 65 percent respondent of age group 25-30 & 41 percent of age group above 30 have a un divided loyalty for purchased the hair oil.

The age group of 15- 20 have showed the no loyalty on hair oil. Similarly the age group 25-30 has more conscious for purchased the hair oil.

4.7.1 Chi- square test: Age and Brand loyalty for Hair oil

Ho: Age of individuals does not have significant influence on brand loyalty for Hair Oil.

Table 4.17

Brand Loyalty for Product Hair oil.

S.N.	Age Group	Response on Brand Loyalty				Total
		Un divided	Divided	Unstable	No loyalty	
1	15-20	4	6	7	9	26
2	20-25	21	9	10	7	47
3	25-30	20	6	5	2	33
4	above-30	18	13	8	5	44
Total		63	34	30	23	150

Source : Field Survey 2009

Table 4.18**Computation of Chi-Squire Test**

R,C	Observed Frequency (O)	Expected Frequency (E)	(O-E)	(O-E)²	(O- E)²/E
1,1	4	11	(6.92)	47.89	4.39
1,2	6	6	0.11	0.01	0.00
1,3	7	5	1.80	3.24	0.62
1,4	9	4	5.01	25.13	6.30
2,1	21	20	1.26	1.59	0.08
2,2	9	11	(1.65)	2.73	0.26
2,3	10	9	0.60	0.36	0.04
2,4	7	7	(0.21)	0.04	0.01
3,1	20	14	6.14	37.70	2.72
3,2	6	7	(1.48)	2.19	0.29
3,3	5	7	(1.60)	2.56	0.39
3,4	2	5	(3.06)	9.36	1.85
4,1	18	18	(0.48)	0.23	0.01
4,2	13	10	3.03	9.16	0.92
4,3	8	9	(0.80)	0.64	0.07
4,4	5	7	(1.75)	3.05	0.45
Total					11.70

*Source: Table 4.15*Degree of Freedom: $(r-1)(c-1) = (4-1)(4-1) = 9$

For these data the t^2 - test statistics is 11.70 which is less than the critical value of 16.919 at 5% level of significance the null hypothesis isn't accepted. It implies Age of individuals have significant influence on brand loyalty for purchasing the hair oil products.

4.8 Age and Brand Loyalty: Soap

Customer age may be one of the factors that affect their choice of the products. The choice of young customers may not be preferred by the ageing customers. Under this topic, customer's response on brand loyalty in term of age is analyzed according to their selected product categories. The age of the respondents are divided in to four groups viz. 15-20, 20-25, 25-30 and 30 and above. In the survey, respondents of different age group were asked to name the brand of product of their purchase. Then the loyalty on specific brand is considered according to their purchase pattern and preferences. Age and Brand loyalty on soap show the table below.

Table 4.19

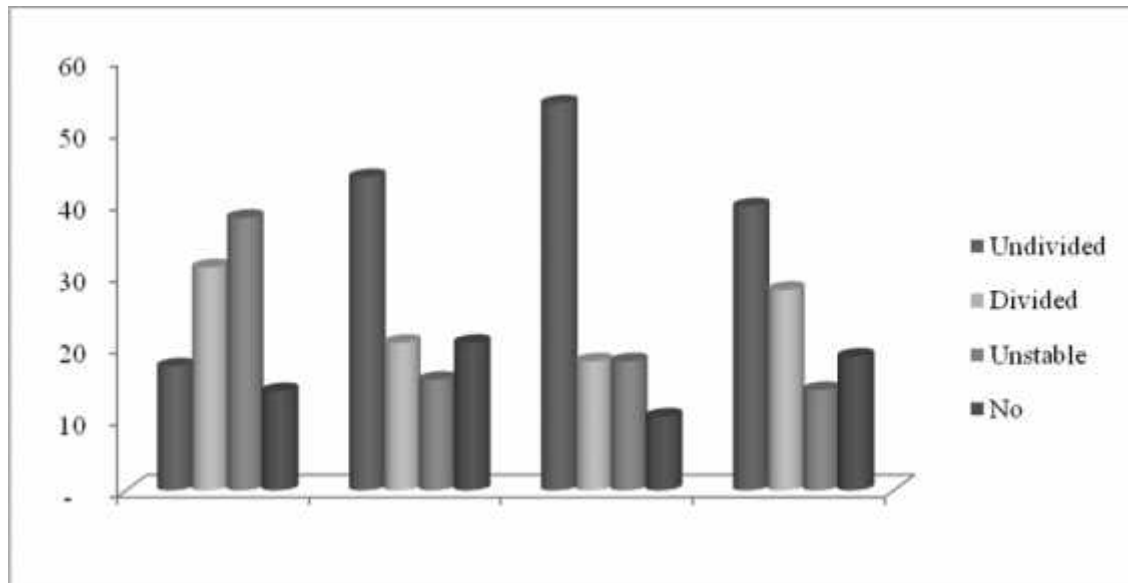
Age & Brand Loyalty on Soap

Brand Loyalty	15-20		20-25		25-30		Above 30	
	No	%	No	%	No	%	No	%
Undivided(MMMM)	5	17	17	44	21	54	17	40
Divided(MNMN)	9	31	8	21	7	18	12	28
Unstable(MMNN)	11	38	6	15	7	18	6	14
No (MNOP)	4	14	8	21	4	10	8	19
Total	29	100	39	100	39	100	43	100

Source : Field Survey 2009

Figure 4.7

Age & Brand Loyalty on Soap



Source: Table No 4.19

The above table and chart reveals that 17 percent respondent of 15-20 age groups, 44 percent respondent of 20-25 age group 54 percent respondent of age group 25-30 & 40 percent of age group above 30 has an undivided loyalty for purchased the Soap.

The age group of 20-25, 25-30 & above 30 has showed undivided loyalty on soap. Similarly the age group 15-20 hasn't conscious for purchased the soap.

4.8.1 Chi- square test: Age and Brand loyalty for Soap

Ho: Age of individuals does not have significant influence on brand loyalty for soap.

Table 4.20

Brand Loyalty for Product Soap

S.N.	Particulars	Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	15-20	5	9	11	4	29
	20-25	17	8	6	8	39
	25-30	21	7	7	4	39
	above-30	17	12	6	8	43
	Total	60	36	30	24	150

Source : Field Survey 2009

Table 4.21

Computation of Chi-Squire Test

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E) ²	(O-E) ² /E
1,1	5	12	(6.60)	43.56	3.76
1,2	9	7	2.04	4.16	0.60
1,3	11	6	5.20	27.04	4.66
1,4	4	5	(0.64)	0.41	0.09
2,1	17	16	1.40	1.96	0.13
2,2	8	9	(1.36)	1.85	0.20
2,3	6	8	(1.80)	3.24	0.42
2,4	8	6	1.76	3.10	0.50
3,1	21	16	5.40	29.16	1.87

3,2	7	9	(2.36)	5.57	0.60
3,3	7	8	(0.80)	0.64	0.08
3,4	4	6	(2.24)	5.02	0.80
4,1	17	17	(0.20)	0.04	0.00
4,2	12	10	1.68	2.82	0.27
4,3	6	9	(2.60)	6.76	0.79
4,4	8	7	1.12	1.25	0.18
Total					10.34

Source :Table 4.20

Degree of Freedom: $(r-1)(c-1) = (4-1)(4-1) = 9$

For these data the t^2 - test statistics is 10.34 which is less than the critical value of 16.919 at 5% level of significance the null hypothesis is rejected. It implies Age of individuals have significant influence on brand loyalty for high involvement products.

4.9 Age and Brand Loyalty: Shampoo

The response of different age groups respondent according to their purchase pattern and preference relating to different brands of shampoo are given below:

Table 4.22

Age & Brand Loyalty on Soap

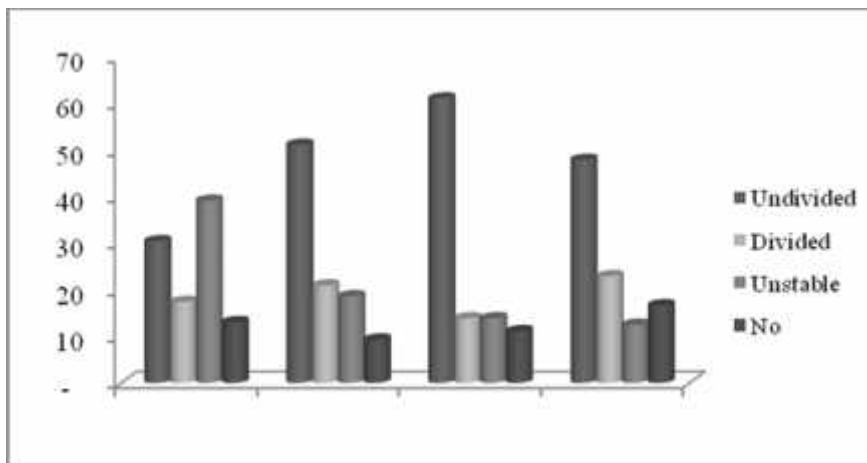
Brand Loyalty	15-20		20-25		25-30		Above 30	
	No	%	No	%	No	%	No	%
Undivided(MMMM)	7	30	22	51	22	61	23	48

Divided(MNMN)	4	17	9	21	5	14	11	23
Unstable(MMNN)	9	39	8	19	5	14	6	13
No (MNOP)	3	13	4	9	4	11	8	17
Total	23	100	43	100	36	100	48	100

Source : Field Survey 2009

Figure 4.8

Age & Brand Loyalty on Shampoo



Source: Table 4.22

The above table and chart reveals that 30 percent respondent of 15-20 age groups, 51 percent respondent of 20-25 age group 61 percent respondent of age group 25-30 & 48 percent of age group above 30 has an undivided loyalty for purchased the Shampoo.

The age group of 20-25, 25-30 & above 30 has showed undivided loyalty on soap. Similarly the age group 15-20 hasn't conscious for purchased the shampoo.

4.9.1 Chi-square test: Age and Brand loyalty for Shampoo

Ho: Age of individuals does not have significant influence on brand loyalty for Shampoo.

Table 4.23

Brand Loyalty for Product Shampoo

S.N.	Particulars	Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	15-20	7	4	9	3	23
2	20-25	22	9	8	4	43
3	25-30	22	5	5	4	36
4	above-30	23	11	6	8	48
Total		74	29	28	19	150

Source: Field Survey 2009

Table 4.24**Computation of Chi-Squire Test**

R,C	Observed Frequency (O)	Expected Frequency(E)	(O-E)	(O-E)²	(O-E)²/E
1,1	7	11	(4.35)	18.89	1.67
1,2	4	4	(0.45)	0.20	0.04
1,3	9	4	4.71	22.15	5.16
1,4	3	3	0.09	0.01	0.00
2,1	22	21	0.79	0.62	0.03
2,2	9	8	0.69	0.47	0.06
2,3	8	8	(0.03)	0.00	0.00
2,4	4	5	(1.45)	2.09	0.38
3,1	22	18	4.24	17.98	1.01
3,2	5	7	(1.96)	3.84	0.55
3,3	5	7	(1.72)	2.96	0.44
3,4	4	5	(0.56)	0.31	0.07
4,1	23	24	(0.68)	0.46	0.02
4,2	11	9	1.72	2.96	0.32
4,3	6	9	(2.96)	8.76	0.98
4,4	8	6	1.92	3.69	0.61
Total					7.34

Source : Table 4.23

Degree of Freedom: $(r-1)(c-1) = (4-1)(4-1) = 9$

For these data the t^2 - test statistics is 7.34 which is greater than the critical value of 16.919 at 5% level of significance the null hypothesis is rejected . It implies Age of individuals have significant influence on brand loyalty for purchasing the soap products.

4.10 Income and Brand Loyalty

Income is considered the major factor that affects the consumer's choice, under this topics degree of loyalty of the respondent in any specific brand of products is analyzed according to their monthly income.

4.10.1 Income & Brand Loyalty: Tea

Under this topic brand loyalty of respondents on specific brand of Tea are analyzed with the help of frequency table & bar chart according to their monthly income.

Table 4.25

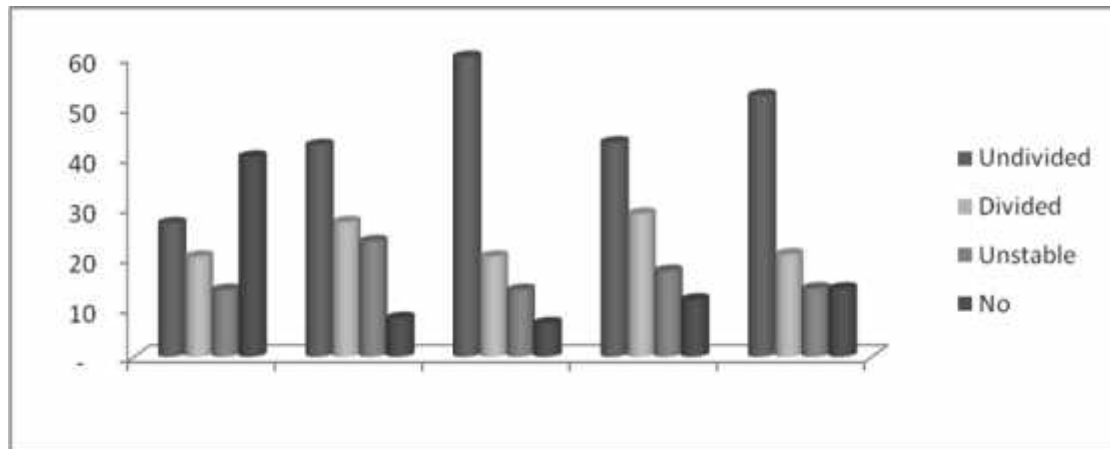
Income & Brand Loyalty on Tea (Rs'000')

Brand Loyalty	Monthly Income									
	Below-- 5		5--10		10--15		15--20		20 & Above	
	No	%	No	%	No	%	No	%	No	%
Undivided(MMMM)	4	27	11	42	18	60	15	43	23	52
Divided(MNMN)	3	20	7	27	6	20	10	29	9	20
Unstable(MMNN)	2	13	6	23	4	13	6	17	6	14
No (MNOP)	6	40	2	8	2	7	4	11	6	14
Total	15	100	26	100	30	100	35	100	44	100

Source : Field Survey 2009

Figure 4.9

Income & Brand Loyalty on Tea



Source: Table 4.25

According to above table and chart we can see that among 15 respondents having below 5000 monthly income were not brand loyal of specific type of Tea. The income level above 5000 all respondent have brand loyalty of specific brand of Tea. 42 percent of respondent of income level 5000 to 10000 have undivided brand loyalty. Similarly 60 percent, 43 percent & 52 percent of respondent having income 10000 to 15000, 15000 to 20000 and 20000 & above undivided brand loyalty respectively of specific brand of Tea.

4.10.1.1 Chi- square test: Income and Brand loyalty for Tea

Ho: There is no effect on income on brand loyalty for Tea.

Table 4.26

Brand Loyalty for Product Tea

S.N.	Particulars	Income & Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	Below 5000	4	3	2	6	15

2	5000-10000	11	7	6	2	26
3	10000-15000	18	6	4	2	30
4	15000-20000	15	10	6	4	35
5	20000 & Above	23	9	6	6	44
Total		71	35	24	20	150

Source : Field Survey 2009

Table 4.27

Computation of Chi-Squire Test

R,C	Observed Frequency (O)	Excepted Frequency (E)	(O-E)	(O-E)²	(O-E)²/E
1,1	4	7	(3.10)	9.61	1.35
1,2	3	4	(0.50)	0.25	0.07
1,3	2	2	(0.40)	0.16	0.07
1,4	6	2	4.00	16.00	8.00
2,1	11	12	(1.31)	1.71	0.14
2,2	7	6	0.93	0.87	0.14
2,3	6	4	1.84	3.39	0.81
2,4	2	3	(1.47)	2.15	0.62
3,1	18	14	3.80	14.44	1.02
3,2	6	7	(1.00)	1.00	0.14
3,3	4	5	(0.80)	0.64	0.13
3,4	2	4	(2.00)	4.00	1.00
4,1	15	17	(1.57)	2.45	0.15
4,2	10	8	1.83	3.36	0.41
4,3	6	6	0.40	0.16	0.03
4,4	4	5	(0.67)	0.44	0.10
5,1	23	21	2.17	4.72	0.23
5,2	9	10	(1.27)	1.60	0.16
5,3	6	7	(1.04)	1.08	0.15
5,4	6	6	0.13	0.02	0.00
Total					14.72

Source : Table 4.26)

Degree of Freedom: $(r-1)(c-1) = (5-1)(4-1) = 12$

For these data the t^2 - test statistics is 14.72 which is less than the critical value of 23.685 at 5% level of significance the null hypothesis is rejected. It implies income of individuals have significant influence on brand loyalty for purchasing the Tea products.

4.10.2 Income & Brand Loyalty: Hair Oil

Under this topic brand loyalty of respondents on specific brand of hair oil are analyzed with the help of frequency table & bar chart according to their monthly income.

Table 4.28

Income & Brand Loyalty on Hair Oil

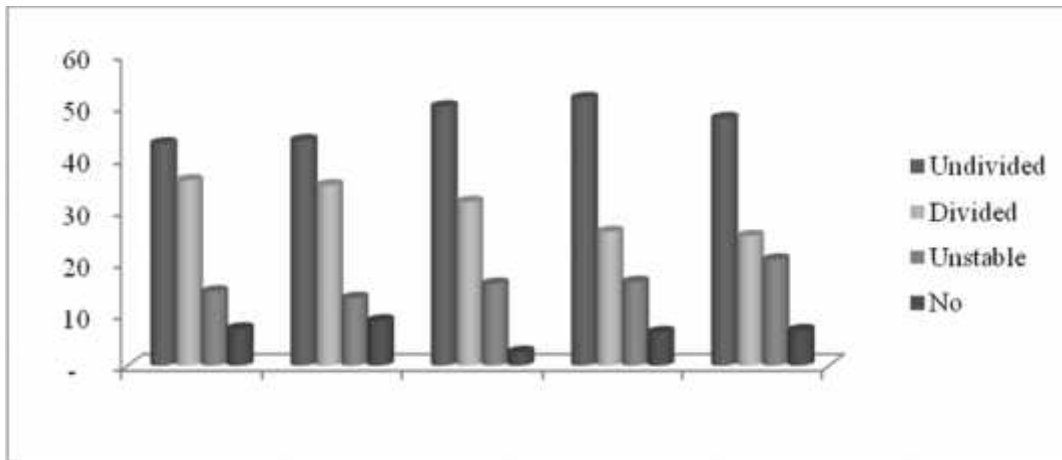
(Rs'000')

Brand Loyalty	Monthly Income									
	Below 5		5-10		10-15		15-20		20 & Above	
	No	%	No	%	No	%	No	%	No	%
Undivided(MMMM)	6	43	10	43	19	50	16	52	21	48
Divided(MNMMN)	5	36	8	35	12	32	8	26	11	25
Unstable(MMNN)	2	14	3	13	6	16	5	16	9	20
No (MNOP)	1	7	2	9	1	3	2	6	3	7
Total	14	100	23	100	38	100	31	100	44	100

Source : Field Survey 2009

Figure 4.10

Income & Brand Loyalty on Hair Oil



Source: Table 4.28

According to above table and chart we can see that among 43 percent of respondents having below 5000 monthly income showed the brand loyalty of specific type of shampoo. The income level above 5000 all respondent have brand loyalty of specific brand of shampoo. 43 percent of respondent of income level 5000 to 10000 have undivided brand loyalty. Similarly 50 percent, 52 percent & 48 percent of respondent having income 10000 to 15000, 15000 to 20000 and 20000 & above undivided brand loyalty respectively of specific brand of Shampoo.

4.10.2.1 Chi- square test: Income and Brand loyalty for Hair Oil

Ho: There is no effect on income on brand loyalty for Hair Oil.

Table 4.29

Brand Loyalty for Product Hair Oil

S.N.	Particulars	Income & Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	Below 5000	6	5	2	1	14
2	5000-10000	10	8	3	2	23
3	10000-15000	19	12	6	1	38
4	15000-20000	16	8	5	2	31
5	20000 & Above	21	11	9	3	44
Total		72	44	25	9	150

Source : Field Survey 2009

Table 4.30**Computation of Chi-Squire Test**

R,C	Observed Frequency (O)	Excepted Frequency (E)	(O-E)	(O-E)²	(O- E)²/E
1,1	6	7	(0.72)	0.52	0.08
1,2	5	4	0.89	0.80	0.19
1,3	2	2	(0.33)	0.11	0.05
1,4	1	1	0.16	0.03	0.03
2,1	10	11	(1.04)	1.08	0.10
2,2	8	7	1.25	1.57	0.23
2,3	3	4	(0.83)	0.69	0.18
2,4	2	1	0.62	0.38	0.28
3,1	19	18	0.76	0.58	0.03
3,2	12	11	0.85	0.73	0.07
3,3	6	6	(0.33)	0.11	0.02
3,4	1	2	(1.28)	1.64	0.72
4,1	16	15	1.12	1.25	0.08
4,2	8	9	(1.09)	1.20	0.13
4,3	5	5	(0.17)	0.03	0.01
4,4	2	2	0.14	0.02	0.01
5,1	21	21	(0.12)	0.01	0.00
5,2	11	13	(1.91)	3.64	0.28
5,3	9	7	1.67	2.78	0.38

5,4	3	3	0.36	0.13	0.05
Total					2.92

Source : Table 4.29

Degree of Freedom: $(r-1)(c-1) = (5-1)(4-1) = 12$

For these data the χ^2 - test statistics is 2.92 which is less than the critical value of 23.685 at 5% level of significance the null hypothesis is rejected. It implies income of individuals have significant influence on brand loyalty for purchasing the Hair oil products

4.10.3 Income & Brand Loyalty: Soap

Under this topic brand loyalty of respondents on specific brand of Soap are analyzed with the help of frequency table & bar chart according to their monthly income.

Table 4.31

Income & Brand Loyalty on Soap

(Rs '000')

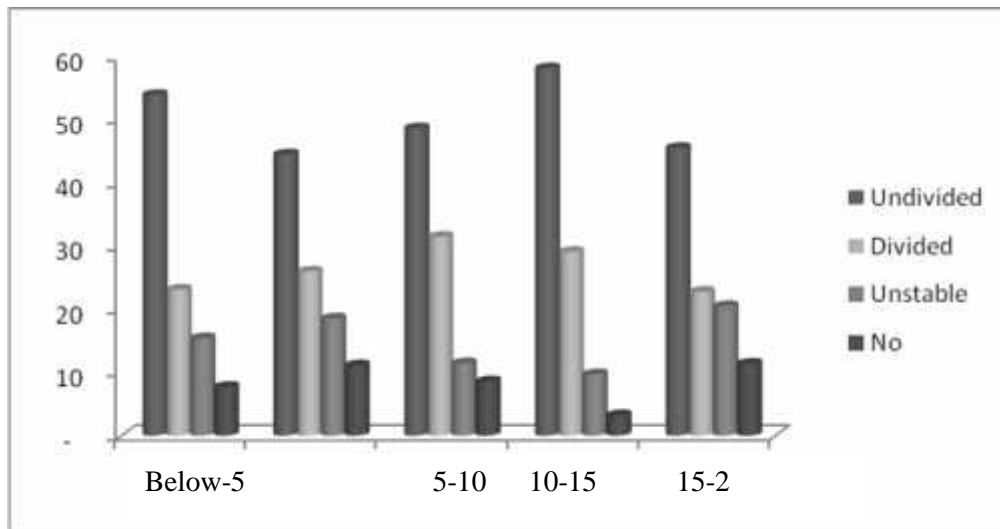
Brand Loyalty	Monthly Income									
	Below 5		5--10		10--15		15--20		20 & Above	
	No	%	No	%	No	%	No	%	No	%
Undivided(MMMM)	7	54	12	44	17	49	18	58	20	45
Divided(MNMM)	3	23	7	26	11	31	9	29	10	23
Unstable(MMNN)	2	15	5	19	4	11	3	10	9	20
No (MNOP)	1	8	3	11	3	9	1	3	5	11

Total	13	100	27	100	35	100	31	100	44	100
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Source : Field Survey 2009

Figure 4.11

Income & Brand Loyalty on Soap



Source : Table 4.31

In the above table & chart we can see that among the 13 respondents having below 5000 monthly income ,54percent are strongly loyal,23percent are divided loyal 15 percent are unstable loyal & 8 percent are no loyal on specific brand of soap.Similarly 44 percent of respondent having income 5000 to 10000 are strongly loyal,26 percent are divided loyal,19 percent are unstable loyal & 11 percent are no loyal of specific type of soap. The income level having 15000 to 20000,49 ppercent of respondent are strong loyal,31percent of respondent are divided loyal,10 percent are unstable loyal & 3 percent of respondent are no loyal of specific type of soap.Similarly the income level having 20000 &above 45 percent of respondent are strongly loyal,23 percentdivided loyal,20 percent are unstable loyal &11 percent are no loyal of specific type of soap.

4.10.3.1 Chi- square test: Income and Brand loyalty for Soap.

Ho: There is no effect on income on brand loyalty for Soap.

Table: 4.32

Brand Loyalty for Product Soap

S.N.	Particulars	Income & Response on Brand Loyalty				
		Undivided	Divided	Unstable	No loyalty	Total
1	Below 5000	7	3	2	1	13
2	5000-10000	12	7	5	3	27
3	10000-15000	17	11	4	3	35
4	15000-20000	18	9	3	1	31
5	20000 & Above	20	10	9	5	44
Total		74	40	23	13	150

Source : Field Survey 2009

Table 4.33**Computation of Chi-Squire Test**

R,C	Observed Frequency (O)	Excepted Frequency(E)	(O-E)	(O-E)²	(O-E)²/E
1,1	7	6	0.59	0.34	0.05
1,2	3	3	(0.47)	0.22	0.06
1,3	2	2	0.01	0.00	0.00
1,4	1	1	(0.13)	0.02	0.01
2,1	12	13	(1.32)	1.74	0.13
2,2	7	7	(0.20)	0.04	0.01
2,3	5	4	0.86	0.74	0.18
2,4	3	2	0.66	0.44	0.19
3,1	17	17	(0.27)	0.07	0.00
3,2	11	9	1.67	2.78	0.30
3,3	4	5	(1.37)	1.87	0.35
3,4	3	3	(0.03)	0.00	0.00
4,1	18	15	2.71	7.33	0.48
4,2	9	8	0.73	0.54	0.07
4,3	3	5	(1.75)	3.07	0.65
4,4	1	3	(1.69)	2.84	1.06
5,1	20	22	(1.71)	2.91	0.13
5,2	10	12	(1.73)	3.00	0.26
5,3	9	7	2.25	5.08	0.75
5,4	5	4	1.19	1.41	0.37

Total	5.04
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Source : Table 4.32

Degree of Freedom: $(r-1)(c-1) = (5-1)(4-1) = 12$

For these data the χ^2 - test statistics is 5.04 which is less than the critical value of 23.685 at 5% level of significance the null hypothesis is rejected. It implies income of individuals have significant influence on brand loyalty for purchasing the Soap products.

4.10.4 Income & Brand loyalty: Shampoo

Under this topic brand loyalty of respondents on specific brand of Shampoo are analyzed with the help of frequency table & bar chart according to their monthly income.

Table 4.34

Income & Brand Loyalty on Shampoo

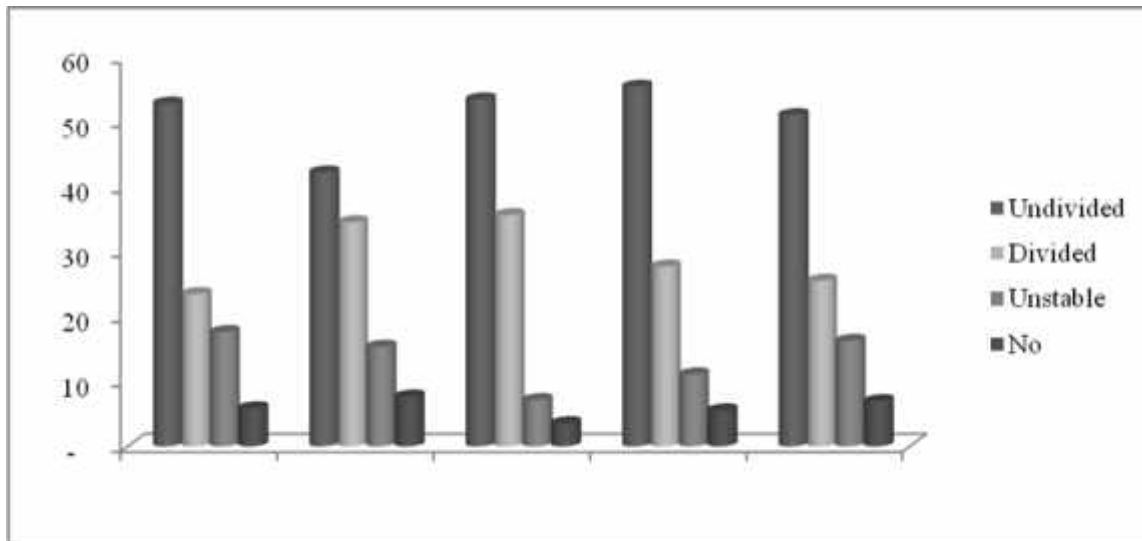
(Rs '000')

Brand Loyalty	Monthly Income									
	Below 5		5--10		10--15		15--20		20 & Above	
	No	%	No	%	No	%	No	%	No	%
Undivided(MMMM)	9	53	11	42	15	54	20	56	22	51
Divided(MNMN)	4	24	9	35	10	36	10	28	11	26
Unstable(MMNN)	3	18	4	15	2	7	4	11	7	16
No (MNOP)	1	6	2	8	1	4	2	6	3	7
Total	17	100	26	100	28	100	36	100	43	100

Source : Field Survey 2009

Figure 4.12

Income & Brand Loyalty on Shampoo



Source : Table 4.34

In the above table & chart we can see that among the 17 respondents having below 5000 monthly income ,53 percent are strongly loyal,24 percent are divided loyal 18 percent are unstable loyal & 6 percent are no loyal on specific brand of soap.Similarly 42 percent of respondent having income 5000 to 10000 are strongly loyal,35 percent are divided loyal,15 percent are unstable loyal & 8 percent are no loyal of specific type of shampoo. The income level having 15000 to 20000,56 percent of respondent are strong loyal,28 percent of respondent are divided loyal,11 percent are unstable loyal & 6 percent of respondent are no loyal of specific type of soap.Similarly the income level having 20000 & above 51 percent of respondent are strongly loyal, 26 percentdivided loyal,16 percent are unstable loyal & 7 percent are no loyal of specific type of Shampoo.

4.10.4.1 Chi- square test: Income and Brand loyalty for Shampoo.

Ho : There is no effect on income on brand loyalty for Shampoo.

Table 4.35

Brand Loyalty for Product Shampoo

S.N.	Particulars	Income & Response on Brand Loyalty				
		Un divided	Divided	Unstable	No loyalty	Total
1	Below 5000	9	4	3	1	17
2	5000-10000	11	9	4	2	26
3	10000-15000	15	10	2	1	28
4	15000-20000	20	10	4	2	36
5	20000 &Above	22	11	7	3	43
Total		77	44	20	9	150

Source : Field Survey 2009

Table 4.36

Computation of Chi-Squire Test

R,C	Observed Frequency (O)	Excepted Frequency (E)	(O-E)	(O-E) ²	(O-E) ² /E
1,1	9	9	0.27	0.07	0.01
1,2	4	5	(0.99)	0.97	0.20
1,3	3	2	0.73	0.54	0.24
1,4	1	1	(0.02)	0.00	0.00
2,1	11	13	(2.35)	5.51	0.41
2,2	9	8	1.37	1.89	0.25

2,3	4	3	0.53	0.28	0.08
2,4	2	2	0.44	0.19	0.12
3,1	15	14	0.63	0.39	0.03
3,2	10	8	1.79	3.19	0.39
3,3	2	4	(1.73)	3.00	0.80
3,4	1	2	(0.68)	0.46	0.28
4,1	20	18	1.52	2.31	0.13
4,2	10	11	(0.56)	0.31	0.03
4,3	4	5	(0.80)	0.64	0.13
4,4	2	2	(0.16)	0.03	0.01
5,1	22	22	(0.07)	0.01	0.00
5,2	11	13	(1.61)	2.60	0.21
5,3	7	6	1.27	1.60	0.28
5,4	3	3	0.42	0.18	0.07
Total					3.66

Source : Table 4.35

Degree of Freedom: $(r-1)(c-1) = (5-1)(4-1) = 12$

For these data the t^2 - test statistics is 3.66 which is less than the critical value of 23.685 at 5% level of significance the null hypothesis is rejected. It implies income of individuals have significant influence on brand loyalty for purchasing the Shampoo products.

4.11 Comparison of Factors Causing Brand Switching

In the above presentation the number of respondent who are strongly loyal in the specific brand for many purposes. In this topic it is attempted to find out the causes of brand switching in different products. Respondent were asked the question "Which one of the following factors make you leave one brand and switch to others". The factors provided with the question are:

-) Price Off,
-) Advertising,
-) A desire to test new brand,
-) Others,

To analyze the factors causing brand switching for high involvement product presented on following Table:

Table 4.36

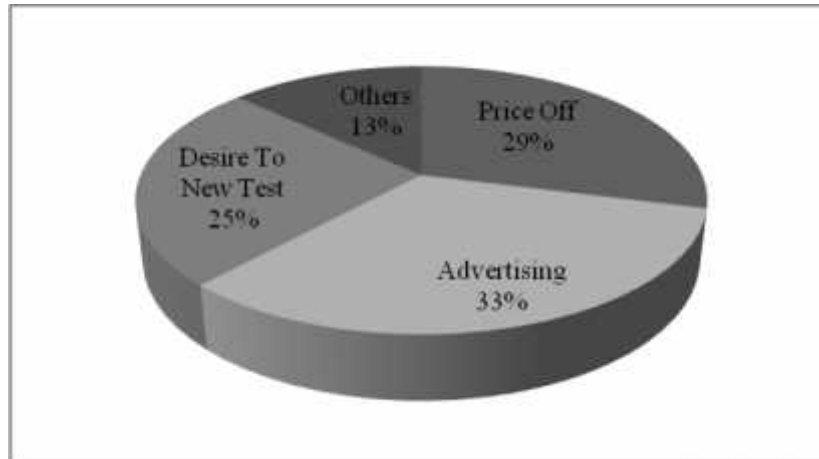
Response of factor Causing Brand Switching

S.N.	Factors	Loyalty		Non Loyalty		Total	
		No	%	No	%	No	%
1	Price Off	22	29	38	51	60	40
2	Advertising	25	33	17	23	42	28
3	Desire To New Test	19	25	12	16	31	21
4	Others	10	13	7	9	17	11
	Total	76	100	74	100	150	100

Source : Field Survey 2009

Figure 4.13

Factors Causing Brand Switching



Source : Table 4.37

In the above table and the pie chart shows that the most effective factors for brand switching for total no of 76 loyal consumer price off 29 percent ,advertising 33percent,desire to new test is 16 percent & other factors 13 percent. Likewise total no of 74 respondent of non loyal consumer price off 49 percent . advertising compain 22 percent desire to test the new product.36 percent of customers try to switching the brand for to test the new product 16 and others factors influence for brand switching 13 percent.

4.12 Effect of Incentives in Brand Choice

incentives is the most important factors for choosing the specific brand. Incentives like wise transportation and installation cost and post purchase service. likewise in the case of low involvement purchase price off. quality warranty are the most important factor to purchase the product table no 4.22 represent the effect of incentives for purchase products.

Table 4.38

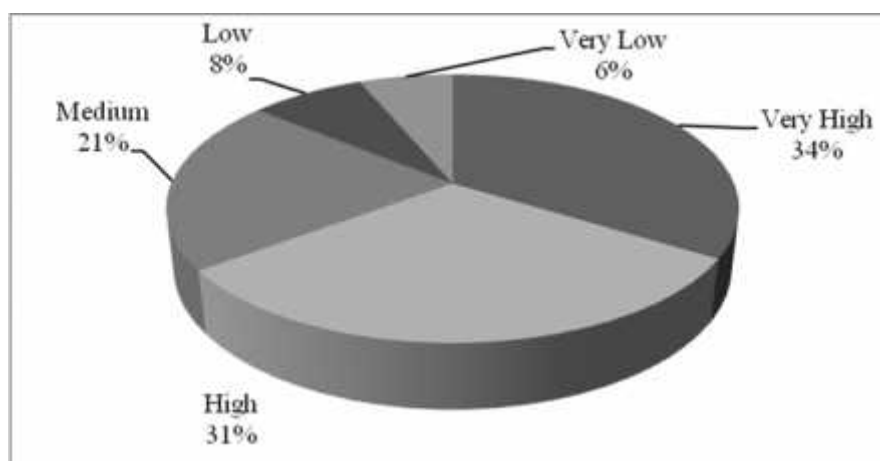
Response of Incentive in Brand choice

S.N.	Effective Incentives	Frequency	Percent
1	Very High	48	34
2	High	44	31
3	Medium	30	21
4	Low	11	8
5	Very Low	9	6
	Total	142	100

Source : Field Survey 2009

Figure 4.14

Effective Incentive in Bran Choice



Source : Table 4.38

The Table & Chart Presented above shows that most of the consumers are affected by incentive like free goods, priceoff etc.34 percent of respondent

responded that those incentives very highly effect in brand choice, similarly 31 percent of respondent replied that the effect is high,21 percent of respondent have opinion that those incentive have medium effect in brand choice.Very few respondents replied 8 percent & 6 percent that the effect Low & Very low respectively.

4.13 Major Finding of Study

The following major finding of the study:

4.13.1 For Gender Variable

-) The greater percent of total customer are found undivided & unstable loyalty for purchase tea product. Male are more unstable as compare to female customer. Female customers are conscious. The hypothesis test also prove that there is significant different in brand loyalty between male & female.
-) In the case of hair oil, female are found undivided loyal as compare to male .Test show that there is difference in brand loyalty between male and female.
-) In case of soap greater percentage of female are found to have loyal and most of male are to have no loyalty .Test shows that there is significant difference between male and female.
-) In case of shampoo percentage of female loyal respondent are found undivided loyal as compare to male respondent. There is significant difference in brand loyalty between male and female.

4.13.2 for Age Variable

-) The Age group 30 & above are found undivided loyal as compare to other age group for purchase the tea. The hypothesis test also prove that age of individual have significant influence on brand choice of tea.

-) In case of hair oil the age group 20-25, 25-30 and above 30 are found undivided loyalty. The age group 15-20 is found no loyalty for purchase the hair oil. The hypothesis also prove age of individual have significant influence on brand choice of hair oil.
-) In case of soap the age group 25-30 are found undivided. The age group 15-20 is found no loyalty for purchase the soap. The hypothesis also prove age of individual have significant influence on brand choice of soap.
-) The age group 20-25 & 25-30 is found more conscious for purchase the shampoo they are found undivided loyalty as compare to other age group. The hypothesis also prove that age of individual have significant influence on brand choice of shampoo.

4.13.3 Income Variable

-) Under income group 10,000-15,000 & 20000 and above greater percentage of respondent are found to have undividedly loyal in the case of tea. Test statics show that there relation between income and brand loyalty.
-) In the case of hair oil greater percentage of respondent of income group 15,000-20,000 & above 20,000 are found to have undividedly brand loyal as compare other income group. In this case most of respondent are fall in to undividedly brand loyal. Hypothesis test statistics show that there is relation between income and brand loyalty.
-) In the case of soap most of the respondents are found to have undivided loyal however, among them greater percentage of respondent of income group 20000 and above are found undividedly loyal in case soap. This indicates that income of individuals have significant influence on brand loyalty.

) In the case of Shampoo, most of respondents of income group above 15000-20000 and above 20000 greater percentages of respondents are found loyal consumer categories as compare to other income group.

4.13.4 Causes of Brand Switching

) Advertising campaign is found to be the dominant factor for brand switching total no of 33 percent of respondent brand switching by advertising campaign as well as 29 percent, 25 percent & and 13 percent respondent are brand switching by price off, desire to new test and other factor respectively.

4.13.5 Effect of Incentives in Brand Choice

) Most of the respondents are affected by incentive like free goods, priceoff etc.34 percent of respondent responded that those incentives very highly effect in brand choice, similarly 31 percent of respondent replied that the effect is high, 21 percent of respondent have openion that those incentive have medium effect in brand choice.Very few respondents replied 8 percent & 6 percent that the effect Low & Very low respectively.

CHAPTER - V

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

To general public, marketing is selling through advertising which means selling and advertising are the strongest parts of marketing for them. Marketing helps an organization to find out what their customers want. It also helps to decide what products are to be made. The decision is carried on after a long research in the market.

Production is the prime activity of every industry and successful marketing of the product is the ultimate goal of any industry. Today's marketing environment is characterized by globalization, technological changes and strong competition. Successful marketers are those who deliver goods that customers are willing to purchase according to their ability to purchase. For this reason, marketers today conduct many researches to study consumer decisions. Once it is understood, marketers become able to predict and shape their marketing strategies accordingly. Without doubt, marketers who understand markets and consumers' behavior have great competitive advantage over other competitors. Therefore, it is obvious that a manufacturer must determine the needs, wants of their customer first, and then brings the product in the market accordingly.

The main purpose of this study to find out weather loyalty on branding exists in Jorpati area of valley or not, this study includes following specific objectives.

-) To find the consumers' brand consciousness in Jorpati area of Kathmandu Valley.
-) To identify the relationship of brand loyalty with demographic variables like age, sex and income.
-) To find out the number and percentage of brand loyal consumers.

-) To recommend Important measures that would help to develop marketing strategies and for conducting further researcher on loyalty on branding in future.

To fulfill the objective, this study total primary data collection from 150 customer's residence in Jorpati area of Kathmandu valley. According to their response data are analyze in different approach to meet the objectives of the study.

5.2 Conclusions

Following conclusion are deducted from the study

-) Consumers of jorpati area Kathmandu valley give high importance to brand. They purchase the product based on brand.
-) People of Jorpati are well known about brands name available in the market.
-) Brand loyalty varies also goods or service to goods or service and loyalty towards brand is relatively higher in the product that is more frequently needed as compared to those needed or used less frequently.
-) Brand loyalty varies consumer to consumer .Some consumers are more brands loyal than other and vice versa.
-) Most of respondent are influenced by incentive for their brand choice.
-) Most of female consumer's jorpati area of Kathmandu valley are found undividedly loyal in specific brand of chosen products categories like soap, shampoo, hair oil.
-) Mass percentages of consumer switch the brand in cause of price advertising.

5.3 Recommendations

Following recommendations are made based on finding of the study.

-) Particular attention should be given in branding the product, brand is necessary in the all product.
-) Brand should be have different characteristics or unique in every type of product .The distinct brand will be very much helpful to differentiate the desire product of the consumer from the other products.
-) Studies on brand loyalty should be made on continuously .Most of consumer showing brand loyalty indicates towards hidden assets of the manufactures or sellers. They should have knowledge of these valuable assets. It will give them effective guideline for developing successful marketing strategy.
-) The product line of the same brand should be increased according to preference of consumers. So that brand switching is discouraged. The quality of product should also be maintained.

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BRAND LOYALTY OF CONSUMER IN KATHMANDU VALLEY
(WITH REFERENCE TO JORPATI AREA OF KATHMANDU)

Research Questionnaire

Name:

Residence:

City

Profession/Occupation:

Please Tick (✓) in the answer for which you agree with

Respondent profile

a) Age

10-15	
15-20	
20-25	
25-30	
30 and above	

b) Sex

Male

Female

c) Educational qualification.....

d) Monthly household income

Below 5000	
5000-10000	
10000-15000	
15000-20000	
20000 and above	

e) Do you prefer the brand in buying decision?

a) Yes

b) No

f) What is your buying Preference?

a) Quality

b) Price

c) Model

d) Others

1) For Product Tee

a) Which Tee do you use?

i) Muna

iii) Mechi

ii) Kailas

iv) Others

b) Which brand did you buy in last four purchases?

1).....2).....3).....4).....

c) What do you do if your favorite brand is not available?

i) Wait for favorites

ii) Buy the alternative

2) For Product Soap

a) Which soap do you use?

i) Life boy

ii) LUX

iii) Dove

iv) Others

b) Which brand did you buy in last four purchases?

1).....2)3).....4).....

c) What do you do if your favorite brand is not available?

i) Wait for favorite

ii) Buy the alternative

1) For Product Hair Oil

a) Which Hair Oil do you use?

i) Dabar Amala

iii) Dabar Lal

ii) Kio Karpin

iv) Others

b) Which brand did you buy in last four purchases?

1)2).....3).....4).....

C) What do you do if your favorite brand is not available?

i) Wait for favorite

ii) Buy the alternative

2) For product shampoo

a) Which Shampoo do you use?

i) Clinic plus

ii) Sunsilk

iii) Dabur Vatika

iv) Others

b) Which brand did you buy in last four purchases/

1)2).....3).....4).....

C) What do you do if your favorite brand is not available?

i) Wait for favorite

ii) Buy the alternative

2. Which of the following factors makes you leave your favorite brand (The brand you wanted to buy) and switch to another alternatives?

Tee

a) Price off	
b) Advertisement campaign.	
c) A desire to test new product	
d) Others.....	

Soap

a) Price off	
b) Advertisement campaign	
c) A desire to test new product	
d) Others.....	

Hair Oil

a) Price off	
b) Advertisement campaign	
c) A desire to test new product	
d) Others.....	

Shampoo

a) Price off	
b) Advertisement campaign.	
c) A desire to test new product	
d) Others.....	

Thank You!