

**AN EXPLORATORY STUDY ON BRAND LOYALTY
WITH SPECIAL REFERENCE TO MOBILES**

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RECOMMENDATION

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DECLARATION

I hereby declare that the thesis “**AN EXPLORATORY STUDY ON BRANDLOYALTY WITH SPECIAL REFERENCE TO MOBILES**” submitted to the Shankar Dev Campus, Faculty of Management, Tribhuvan University is my original work done in the form of partial fulfillment of the requirement for the Master of Business Studies (MBS) under the supervision of **Asso. Prof. Ishwor Raj Lohani** and **Dilli Ram Bhandari**.

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Researcher

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CHAPTER I

Introduction

1.1 Background of the Study

What we refer to today as *marketing* varies much from its original meaning when first introduced in the early 1900s. During this time, marketing consisted solely of sales initiatives without any regard for the full complexity of its current meaning. It wasn't until the 1950s that marketing began to assume the comprehensive meaning it has today. This shift was due much in part to postwar prosperity that left consumers embracing materialism like never before. The concept of "*keeping up with the Jones'*" generated demand for a growing range of goods and services" forcing marketers to evolve their roles far beyond that of the traditional salesman (Thomas et al., 2005).

This revolution called for much more sophisticated strategies of product differentiation, pricing competition, promotional campaigns, and distribution methods. This shift was by no means an overnight event. While it began to take form in the mid- 1900s, the evolution of marketing was slow in many respects and is still today considered to be a young and evolving industry.

In 1948, the American Marketing Association (AMA) adopted the definition of marketing from its predecessor, the National Association of Marketing Teachers. This original definition stood until 1985 when it was revised to define marketing as "the process of planning and executing conception, pricing, promotion and distribution of goods, ideas and services to create exchanges that satisfy individual and organizational goals." Nineteen years later, the AMA once again amended the definition,

giving us its present form which includes a customer-centered approach with a focus on relationship management. Today's formal definition of marketing, as defined by the AMA, is "an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." As marketing mogul, Kotler, explained, "As an umbrella term, marketing refers to any means of promotion devoted to the ends indicated in the definition" (Kotler et al., 1975 p 78).

Marketing has been developing together with every other development in human civilization. Marketing is a highly dynamic field of study which covers the very wide area has not been developed at once. Development of marketing is closely associated with socio-economic development of a society. Its role in particular society varies with the dynamism is the society. So, today marketing must be understood not in the sense of selling "telling and selling" but in the new sense of satisfying customer's need (Kotler and Armstrong, 1997 p 5).

Philip Kotler, the prominent author of marketing has been regularly updating the definition of marketing. Kotler's latest definition of marketing is as follows:

"Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others" (Kotler et al., 2000 p 8).

Finally, Marketing is a total system of business activities design to plan price, promote and distribute want satisfying products to target market to achieve organizational objectives".

Brand

"A brand is a name, term, sign, symbol or design of combination of them intended to identify the goods or services of ones seller or group of sellers and differentiate them from those of competitors."

Brand encourages customers for repeat purchase of some product and promotes brand loyalty among customers.

Brand Loyalty

Brand loyalty is an important part of this, therefore a definition of this seems appropriate, however authors have very on different definitions of what brand loyalty is ; *"The degree to which a consumer consistently purchases the same brand within a product class"* (Peter et al., 1996 p 707). *"A behavioural intention to buy a brand of product and to encourage others to buy that brand"* (Lau et al., 1999 p 351). *"Some who had consumed the target brand at least half the time he or she consumed a brand from that product category"* (Jacoby et al., 1978). So, Brand loyalty is temporal aspects of customer behavior, which analyze consumers whether are loyal to specific brand or set of brand to certain time period.

1.2 Focus of the Study

Every brand has certain image in the market. Every brand is known by its own appearance and quality. Consumers choose their brand according to their faith or trust or experience of the same product. If they

think a brand is good in term of quality, price, social status and their needs, they develop a positive attitude toward the brand and make repeat purchase, which is valuable assets of the manufacturer and this state is known their loyalty on brand. In the simple way who hold the positive attitude toward the particular brand, those consumers are said to be loyal to the brand, so that they buy same brand continuously.

No more research has been carried out so far in Nepal to find out the consumer behavior on branding. In Nepal industrial establishments has been increasing and entering the industrialization revolution era. So, behavior of a consumer has the important role to develop successful marketing strategy. Therefore, this study conducted mainly to measure the loyal consumers on branding. So, this study focuses mainly on the brand and brand loyalty on consumers. For these purpose five different types of mobiles products have selected. The products selected for the study are described below:

- 1. Nokia Mobile:** Multinational brand mobile used by wide range of peoples in Nepal reaching different levels of interest of consumers with variety of models.
- 2. Color Mobile:** Is Indian brand of mobiles widely used by Nepalese population.
- 3. Micromax Mobile:** It's a Indian mobile succeeding challenging the other brands of mobile with it affordable price & models.
- 4. Samsung Mobile:** Another multinational brand of mobile with its growing market in Nepalese economy especially loved by younger generation.
- 5. LG Mobile:** Is also use and loved by Nepalese consumers which hold larger user group with its stylist models.

Above mentioned product selected for the study have common characteristics that they all fall under the same category of communication, marginally fewer differences in prices but with varieties of models from different brands.

1.3 Statement of the Problem

The basic problem of this study is to measure loyal consumers on branding in entire Nepalese market. Marketers are always concerned with real number of consumer and their belief and opinions concerning their brand and competing brand. On the basis of this problem, the problem of this study is presented below:

- 1) What is the brand awareness of consumers of Jhapa?
- 2) Are the consumers of Jhapa brand loyal? If they are loyal what is the state of loyalty?
- 3) What is the correlation between person's personal characteristics, societal and economic perspectives of person with brand loyalty?
- 4) What are the causes of brand switching in Jhapa?
- 5) What is the purchase preference of consumers of Jhapa district of Nepal?

1.4 Objectives of the Study

The general objective of the study is to study the consumer's loyalty on brand with special reference to mobiles where as some of the specific objectives of the study are as follows:

- 1) To find out the brand awareness of consumers of Jhapa.
- 2) To find out the numbers and percentage of brand loyal consumers of Jhapa.
- 3) To find out the correlation and regression of brand loyalty.

- 4) To recommend the measures helpful or important for developing marketing strategies and for conducting further research on loyalty on brand.

1.5 Importance of the Study

Study of loyalty on branding on brand loyalty helps to know the consumer behavior on the product. Knowing the attitude about products a manufacturer can decide the advertisement policy, consumer's response to the price and availability of the product and consumer perception. It can help in the segmentation of the market. If the consumers are identified as loyal and non loyal, market may accordingly be segmented as loyal and non loyal consumer market and the study of loyalty on branding gives control on planning marketing mix. Besides these implications of study on brand loyalty, no research study has been carried out so far to find out number of loyal consumer on branding in Nepalese market.

This study will of course be a valuable guideline to the industrialist, manufacturers or marketers of the country. Similarly, it would be a valuable reference to the scholars or researchers who are interested in conducting further research about "brand loyalty".

1.6 Organization of the Study

Specifically, I have covered the urban brand loyalty behaviour of consumers in district – Jhapa of Nepal by adopting the features of study such as background, focus, state of problem, importance, objective, and limitation in order to fulfill the partial fulfillment o the requirements of the degree of Masters in Business Studies (MBS). As a review of the literature, I have consulted the idea of brand name, brand mark, brand

loyalty, brand switching, brand loyalty models, etc. To help the process of study I prefer primary data as the main source of data collection. I have limited my study emphasizing on these following statistical tools: Arithmetic mean, standard deviation, correlation analysis. As per the necessity, diagrammatic presentation like bar diagram and pie chart are used. Likewise, for the testing of hypothesis, chi-square test has been adopted to meet the desired result. Lastly, this study is focused on summary, recommendation and conclusion as the final section of the study.

1.7 Limitations of the Study

Following are the main limitation of this study. They are as follows:

- 1) The products included in this study are based on five different brands mobile, out of which three are multinational brand and two are Indian brand.
- 2) Sample size is very small in comparisons to the population of the study.
- 3) This study is entirely based on the views and responses of consumers.
- 4) It is impossible to include the whole population in the study. So out 100 consumers are surveyed throughout the district.
- 5) The sample size is taken out for the study is from middle class economic earners.
- 6) Only the urbanized part of Jhapa is selected as sample area to conduct this study.

This study is conducted for the purpose of fulfillment of academic programme of master of Business studies MBS. So, accurate information relating to brand loyalty may not be fulfilled.

CHAPTER II

Review of Literature

2.1 Introduction

The concept of marketing has changed drastically now. The change in turn not only invented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing most competitive field.

Today's firms are changing as the transnational corporation and their strategies are also changing. Stage of development of the transnational corporation is presented by Warren J. Keegan as (Keegan et al., 2000 p 43-47).

Now marketing emphasizes in society. The marketing philosophy of all the organization is the societal marketing concept. *"The societal marketing concept holds that the organization's task is to determine the needs, wants and interest of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and society's well being"* (Kotler et al., 2000 p 25).

Today all the Marketing activities revalue in the consumers and various advancements made in marketing has established the consumer as the sovereign power in the marketing world. So, in order to be successful accordance with marketing, products must be produced according to the need of the consumers and interest of the society. "The firm's ultimate success depends primarily on how well it performs in the market place." In the modern business world understanding of consumer choice,

purchase decision-making process etc. or understanding of consumer behavior is most necessary to become a successful marketer.

Study on consumer behavior has prevailed as an effective measure helping to develop the successful marketing strategy. This growing need and important of the behavioral study of consumer gave birth to study "Study on Brand Loyalty Behavior of Consumer", as a separate subject of study.

2.2 Conceptual Review

Brand involves using identification features on the product so that buyers can recognize the product and its manufacturer. Brand identifies the seller or marketer, which can be name, trademark, logo, or other symbol. A brand is essentially a seller's promise to deliver a specific set of features, benefits and services consistently to the buyer. A best brand conveys a warranty of quality.

According to Prof. Philip Kotler brand can convey up to six level of meaning.

- a) Attributes: A brand bring to mind certain attributes.
- b) Benefits: Attributes must be translated into functional and emotional benefits.
- c) Values: The brand also says something about the producer's values.
- d) Cultures: The brand may represent a certain culture.
- e) Personality: The brand can project a certain personality.
- f) Uses: The brand suggests the kind of consumers who buy or use the product (Kolley et al., 2000 p 404 -405).

The term brand is broadly applied to all identifying marks, such as trade names, trademarks, trade symbols, pictures, design of the package, distinctive coloring of letter with or without some attractive slogan (Sherlekar et al., 1995 p 216).

So, the brand is important to the marketer as well as buyers and society. It helps to build value for consumers in terms of product attributes and benefits; buyers pay the price for the product in order to obtain these values. On the other hand buyer also highly benefited by the brand because brand gives the identification of product so that they can freely choose the desired product. Marketers of branded products normally provide assurance to buyer that their products are consistent in quality and price. Branded product can get quality certification from national and international certification agencies. Buyers can confidently exercise their choice among the various brand on the basis of quality certification, warranties and guarantees.

2.3 Brand name/Brand mark/ Trade mark

A brand has several components. Out of them brand name, brand mark and trade mark may make some confusion because they seems similar in terms. *A brand name is that part of the brand that can be vocalized and includes letters, word and numbers* (Koirala et al., 1997 p 166). Nokia, Samsung and Apple are brand names. *A brand name consists of words letters and number which can be vocalized* (Stanton et al., 1987 P 215).

A brand mark is the part of the brand which appears in the form of a symbol, design, or distinctive coloring or lettering (et al., p 215). Brand mark is the elements of the brand that cannot be pronounced but they are

equally useful in identification of the product. Brand marks often appear in term of a sign, symbol or design (koirala et al., 2000 P166).

On the other hand, trademark is a legal designation indicating that the owner has exclusive right to use brand name and the brand mark and others are prohibited by law from using it (Koirala et al., p 166). A brand name or a brand mark can be converted into a trademark by registering concerned department of government.

2.4 Brand Loyalty

'Brand loyalty' is a temporal aspect of consumer behavior. Loyalty on branding analysis states whether or not a consumer is loyal to a specific brand or set of brands in a certain time period.

Studies on brand loyalty begin when researchers on consumer behavior become popular. Today we found most of the products are sold by brand even the vegetable products are sold by brand in developed countries. This increasing use of brand has significantly increased the necessity to understand the brand loyalty behavior of consumer.

Brand loyalty has defined in different ways by the different scholars, experts, behavioral scientists and researchers. They have used different approaches and criteria to measure brand loyalty behavior approach and some used consumer attitude and some used both the consumer behavior and consumer attitude.

Many researchers have been carried out on brand loyalty in developed and industrialized countries. Different researchers' efforts on different bases have used various measures of brand loyalty. Hence it

seems very necessary to pay particular attention and definition of the term and approaches to measure while reviewing the literature.

One of the earliest definition on brand loyalty has given by James F. Engel and Roger D. Blackwell, who emphasis the sequence of purchasing of a specific brand. The key of this definition is that the purchasing pattern of a specific brand determines loyalty to the brand. This definition classifies brand loyalty in four categories.

- a) Undivided loyalty
- b) Divided loyalty
- c) Unstable loyalty and
- d) No loyalty and branding (Engel and Blackwell et al., 1982 p 536)

For example, if A, B, C, D, E and F, are various brands in a particular product category. The consumer of the product could be classified as having following type of loyalty.

- a) Undivided loyalty: If the purchase sequence is AAAAAA.
- b) Divided loyalty: If the purchase sequence is ABABAB
- c) Unstable loyalty: If the purchase sequence is AAABBB.
- d) No loyalty: If the purchase sequence is ABCDEF.

In place of brand choice sequence Leaster Guest used preference statement over time as a measure of brand loyalty. He collected data about the awareness and preference of students. In following studies of these same person 12 and 20 years later he found suggestive evidence of high degree of loyalty toward brand names (Shiffman and Kannuk et al., 1990 p 260).

From the study of Leaster Guest it can be conducted that brand loyalty exists even when it is defined as preference statement over time. Guest's findings of suggestive evidence of high degree of loyalty toward brand names give more weight to the need of understanding brand loyalty behavior. According to preference statement approach, loyalty on branding is measured on the basis of preference expressed by the consumers to a particular brand over a certain time. But preference statement alone is not real representative of loyalty on branding because what the consumers do in the actual purchase is of equal importance together with what they prefer.

Brand loyalty is the proportion of total purchase within given product category devoted to the most frequently purchased brand (Engel and Blackwell et al., p 567). This definition employs proportion of purchase as the measure of loyalty on branding. We can say loyalty on branding is measured on the basis of the proportion of total purchase within a given product category to the most frequently purchased brand or set of brands.

All the definition of brand loyalty stated in the above pages and the researches based of these definitions have focused mainly on the consumer behaviour. There are three approaches to loyalty on branding used by the researchers. They are brand choice sequence approach as used by George Brown, preference over time as used by Leaster Guest and proportion of purchase as used by Blastberg and Sen. Blastberg and Sen have extended the proportion of purchase approach to segment loyal to national or private brands as a category as well as specific brands within each of those categories (Engel and Blackwell et al., p 568). They found one segment of the population to be high national brand loyal and

found that the proportion of purchase devoted to the favorite brand ranged from about 0 to 100 percent within this segment.

But none of these approaches is enough to clear the concept of brand loyalty. Shiffman and Kaanuk comment these definition 'from the view point of distinguish between the real brand loyal buyer and spurious loyal buyer. Brand loyalty must be defined in the way that it could distinguish between a loyal buyer and a spurious loyal buyer. The spurious loyal buyers lack any attachment to brand attributes and they can be immediately captured by another brand offering a better deal, a coupon, or enhance percent of purchase visibility through displays and other devices (Engel and Blackwell et al., p 569).

The definitions of brand loyalty based on brand choice sequence approach and preference over the time period or proportion of purchase approach are the operational definitions. They do not make any differentiation between 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 approach used. They define brand loyalty in terms of consumer behavior or consumer purchase only. In this sense, they are based on repeat purchase behavior rather than brand loyalty behavior. Jaccoby and Chestnut defines brand loyalty as:

- a) The biased (i.e. non random)
- b) Behavioral response (i.e. purchase)
- c) Expressed over time
- d) By some decision-making unit.
- e) With respect to one or more alternative brand out of a set such brands and

- f) Function of psychological (i.e. decision making evaluative process)
(Engel and Blackwell et al., p 571).

The theme of Jacoby's definition loyalty on branding should be measured in terms of both consumer purchase and consumer preference. Loyalty on branding is purchase behavior of decision making unit. Such behavior is based on psychological process and is biased for one or more brand for a specific time period. Jacoby's definition is quite able to distinguish between a true loyal buyer and spurious loyal buyer. Consumer preference approach answers why he/she purchase the same brand repeatedly. He/she may buy same brands due to many factors such as psychological commitment, ignorance of other alternative brands or many other factors. Any way it is necessary to know which factors are contributing to loyalty. Another important aspect of Jacoby's definition is that it recognizes that existence of multi-brand. When we think about brand loyalty, we concentrate our mind especially on a specific brand, but reality is rather different that loyalty on branding means loyalty on one or more brand that the consumers repeatedly purchased the given product category.

Since, preference purchase definition of brand loyalty includes both the consumer preference and the consumer purchase it put forward a clear concept of brand loyalty. Brand loyalty, as a concept is both input and output variables. As an input variable it is the cause of the consumer decision and as an output variable it is the result of the consumer decision. So, researcher have not only defined what is brand loyalty but have also endeavored to find out how it is develops.

Behavioral scientists states that brand loyalty initiate from trial purchase of product. According to them consumers purchase a particular

brand as trial and if this trial satisfied his/her needs and requirements then he/she purchase the brand repeatedly. On the other hand cognitive researchers emphasizes the role of mental process in building brand loyalty. They believe that the consumers engage in extensive problem solving behavior involving brand and attribute and brand loyalty is an outcome of mental process of the consumer. The consumer are not loyal to all brand simply because the brand may not satisfy their needs, but they are loyal to specific brand because they have developed a positive attitude toward that brand.

But the involvement theories do not agree with cognitive theories and behavioral scientists. Involvement theorists believe that frequent exposure to T.V. commercials, which are rich in visual clues and symbolism and short in duration, strong in store displays, create a type of brand loyalty for low involvement purchases.

The researchers reveals that the loyalty on branding develops early in the life of a person and loyalty has a long lasting effects on the whole life of the person. However this may not be true for all the persons. The modern world is characterized by fast changes. Most of the persons who are keeping pace with this world are supposed to change their behaviors time by time. The different factors in the environment in which they live, leave an inexorable impacts on their behavior. Hence it is not hundred percent true the impact of loyalty on branding developed at a certain stage of life can be seen even throughout the rest of the life.

Brand loyalty is the result of second brand image and brand preferences and choice. Brand loyalty has many marketing implications.

Brand loyal consumers also perform the function of advertising and sales promotion. Once brand loyalty is established the threat from other brands is considerable less than ego involving products. Thus loyalty to the certain brand means assurances of market universe, decreasing burden of sales promotion and assurance from the fear of competitive brands.

An existing base of loyal customers provides enormous sustainable competitive advantages. First, it reduces the marketing costs of doing business, since existing customers usually are relatively easy to hold the comfortable and reassuring. Second, loyalty of existing customers represents a substantial entry barrier to competitive. Third, brand loyalty provides trade leverage. Fourth, a relatively large, satisfied customer's base provides an image to a brand that will include service backup and product improvement. Finally, brand loyalty provides time to respond to competitive moves – it gives a firm some breathing room (Aaker et al., 2000 p 177-178).

If the consumers are identifiable as loyal and non loyal the market can accordingly be segmented as loyal consumer market and non loyal consumer market and separate marketing strategy can be used for each as Engel and Blackwell says –

"Brand loyalty is one way of segmenting a market" (Engel and Blackwell et al., p 597).

Manufacturer always like to know about the market captured by each brand, which product is profitable to produce, where it is better to sale and the quantity to be produced. Hence the knowledge of brand loyalty is major instrument to make a production plan and employ control mechanism to avoid any future difficulties.

According to the above discussion, we conclude that brand loyalty makes the manufacturers aware of probable future progress and provides suitable action to avoid any adverse situations likely to prevail in the future.

2.5 Brand Switching

Consumer decision to purchase a product brand different from that previously or usually purchased. Brand switching can be instigated by price promotions, in-store displays, superior availability, perceived improvements or innovations in competitive brands, desire for novelty, number of available brands, perceived risk, frequency of purchase, changes in quality, or level of satisfaction with the most recent purchase. Simply brand switching is consumer's habit of constantly shifting from one brand to another. In this sense it is opposite to brand loyalty. The buyer who is habitual brand switcher is non-loyal consumer.

Shiffman and Kanuk says –

"Since consumer switch brand because they are dissatisfied or bored with a product. Others because they are concerned with price than brand names" (Shiffman and Kanuk, et al p., 260).

A consumer who is loyal to a brand for a long time may switch to another brand because of dissatisfaction or boredom with the brand he/she has been using for a long time. Similarly if the consumer is more price conscious than even a slight price-cut in competitive brands may make him/her move toward these brands. But the research studies on brand switching reveal that brand switching is not very much stronger as it is generally thought. A recent study on consumer purchase habit reported that based with larger market shares have proportionately larger

groups of loyal buyer. Another study reported that contrary to many marketers' beliefs, brand loyalty is declining significantly. The decline has been appeared due to an increase sales promotion by marketer of advertising and targeting towards specially niche (et al., p 260).

Thus it follows that some intra-personal factors such as dissatisfaction, price consciousness and aspiration for testing new brand causes brand switching. Similarly some external factors like special price deals, coupons, free samples and comparative advertisement etc. may also cause brand switching.

"Such brand switch cannot be converted into broad loyalty" (et al., p 260).

The consumer do not keep on sticking up to the brand that they are switched together with the end of such special deals as price cut, free samples, coupons etc. consumers returns back to their previous brands.

2.6 Brand Loyalty Correlation

Brand loyalty correlation measures the relationship of various factors that are associated with brand loyalty. It explains why brand loyalty varies across product and consumer. Many researchers have been conducted to find out such correlation of brand loyalty. Engel and Blackwell have made the following conclusion after analyzing the findings of around 34 researches conducted by various scholars and experts.

- a) Socio-economic, demographic and psychological variables generally do not distinguish brand loyal consumers from other consumers when traditional definition of brand loyalty is used.

- b) When extended definitions of brand loyalty are used, some socio-economic, demographic, and psychological variables are related to brand loyalty. However those relationships tend to be product specific rather than ubiquitous across product categories.
- c) There is limited evidence that the loyalty behavior of an informal group leader affects the behavior of other group members.
- d) Store loyalty is commonly related with brand loyalty.
- e) There is some evidence that brand loyalty is inversely related to number of stores shopped.
- f) The relationship between amount purchased and loyalty is uncertain because of contradictory findings.
- g) The relationship between inter-purchase time and brand loyalty is uncertain due to contradictory findings.
- h) There is limited evidence that perceived risk is positively related to brand loyalty.
- i) Market structure variables including the extensiveness of distribution and market share of the leading brand exert a positive loyalty on brand.
- j) The effect of the number of alternative brands, special deals, price activity is uncertain due to contradictory findings (Engel and Blackwell et al., p 577-78).

Engel and Blackwell conclude the researchers have found some factors such as socio economic demographic, store loyalty, market share of leading brand as the correlation of brand loyalty. But their findings are contradictory concerning to other factors such as amount purchased; inter purchase time, number of alternative brands etc. It seems that the researchers have not yet been reached to any concrete result about correlation and non correlations and brand loyalty.

Brand loyalty covers very wide circumstance. So, it is very difficult to find out what factors are correlated and what are not. To find out what factors are correlated and what are non-correlated to brand loyalty, it is necessary to develop the scientific and widely accepted research instrument. The main cause of contradiction among research findings is absence of widely accepted research because they use different definition of brand loyalty. Some have used traditional definition, which measures brand loyalty on the basis of the consumer purchase where others have used the extended definition and approaches concerning brand loyalty correlation resulted confusion and contradiction. Hence it is not only difficult but also impossible to estate exactly what variable correlates with brand loyalty. Brand loyalty correlation varies across products and consumers. Thus the loyalties on brand correlation are important for a manufacturer. Correlation must be defined and stated precisely so that the marketer could use them as the guideline for making strategy and this can be better done by improving the weakness of past attempts and by developing the most scientific and widely accepted research tradition.

2.7 Brand Loyalty Model

Brand loyalty models are used to understand and predict brand loyalty behavior of the consumer. These models help to identify the factors affecting loyalty behavior of consumer and predict how such factors are likely to affect behavior in the future.

The models that have been employed to analyze brand loyalty behavior, predicts behavior on the basis of random distribution of probabilities. These models recognize that, there are many consumers in the market place as the outcome of some probabilistic processes. These models recognize that, there are many consumers and other external

variables which determine the outcome of behavior. Even though these factors or variables are not measured or explicitly included in this model, they are represented by probability distribution and their affect is accounted. So far most of the models have been concerned with predicting brand switching behavior and the rate of trial and repeat purchasing for new product.

Here, to understand consumer behaviors following enlisted brand loyalty models are explained. They are as follows:

2.7.1 Bernoulli Model

According to Bernoulli model of brand loyalty, consumers are supposed to have a constant probability (P) of purchasing the brand and the probability of purchasing the brand is determined from aggregate brand choice data. The model also assumes that the facts like consumer's characteristics, prior purchase or all external influences etc. have no effect on the probability (Engel and Blackwell et al., P 581).

For example, let the brand under study be 'A' and all the other brands be 'B' and the probability of purchasing brand 'A' at a particular occasion (F) is represented by $P(A|B)$. (Ibid)

Determining the probability of purchasing a particular brand from aggregate brand choice data, recognize that certain anticipated or non anticipated circumstances such as limited numbers of brands available at the store or out of stoke conditions may affect the probability. For example if the brand under study is available at many stores then the probability of buying that brand may be greater for the consumers who purchase that brand (Ibid).

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 assumptions made by the basic model i.e. past purchase have no effect on the present or future purchase probability. Similarly the consumer's attitudes towards the brand alternatives develop through evaluation procedure. Consumers have different evaluation procedure to make a choice among multi-attribute object (Ibid).

For example, illustrating this concept in connection with the person Laxmi Narayan's (a hypothetical name for illustration) purchase of a mobile. Suppose Laxmi Narayan has his choice set to four branded mobiles A, B, C, and D.

Assume that he is interested in four attributes memory capacity, graphic capacity, software availability and price. The following table shows his belief about how each brand rates on the four attributes.

Table No. 2.1: A Consumer's Brand Beliefs about Mobiles

Attributes Brands	Memory Capacity (40%)	Graphic Capacity (30%)	Software Availability (20%)	Price (10%)
A	10	8	6	4
B	8	9	8	3
C	6	8	10	6
D	4	3	7	8

In the above table Laxmi Narayan rates brand 'A' as follows: memory capacity 10, graphic capacity 8, software availability 6, and price 4. Similarly he has belief about how the other three mobiles rates on these

attributes. The marketer would like to be able to predict which mobiles Laxmi Narayan will buy.

If one mobile dominates the others on all criteria we could predict that Laxmi Narayan would choose it, but his choice consists of brand that varies in their appeal. If he wants the most memory capacity he would select brand 'A', if he wants best graphic capacity he would buy brand 'B' and so on. Some buyers buy only one attribute and can easily predict their choice.

Most of the buyers will consider several attributes and place weights to them. If the marketer knew the importance weight that Laxmi Narayan attached to the four attributes he could predict his mobile choice.

Suppose that Laxmi Narayan assigned 40% of the importance to the mobile memory capacity, 30% to the graphic capacity, 20% to its software availability and 10% to its price. In this case to find out Laxmi Narayan's perceived value for each mobile, his weight (ie % of importance given to the attributes by Laxmi) is multiplied by his belief about each attributes. This lead to the following perceived value:

$$\text{Mobile A } 0.4 (10) + 0.3 (8) + 0.2 (6) + 0.1 (4) = 8$$

$$\text{Mobile B } 0.4 (8) + 0.3 (9) + 0.2 (8) + 0.1 (3) = 7.8$$

$$\text{Mobile C } 0.4 (6) + 0.3 (8) + 0.2 (10) + 0.1 (5) = 7.3$$

$$\text{Mobile D } 0.4 (4) + 0.3 (3) + 0.2 (7) + 0.1 (8) = 4.7$$

Thus the reliable predict is that Laxmi Narayan will prefer Mobile 'A'.

This model is called expectancy value model of consumer choice. It is one of several possible models describing consumer evaluates alternatives.

2.7.2 Markov Model

This model assumes that past purchase influence the probability of current purchase. Many models have been built up on this basic assumption and they are known "Markov models". Among these models the most commonly used one is first order Markov model (Boyd and Massy et al., p59 -63).

The first order Markov model analyzes the impact of short – term consumer learning on the purchase probability. This model assumes that the outcome of the last purchase decision affects the brand – choice probability on the next trial but the model denies that except the last one other previous purchase has no effect on the probability. For example, the purchase sequence AB and BB would both lead to the same prediction about probability of purchasing brand A on the next purchase because in both cases the last purchase is brand B (Ibid).

This model can be better illustrated by a product category having three brands. Let us suppose the following probabilities representing brand choice behavior of consumer in a place.

Table No 2.2: Probability of Brand

Last Purchase	Next Purchase		
	A	B	C
A	0.80	0.10	0.10
B	0.10	0.60	0.30
C	0.30	0.30	0.40

Note: These probabilities are conditional or transitional probabilities of moving from one stage to another in any two consecutive time period and are estimated on the basis of past purchase data for a sample of customers.

The probabilities stated in the table above or the transitional matrix given above shows that the brand purchase in the last purchase exerts great influence on the probabilities that is applicable in the next purchase. If brand A is bought in last purchase it is almost certain to be bought in the next purchase of a consumer purchased brand 'A' during a certain period there is 80% chance that he/she will buy 'A' again during the next purchase 10% change of buying B and 10% chance of buying C. If the same consumer purchase brand 'B' in place of brand A in the last purchase, then his/her chance of buying brand in the next purchase is 10% that of buying B is 60% and of C is 30% (Ibid).

The transitional matrix mentioned above which is Marko mode assumes to be stationary (i.e. that remain uncharged through time) can be used to predict the future brand-share values for A, B and C further more the transitional matrix (Probabilities) in the model can be use as an one way of measuring both the holding power of given brand and its ability to attract patronage from other brands. Further the model has been used to

estimate the number of periods that will pass before a given brand will be tried.

2.7.3 Linear Learning Model

The primary concept of linear learning model is similar to that of Markov model. That is past purchase affect the future brand choice. However, this model assumed that the consumer's brand choice probability changes by certain amount depending on the outcome of a given brand choice event (whereas in the markov model, the probability is set to a determined value that depends solely on the outcomes of the event). Suppose that buying brand A raise the probability of buying A by 10% while purchasing completing brand B causes the probability of buying brand A drop by 5%. If the probability were 0.75 before a given trial, it would be either 0.75 of 0.65 after the trial, depending on the outcome. Similarly, if the initial probability were 0.40 the same model would produce output probability of 0.50 after the purchase of A and 0.35 after the purchase of B. This linear learning model shows that there is a linear relationship between pre-purchase and post-purchase probabilities (et. a pp. 63-65).

Alfred Kunchn 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 modification to the basic linear learning model. Some of them considered as important are those, which incorporate the effect of external market forces into learning model by making their parameters functions of this forces.

2.7.4 New Trier Model

This model is developed by David A. Akar to predict 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/she had used that before.

According to this model there is trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of the consumer's experiences relating to the 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 is the trial for the consumer who bought it. This is the trial period purchase that affects the probability. After the initial purchase there may be a number of a trial period purchase. The number of such purchases may vary from consumer to consumer. During the very trial period purchase the consumer develops a new probability of purchasing the brand and it may not necessarily result into purchase of the brand that was purchased in the initial purchase, it may also result into rejection of that brand (Ibid).

Thus the new trial model assumes that past purchase do 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 zero-order process has limited its use (Ibid).

2.7.5 Probability Diffusion Model

David Montgomery proposed the probability diffusion model. This model assumes that the past purchases do not affect the brand-choice probability in time to time. 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 Marker model (Boyd and Massy et al., p 67-68).

Above we reviewed some widely used brand loyalty model based on the stochastic structure (based on random distribution of probabilities). These models therefore cannot be free from the problems immanent into the stochastic model. All the stochastic models of brand loyalty stated above have been applied primarily to the products that are frequently 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 the heterogeneity and non stationary are quite confusing in the models. Moreover the models demand actual purchase datas that is not always obtainable. Thus it seems that these models still need some modifications of improvement for their effective use in accurate predictions of brand choice behaviour (Ibid).

2.8 Review of related Thesis

Luitel (2005), in his thesis, “*A Brand Preference Study Between Sanmiguel and Tuborg Beer in Kathmandu Metropolitan City*”, has the main objective to analyze the brand preference in beverage. The other specific objectives are;

- a. Examine the buying habit regarding beer and the buying of the consumers.
- b. To find out the effective advertising media loaf beer and their impact on the consumers.
- c. To find out the sales volume of beer in Kathmandu metropolitan city.

- d. To suggest measures for promotion marketing of Sanmiguel and Tuborg.

The major findings of the study are;

- a. 42% are occasional drinkers with 25% preferring Sanmiguel and 17% preferring Tuborg out of 100 beer drinkers.
- b. The advertisement of Tuborg has the highest recall value among beer drinkers.
- c. 55.93% of beer drinkers preferred to Drink beer with friend Sanmiguel stand for 22.58% and Tuborg by 33.35%.
- d. Brand preference between the two brands Tuborg and Sanmiguel were found to be 56% and 44% respectively.

Pandit (2006), in his thesis, “*A study on Brand Loyalty*” has the main objective to examine the brand awareness of the Nepali consumer. The other specific objectives are;

- a. To find if Nepali consumer are loyal or not
- b. To identify the correlates of Brand Loyalty.
- c. What factors cause the consumer to switch the brand?

The major objectives of the study are;

- a. Nepali consumers are aware of various brands of the product offered.
- b. The brand loyalty in Nepalese consumers varied as per variable such as age, sex, martial status, family system, education etc.

Singh (2008), in her thesis, “*A study on Brand Loyalty on Nondurable Product*”, has the main objective to evaluate the brand loyalty on nondurable products. The other specific objectives are;

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

The major findings of the study are;

- a. 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
- b. 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.
- c. In each product selected for the study, at least 64% of the consumers are found to have knowledge of maximum alternative brands available in the market. This shows the high brand awareness in Nepalese Urban consumers.
- d. Majority of the Nepalese urban consumers are found brand loyal.

Kayastha (2009), in his thesis, “*Brand Loyalty on Consumer Product*” has the main objective to trace the brand loyalty on consumer product in Kathmandu. The other specific objectives are;

- a. To identify the relationship of brand loyalty with demographic variables like age, sex and income.
- b. To find out the number of brand loyal consumers or percentage of brand loyal consumer.

c. To recommend important measures that would help to develop marketing strategies and for conducting further researchers on loyalty on branding in future.

The major findings of the study are;

a. 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.

b. 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.

c. In the case of Shampoo, male and female are found to have equally loyal tests however that there is no difference in brand loyalty between male and female.

d. 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.

e. 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.

f. There is no relation between age and brand loyalty. Greater % of respondent is found to have divided loyal among them.

g. 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.

- h. 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.
- i. In the case of toothpaste most of respondents fall undividedly loyal categories. Most of respondent of age group 20-25 and 25-30 are found strongly loyal. Test statistics indicates that there is no relation between age and brand loyalty.
- j. 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.
- k. 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.
- l. 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.
- m. In the case of mineral water most of the respondent is found to have no loyal. But among them greater % of respondent Library 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.

2.9 Research Gap

In this study, I have taken articles related to brand loyalty that helps to know about brand loyalty and its effect on manufactures, marketers and consumers, relationship among them and shows a glance of actual position of brand loyalty in Nepal. Further, the study has involved 5 different Mobile Brands such as LG, Samsung, Nokia, Color and Micromax and data are collected from Jhapa district. My study has given the reflection of the sales of mobiles depending upon the education, age, marital status, monthly income and job of consumers of that particular area. The study will make the seller easier to developed marketing strategy and the future of the sale depending upon the people resides in that area. So, it has been believed that this study will be different and comprehensive as compared to previous study.

CHAPTER III

RESEARCH METHODOLOGY

Any systematic research study requires a proper methodology to achieve the set of objectives. Research methodology is the systematic method of finding solution to a problem i.e. systematic collection, recording, analysis, interpretation and reporting of information. This chapter deals about the research methodology by which collected data are analyzed to get the results.

Research is a systematic and organized effort to investigate a specific problem that needs a solution (Sekaran et al., 1992). 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 the problems. Thus the entire process by which we attempt to solve problem is called research (Wolf and Pant et al., 2004 P 203).

Therefore, research methodology refers to the method or procedure of research process and it is a way to solve research problem systematically. It facilitates the research work and provides reliability to research. Simply methodology reveals analysis and systematic application of procedures used in scientific investigation or in a particular research project.

The main objective of research methodology is to develop the sophisticated research strategy. So it is impossible to complete a research work without research methodology. So this study also employed the research methodology, which is presented below.

3.1 Research Design

Research design is the outline of a plan to test the hypothesis and the framework of the study. It is also known as the conceptual structure within which research is conducted.

Research design is invented to enable the researcher to answer research question as validity, objectively and economically as possible (Kerlinger et al., 2004 p 301).

The research design is the strategy for conducting research. It describes the general framework for collecting, analyzing and evaluating data after identifying what is researcher wants to know and what has to be dealt with in order to obtain required information (Wolf and Pant et al., p 2009).

Research design is the plan, structure and strategy of investigation conceived so as to obtain answer to research question and to control the variance. The plan is the overall scheme or program of research. It includes an outline of what the investigation will do from writing the hypothesis and their operational implications to the final analysis of data. The structure of the research is more specific. It is the outline, the scheme, and paradigm of the operation of the variables.

The present study is exploratory in nature. The main aim of this study is to find out brand loyalty behavior of consumers of Nepal with special reference to the urban area of Jhapa districts. Therefore, the survey research design is adopted for the study. The consumer of this district (focusing urban area only) is surveyed to obtain data and

information about the consumer personality, purchase pattern and attitude to the different brands selected of the study. The data and information collected from the survey of the consumers are rearranged, tabulated, analyzed and interpret according to the need of the study for attaining the stated objectives.

3.2 Nature and Sources of Data

This is the consumer related research which is directly connected with consumer's purchasing behavior and their attitude toward the brand. So the survey method is used to collect data and information used in this study is primary in nature. Nepalese consumers, especially consumers of Jhapa, district of Nepal are selected for the study and are the sources of data used in the study.

3.3 Sample Plan

Sample refers to a part chosen from the total population. Sample means the part of the whole. The process of selecting a sample from a population is called 'sampling'. It is a tool which helps the researcher to draw conclusions about the characteristics of the population after studying only those observations that are included in the sample (Shrestha and Manandhar et al., 2056 p 71).

Sampling plan consist of target population, sampling unit, sample size and sample method, which explained below.

3.3.1 Target Population

In any statistical investigation, the interest usually lies in studying the various characteristics relating to items or individuals belonging to a particular group. This group of individuals under study is known as the

population. Furthermore, population is the aggregate of objects, animate or inanimate, under study in any statistical investigation (Gupta et al., 1996 p 1039-40).

3.3.2 Sampling Unit

Sampling unit of this study is consumer of age below 20-45 above years either male/female of only Jhapa.

3.3.3 Sample Size

100 consumers are selected for this study out of all consumers of Jhapa district of Nepal to collect required primary data.

3.3.4 Sampling Method

Sampling method used for the study is judgmental sampling. The logic behind using judgmental sampling is this study is very small in size of sample in comparison to the population.

Although the sample size is very small in comparison to the population yet sufficient efforts have been made to make the sample represent the whole population. The numbers of population included in the sample are education, different professions, income groups, age groups and sexes.

3.4 Data Collection Procedure

A well-structured questionnaire is used to collect data required for the study which is the main instrument of data collection. The questionnaire was carefully designed as well as presented so that could best serve the purpose of this study. Sample of the questionnaire was distributed and all of them were collected and were filled up at the

researcher's own presence, response is assumed to be true. Maximum attention has been given while filling up the questionnaire. The respondents were supported by oral explanation in case of their confusion or inability to understand any content in the questionnaire.

3.5 Method of Analysis

The collected data are thoroughly checked compiled and presented in appropriate tables to facilitate analysis and interpretation. Tabulation is done to get the answers for the specific objectives. Diagrams and statistical tools are used where required. Testing of hypothesis (chi-square test) and correlation coefficient and other various tools were used as the statistical tools to analyze the collected data. The statistical tools used to analyze collected data are explained below.

3.5.1 Statistical Tools

To analyze the collected data, statistical tools can play very important role. To analyze the consumer responses following different statistical tools can be used.

- a) Coefficient of variation
- b) Correlation Analysis
- c) Probable error and correlation co-efficient

3.5.2 Diagram

Simply, diagram is a figured presentation of tabulated data, which provide pleasant and appealing to the eyes and also helps to understand outcome easily. It present data in a simple and interesting way and it is easy to understand them and they give a clear picture of the data at a

single glance and no time or effort is lost. There are various types of diagrams. Some of mostly used diagrams in this study are

- a) Bar diagram and
- b) Pie-chart

3.5.3 Testing of Hypothesis

The method of statistic, which helps in arriving at the criterion for decision, is called test of hypothesis or hypothesis testing. A hypothesis is an assumption that we make about the population parameter. The test of hypothesis is a process of testing of significance regarding the parameters of the population on the basis of sample drawn from the population. The testing of hypothesis discloses the fact that whether the difference between the computed statistic and hypothetical parameter is significant (Shrestha et al., p 107).

A statistical hypothesis is assumption or statement, which may or may not be true about a population or equivalently about the probability distribution characterizing the given population which we want to test on the basis of the evidence from a random sample. If the hypothesis completely specifies the population, then it is known as simple hypothesis otherwise it is known as composite hypothesis (Gupta et al., p 117).

Thus, the hypothesis is an assumption and is used to test whether the assumption is right or not i.e. the testing of hypothesis. The statistical hypothesis may be divided into two types.

A. Null Hypothesis

A statistical hypothesis, which is stated for the purpose of possible acceptance is called a null hypothesis and suggests that there is no

different between population mean and sample mean i.e. they are same and equal. A null hypothesis is hypothesis which is tested for possible rejection under the assumption that is true (et al., p 118). Null hypothesis is denoted by H_0 .

B. Alternative Hypothesis

Alternative hypothesis is important to decide that whether the null hypothesis is acceptance or not. Any hypothesis which is complementary to the null hypothesis is called an alternative hypothesis (et al., p 119). Alternative hypothesis is denoted by H_1 .

The commonly used levels of significance are 1% and 5%. If we use 5% it implies that in 5 cases out of 100 cases we are likely to reject H_0 . In other words it implies that we are 95% confident that our decision is to reject. H_0 is correct. The level of significance should be fixed in advance before applying the test.

Thus the main objective of testing of hypothesis is to evaluate the different between sample static and population parameter. A hypothesis is tested in certain percentage of level of significance.

3.6 Research Questions of the Study

Objective wise three sets of questionnaire is developed and distributed to different people of Jhapa .These questionnaires are collected and required adjustment is made to reach final solution of the study. The questionnaires are developed in such a way that helps to find out brand consciousness, brand loyalty, correlation and regression of brand loyalty of consumer. Finally, questionnaire set 'D' is developed to get recommendation of different consumers relating with brand.

CHAPTER IV

DATA PRESENTATION AND ANALYSIS

The questionnaire were distributed and collected by researcher himself and thoroughly checked after collection of all the questionnaires distributed. After collecting all the responses firstly it was gathered in one place under respective heading and total responses were counted and presented. In master table with the help of master table necessary adjustment have been made for attaining the objectives of the study. All the analysis is made on the basis of the data as presented in the master table. Data is analyzed both descriptively and statistically. Simple mean, weighted mean, ratio, percentage and statistical diagrams, correlation and regression and testing of hypothesis where necessary are used as statistical tools for analysis.

4.1 Brand Awareness

In this section it has been tried to find out the brand awareness of the consumers of Jhapa Nepal. Consumer's responses to these various questions are presented and analyzed below.

4.1.1 Use of Brand in Purchasing

In this section I have tried to find out means of purchase of products such as Nokia mobile, Color mobile, Micromax, Samsung and LG mobiles of this region. For this purpose question no. 3 of my questionnaire is selected as base.

Table No. 4.1: Use of Brand in Purchasing

S.N.	Products	Means of Purchase	No. of Respondents	Percentage (%)
1.	Nokia	By brand	47	94
		By inspection	3	6
		Total	50	100
2.	Color	By brand	30	68.20
		By inspection	14	31.80
		Total	40	100
3.	Micromax	By brand	30	75
		By inspection	10	25
		Total	40	100
4.	Samsung	By brand	45	90
		By inspection	5	10
		Total	50	100
5.	LG	By brand	29	74.36
		By inspection	10	25.64
		Total	39	100

Source: Field Survey, 2013

The above table no. 4.1 shows how the consumers buy the products. It shows 94% users of Nokia mobiles, 68.20% of Color, 75% of Micromax, 90% of Samsung and 74.36% of LG buy them by its brand whereas 6% users of Nokia mobiles, 31.80% of Color, 25% of Micromax, 10% of Samsung and 25.64% of LG buy them by inspection. Use of brand in purchasing Nokia seems highest percentage in the table and it is

lowest in Color. The percentage use of brand in Micromax and LG are nearly equal to 75% and it is higher in Samsung compare to Micromax and LG.

Here we can conclude that majority of consumers use brand in their purchase, which show the high degree of brand awareness in consumers of this region.

4.1.2 Consumer's Knowledge of Competing Brands

Knowledge of different alternative brand available in the market may also be good predictor of brand awareness in consumer.

So consumers were asked to give the name of alternative brands of above mentioned products available in the market. Table no. 4.2 represents the real state of knowledge of alternative brands in surveyed consumer.

Table No. 4.2: Consumer's Knowledge of Competing Brand

S.N.	Products	Knowledge of Competing Brand	No. of Respondents	Percentage
1.	Nokia	3	2	4.25
		4	2	4.25
		5	43	91.48
		Total	47	100.00
2.	Color	3	5	16.66
		4	3	10
		5	22	73.34
		Total	30	100
3.	Micromax	3	4	13.33
		4	1	3.34
		5	25	83.33
		Total	30	100.00
4.	Samsung	3	1	2.22
		4	5	11.11
		5	39	86.67
		Total	45	100.00
5.	LG	3	3	10.34
		4	4	13.80
		5	22	75.83
		Total	29	100.00

Source: Field Survey, 2013

Knowledge of alternative competing brand in urban consumers of Jhapa Nepal seems very high in the table. More than 73% of urban

consumers of this district of Nepal know more than 5 alternatives or competing brand available in the market. It also show maximum number of consumers have the knowledge of alternative brand available in the market.

Maximum numbers of consumers make their purchase on the basis of brand and similarly they know the various numbers of alternative brands available in the market.

On the basis of above findings we can conclude that the brand awareness is very high in urban consumers of Jhapa.

4.2 State of Brand Loyalty

The main objective of this study is to find out consumer of Jhapa are brand loyal or not. So a good deal of effort has been made to set the real state of loyalty in consumer of eastern Nepal.

There are many approaches to measure the brand loyalty, but it has adopted the preference purchase approach in this study which means it has measured brand loyalty on the basis of consumers purchase pattern and consumer's purchase preference. This study has selected five brands; Nokia, Color, Micromax, Samsung and LG mobiles with their different models. Hence, the brand loyalty of urban consumers of Jhapa district of Nepal is measured on the basis of their purchasing pattern and preference order relating to the different brands of these products. To see the purchase pattern consumers were asked to name the brands they bought in their five purchases. Similarly to find out the preferred brand they were asked to name their most favorite brand among the brand available in the market.

To find out the purchase pattern of consumers the brand purchased are represented by A, B, C, D, and E respectively from first to last purchase. For example if a consumer bought the Nokia c2-03 model of Nokia in his/ her first purchase then it is represented by alphabet A and bought Nokia C3 in his second purchase then it is represented by alphabet B and so on. If the consumer bought the same brand more than one purchase, then they are represented by the respective alphabet used previously. If a consumer bought the same brand suppose Nokia c2-03 in his/her all five purchase then it is represented by AAAAA and if the consumer bought Nokia c2-03 in his/ he first three purchases and bought other brands suppose Nokia C3 in fourth purchase and C2-05 in last purchase then it is represented by AAABC. And other types of purchase patterns are also represented in similar manner. Consumer purchase preference also represented by the same letter as purchase pattern. The state of brand loyalty of consumers on surveyed products is represented below.

Note: AAAAA means purchasing Nokia c2-03 brand of mobile in his/ her last five purchases. AAABB refers purchasing of Nokia c2-03 of his/ her last three purchases and Nokia C3 in last two purchase.

4.2.1 Nokia Mobile

Very common mobile used by wide range of peoples in Nepal reaching different levels of interest of consumers with variety of models.

4.2.1.1 Purchase Pattern for Different Brands of Nokia Mobiles

Purchase pattern of Nokia refers the set of purchasing of the consumers in their last five purchases on the time of survey.

100 percent respondents responded to the questions concerning to Nokia mobiles. Following table shows the consumers purchasing pattern and preference.

Table No. 4.3: Purchase Pattern for Different models of Nokia Brand

S.N.	Purchase Pattern	Preference	No. of Respondents	Percentage	Loyalty
1.	AAAAA	A	2	4	True
2.	AAAAB	A	1	2	True
3.	AABAA	A	2	4	True
4.	AAABA	A	4	8	True
5.	AABCA	A	1	2	True
6.	ABAAA	A	2	4	True
7.	ABBCB	B	1	2	True
8.	AAABB	AB	3	6	Shifting
9.	AABBB	AB	3	6	Shifting
10.	AABCC	AC	3	6	Split loyal
11.	AABBC	AB	1	2	Split loyal
12.	ABBBC	AB	4	8	Split loyal
13.	ABBAA	AB	2	4	Split loyal
14.	ABCDD	Indifferent	1	2	Non Loyal
15.	ABCCB	Indifferent	1	2	Non Loyal
16.	ABBCD	Indifferent	1	2	Non Loyal
17.	ABCDC	Indifferent	5	10	Non Loyal
18.	AABCD	Indifferent	2	4	Non Loyal
19.	ABCDA	Indifferent	1	2	Non Loyal
20.	ABBAC	Indifferent	9	18	Non Loyal
21.	ABCDE	Indifferent	1	2	Non Loyal
	Total		50	100	

Source: Field Survey, 2013

According to above table the survey of consumers showed 21 types of purchase pattern. 100 percent respondents responded the questions relating to the Nokia mobiles. Among the total purchase pattern of consumers AAAAA, AAAAB, AABAA, AAABA, AABCA, ABAAA and ABBCB are treated as true loyal because they purchase at least three times the same brand in their last five purchase and their purchase preference also relevant to the purchase pattern. I asked why do you buy the alternative brand instead of your favorites brand in your five purchases? Almost all of them answered that they bought the different brand because of new models, new brand and they repeat strong loyalty to their favorite brand, and therefore I treated them as true loyal. The percentage of true loyal consumers is 26% means 26% urban consumers of Jhapa districts of Nepal shows strong loyalty to the brand of Nokia Mobiles.

Unstable or shifting loyal consumers' shifts one brand to another brand and their preference also shifts to the new one. The purchase pattern of AAABB and AABBB are treated as the shifting loyal because their purchase preference is AB and their loyalty shifts from A to B so they are shifting loyal consumers 12% urban consumers of Jhapa of Nepal show the shifting loyalty.

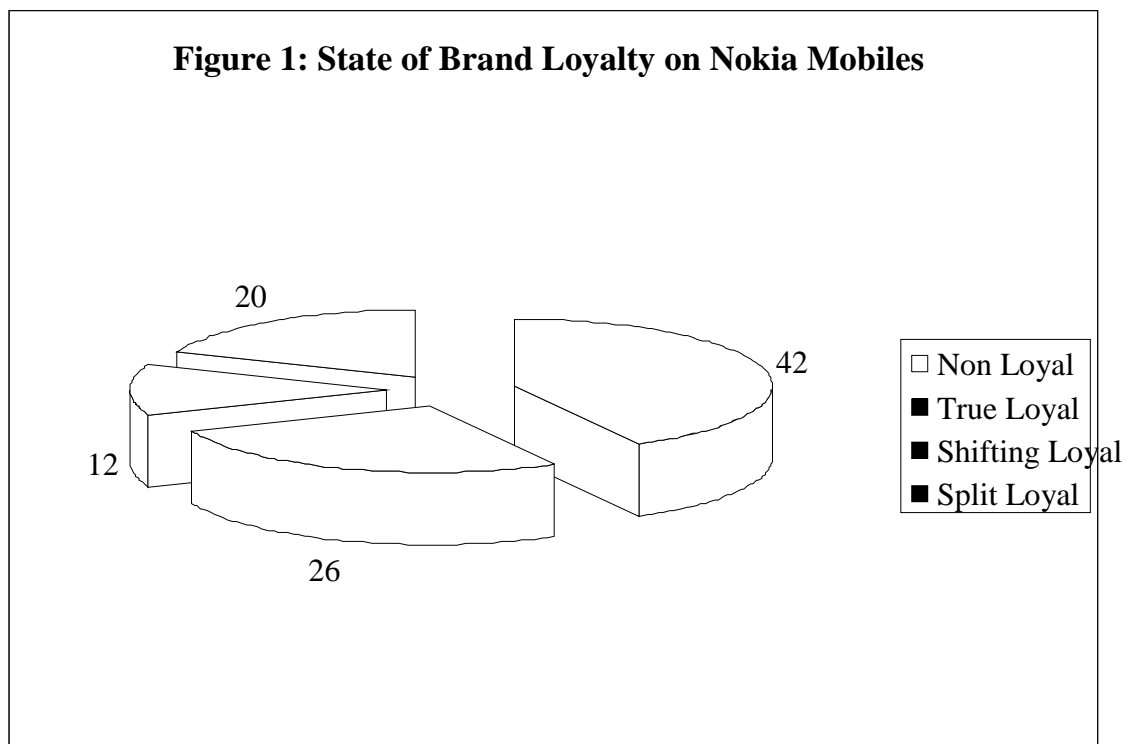
Another types of loyalty also presented in the table, they are split or divided loyal because they show loyalty to more than one brand whose purchase patterns are AABCC, AABBC, ABCC and ABBA. They are not shifting loyal because they equally prefer more than one brand in same time. So such consumers are treated as divided loyal or they are called multi-branded loyal consumer. 20% urban consumers of Jhapa districts show divided loyalty.

The remaining 42% consumers showing purchase patterns of ABCDD, ABCCB, ABBCD, ABCDA, and ABCDE are treated as non loyal consumers who show no definite preference to the brand and they are treated as indifferent to the entire brand available in the market. Therefore total loyal consumers to the brand of Nokia in urban area of Jhapa districts are 58% (i.e. 26% true loyal, 12% shifting loyal and 20% divided loyal).

On the basis of above analysis it can be conclude that majority urban consumers of Nokia in Jhapa districts are brand loyal.

4.2.1.2 State of Brand Loyalty on Nokia Mobiles

The below pie chart clarify the state of brand loyalty in consumers of Nokia in urban area of Jhapa.



Above figure no. 1 clearly represented the findings of survey study on the brand loyalty behavior of urban consumer of Jhapa districts in

relation to Nokia. According to figure no. 1 26 percent consumer of Nokia mobiles are true loyal to the brand

Other 12 percent consumers of Nokia are also loyal to the brand but their loyalty is quite different to the true loyal. These types of loyal consumers are shifting loyal because they shift their brand loyalty to another product. 20 percent consumers of Nokia are multi-brand loyal, which means 20 percent consumer of Nokia in this region show the loyalty to more than one brand in same time and they are equally faithful to their brands.

Remaining 42 percent consumer of Nokia have no loyalty to any brand. They purchase the brand that they think better or displayed prominently or offer good deal of gift. They are indifferent to the brand available in market.

On the basis of above chart it is found that majority urban consumers of Jhapa district are brand loyal.

4.2.2 Color Mobiles

Color is another brand of mobile which has growing number popularities in and among the different groups of people. It has got wide range of varieties meeting the different needs of consumer.

4.2.2.1 Purchase Pattern for Different models of Color Brands

Purchase pattern of Color refers the set of purchasing of consumers in their last five purchases on the time of survey.

Only 44 respondents responded to the questions relating to the Color out of 50 respondents. According to the respondents, X factor,

Color X4, Color X5 Plus, X factor Star, Color W7 of Color brands are available in the market. The consumer's responses or purchase pattern and preferences relations to these different models of color brand are presented in following tables.

Table No. 4.4: Purchase Pattern for Different Brands of Color

S.N.	Purchase Pattern	Preference	No. of Respondents	Percentage	Loyalty
1.	AAAAA	A	5	11.36	True loyal
2.	AAABC	A	7	15.90	True loyal
3.	AAABAA	A	6	13.60	True loyal
4.	ABBBB	B	6	13.60	True loyal
5.	ABCCC	C	4	9.10	True loyal
6.	ABAAC	A	3	06.81	True loyal
7.	ABCAA	A	5	11.36	True loyal
8.	AAABB	AB	1	02.27	Shifting
9.	AABCC	AC	1	02.27	Split Loyal
10.	ABBCA	AB	1	02.27	Split Loyal
11.	ABCBC	BC	1	02.27	Split Loyal
12.	ABACA	Indifferent	1	02.17	Split Loyal
13.	ABCDE	Indifferent	3	06.81	Non Loyal
	Total		44	100	Non Loyal

Source: Field Survey, 2013

In the survey thirteen types of purchase patterns are found which is presented in above table. According to the table the purchase pattern of AAAAA shows definite true loyalty. Other purchase patterns such as AAABC, AABAA, ABBBB, ABCCC, ABAAC and ABCAAA are also

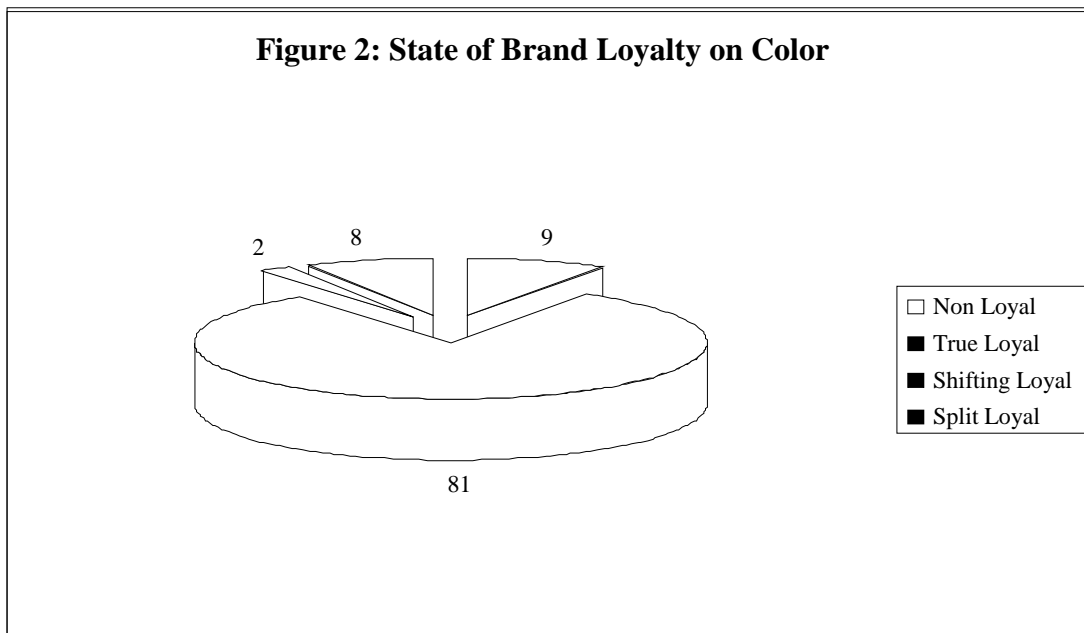
true loyal because their purchase pattern matches to their purchase preference and they show true faithfulness to their preference while surveying. So, the percentage of true loyal consumers is 81.8%. It shows most of the consumers of Jhapa districts are truly loyal to the brand of Color. The respondents who buy AAABB in their last five purchase and preferred brand AB are treated as shifting or unstable loyal because they shifts their loyalty from brand A to B, the percentage of unstable loyal is 2.27%.

The respondents falling in group of AABCC, ABBCA, ABCBC and ABACA are also loyal consumer because they equally preferred the brand AB in their last five purchases. Such types of consumers are called split or multi-brand loyal consumers. 6.81% consumers are falling in the split loyalty. Remaining 9.0% respondents falling in the group of ABCDE are non-loyal consumers because they are indifferent to the brand.

Hence we can conclude that more than 91.0% (i.e. 81.81% true loyal + 2.27% shifting loyal + 6.8% split loyal) are brand loyal. Only a few consumers (9.0%) consumer show no loyalty in Jhapa, districts of Nepal to the brand of Color.

4.2.2.2 State of Brand Loyalty on Color

Following pie diagram represents the true state of brand loyalty to the brand of Color.



Above figure no. 2 clearly represents the findings of survey about brand loyalty on the brand of color Mobiles. According to the figure no. 2 81.81 percent consumers of Color mobiles are truly brand loyal who are strongly faithful to their preference. Other 2.27 percent consumers are shifting or unstable loyal.

Another 6.80 percent consumers of mobiles in urban area of Jhapa, districts are split loyal who show loyalty to more than one brand in same time. Only 9.0 percent consumers of Color are non-loyal in this region.

In conclusion I found most of the consumers of Color Mobiles in Jhapa districts are found to be very much conscious to the brand of Mobiles.

4.2.3 Micromax Mobile: It's an Indian mobile succeeding in challenging the other brands of mobile with it affordable price & models.

4.2.3.1 Purchase Pattern of Different Brands of Micromax mobiles

Purchase Pattern of Micromax refers the set of purchasing of the consumers in their last five purchases on the time of survey.

Only 40 respondents responded to the questions related to the Micromax. Respondents show 13 types of purchase pattern, which are presented in table below.

Table 4.5: Purchase Pattern of Different Brands of Micromax

S.N.	Purchase Pattern	Preference	No. of Respondents	Percentage	Loyalty
1.	AAAAB	A	3	7.5	True
2.	AAABA	A	4	10	True
3.	AABCA	A	3	7.5	True
4.	AABAC	A	2	5.0	True
5.	ABCBB	B	4	10	True
6.	AABBC	AB	4	10	Shifting
7.	ABBCC	AC	3	7.5	Shifting
8.	ABBAA	AB	3	7.5	Shifting
9.	ABBCD	Indifferent	4	10	Non Loyal
10.	ABCDB	Indifferent	2	5.0	Non Loyal
11.	ABCDC	Indifferent	2	5.0	Non Loyal
12.	ABBCA	Indifferent	4	10	Non Loyal
13.	ABCDE	Indifferent	2	5.0	Non Loyal
	Total		40	100	

Source: Field Survey, 2013

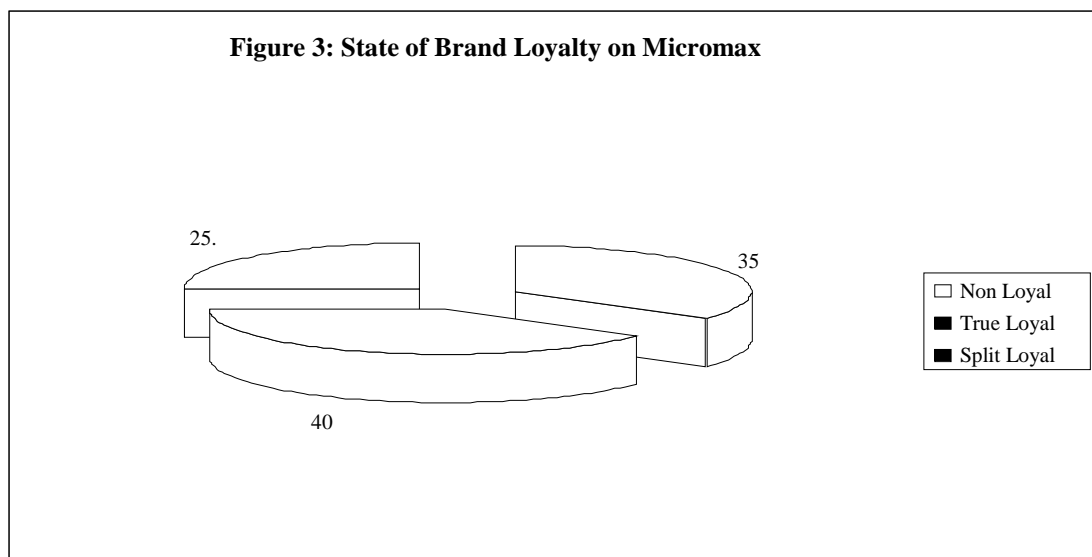
Out of 50 respondents 40 responded to the questions related to Micromax and they show the 13 types of purchase pattern. Five groups of respondents showed the true loyalty to the brand of Micromax, they are AAAAB, AAABA, AABCA, AABAC, and ABCBB. Although they purchased different brand in their five purchase but they show the strong

faithfulness of their preference so I treated them as a true loyal respondents. The percentage of true loyal consumer is 40%. Other three groups of respondents are shown the multi-brand loyalty which shows the loyalty to more than one brand in same time and indifferent to their preferred brands. Percentage of such brand loyal is 25%. In total 65.0 percent of consumers of Jhapa districts of Nepal are loyal to the brand of Micromax.

The remaining 35 percent of consumers show no loyalty to the brand of Micromax in this region. The groups showing no loyalty are ABBCD, ABCDB, ABCDC, ABBCA and ABCDE.

4.2.3.2 State of Brand Loyalty on Micromax

Following pie chart clearly respects the findings of the survey.



Above figure no. 3 clearly shows 40% consumers are true loyal to the brand of Micromax and 25.0% consumers showing split or multi-brand loyalty. In total 65.0% (i.e. 40% true loyal + 25.00% split loyal) consumers of Jhapa districts of Nepal are loyal to the brands of

Micromax. Remaining 35% consumers are non loyal consumers of this region.

In conclusion majority consumers are found to be loyal to the brand in the area of Jhapa.

4.2.4 Samsung Mobile

Another multinational brand of mobile widely used by Nepalese population.

4.2.4.1 Purchase Pattern for Different Brands of Samsung

Purchase pattern of Samsung refers the set of purchasing of the consumers in their last five purchases in the time of survey.

All hundred respondents responded the questions relating to the Samsung. According to the respondents, Samsung Galaxy Y, Galaxy Y Duos, Galaxy Pocket, Galaxy Chat, Galaxy S2, S3, S4, Galaxy Pocket neo etc models from Samsung brands are available in the market. The consumers' responses or purchase pattern and preferences relating to these different brands are presented in the following table.

Table No. 4.6: Purchase Pattern for Different Brands of Samsung

S.N.	Purchase Pattern	Preference	No. of Respondents	Percentage	Loyalty
1.	AAAAA	A	12	24	True Loyal
2.	AAAAB	A	3	6	True Loyal
3.	AABAA	A	3	6	True Loyal
4.	AABCA	A	2	4	True Loyal
5.	ABCCC	C	1	2	True Loyal
6.	ABAAA	A	1	2	True Loyal
7.	ABCAA	A	2	4	True Loyal
8.	ABBCB	B	2	4	True Loyal
9.	AAABB	AB	5	10	Shiffing
10.	AABBB	AB	4	8	Shiffing
11.	AABBC	ABC	2	4	Split Loyal
12.	AABBA	AB	1	2	Split Loyal
13.	AABCC	AC	2	4	Split Loyal
14.	ABBCC	BC	5	10	Split Loyal
15.	ABCDD	Indifferent	1	2	Non Loyal
16.	ABCDE	Indifferent	4	8	Non Loyal
Total			50	100	

Source: Field Survey, 2013

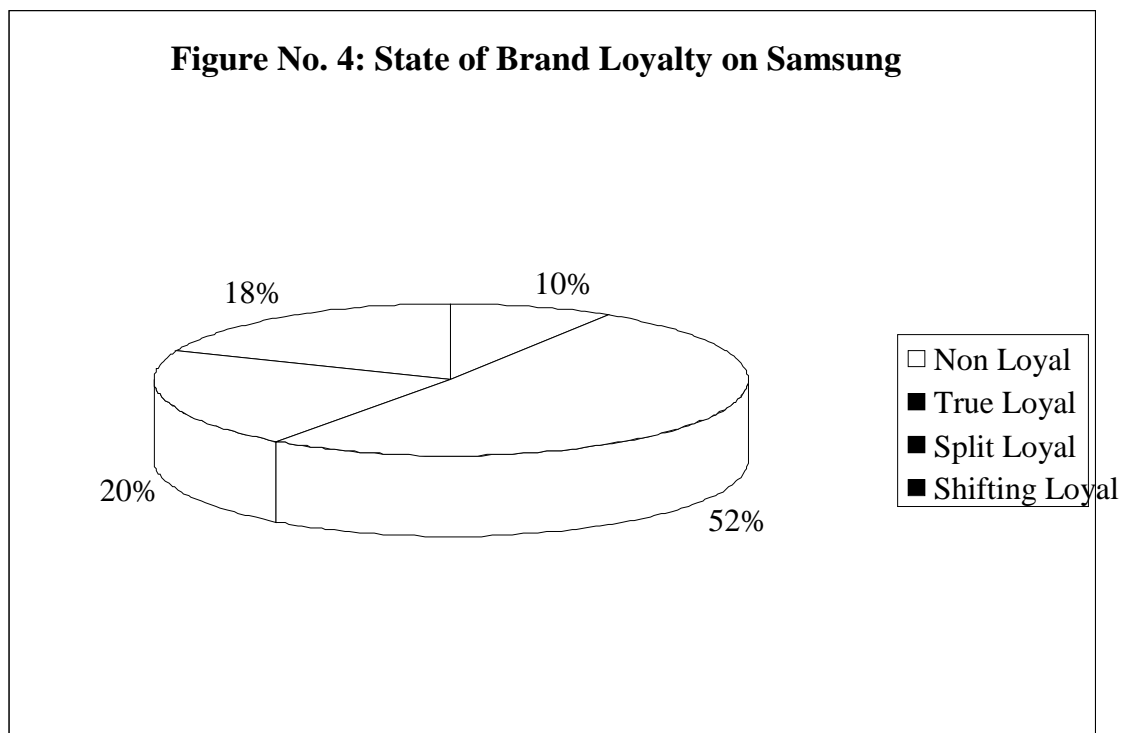
In the above table the consumers who purchased brand A in their last five purchases and preferred brand 'A' are obviously the true loyal consumers. The consumers whose purchase patterns are AAAAB, AABAA, AABCA, ABCCC, ABAAA, ABCAA and ABBCB are also treated as true loyal because their purchase sequence shows they purchase same brand at least three times in their five purchase and preferred the

brand which they buy most. So, the total number of true loyal consumers is 52%. Other two groups are falling in shifting loyalty they are AAABB and AABBB who shifts from brand A to B. The numbers of shifting customers are found to be 18%.

There are 20% consumers who involve in multi brand or split loyalty. The consumers groups of AABBC, AABBA, AABCC and ABCC are multi brand loyal. And remaining 10% consumers are non loyal because their purchase are not specified they are indifferent to the brands of Samsung.

4.2.4.2 State of Brand Loyalty on Samsung

A pie chart is created below to clearly represent the findings of survey study related to the Samsung.



Above figure no. 4 clearly represents the findings about brand loyalty on Samsung. There are four types of loyalty, which is classified

according to the purchase pattern and purchase preference of consumers relating to the Samsung. The figure shows the loyalty on branding in Samsung is very high in consumers of Jhapa districts of Nepal. Total loyal consumer to the brand of Samsung is found to be 90% which is obviously higher. Only 10% consumers show no any loyalty to the brand of Samsung.

In conclusion it is found that the urban consumers of Samsung in Jhapa, districts of Nepal are found brand loyal to the brand.

4.2.5 LG Mobile

Is also use and loved by Nepalese consumers which holds larger user group with its stylist models.

4.2.5.1 Purchase Pattern for Different Brands of LG Mobiles

Purchase pattern of LG mobiles refers the set of purchasing of the consumers in their last five purchases on the time of survey.

Only 39 respondents responded to the questions relating to brand of LG. The state of brand loyalty of these respondents is stated here. According to the respondents different models of LG Mobiles are available in the Nepalese market. Following table represents the state of brand loyalty of consumers of Jhapa districts of Nepal in relation to the brands of LG.

Table No. 4.7: Purchase Pattern for Different Brands of LG

S.N.	Purchase Pattern	Preference	No. of Respondents	Percentage	Loyalty
1.	AAAAA	A	5	12.82	True
2.	AAAABC	A	2	5.12	True
3.	AAABA	A	3	7.69	True
4.	AABAA	A	2	5.12	True
5.	AABCA	A	3	7.89	True
6.	ABCAA	A	2	5.12	True
7.	AAABB	AB	6	15.38	Shifting
8.	AABBB	AB	3	7.69	Shifting
9.	AABBC	AB	1	2.56	Split
10.	AABCC	AB	2	5.12	Split
11.	ABBAA	AB	4	10.25	Split
12.	ABCDD	Indifferent	1	2.56	No Loyalty
13.	ABCD	Indifferent	2	5.12	No Loyalty
14.	ABCDE	Indifferent	3	7.69	No Loyalty
Total			39	100	

Source: Field Survey, 2013

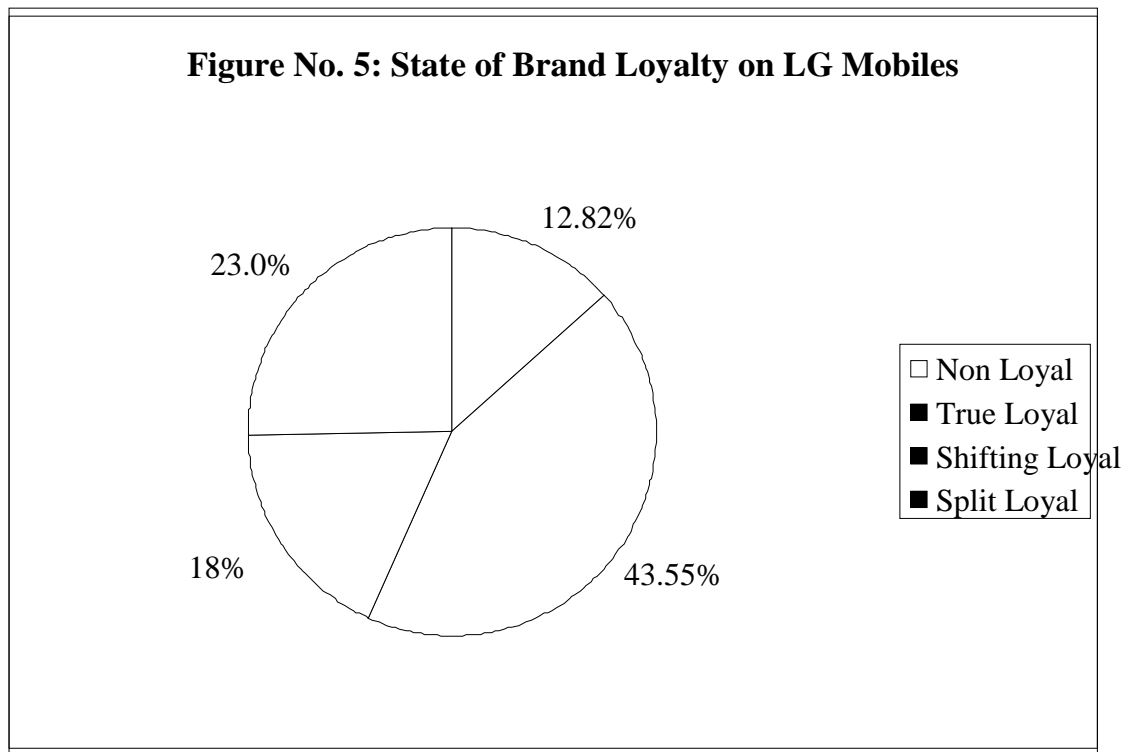
Above table shows that 17 respondents out of 39 have bought the same product in their last five purchases which they prefer most. They are obviously the true loyal.

The group of consumers whose purchased pattern are AABBB and AAABB are treated as shifting loyal because they shift their preference from A to B, the number of such consumers are 9, which is 23.0 percent.

Seven respondents show split or multi-brand loyalty. The purchase patterns of multi-brand loyal consumers are AABCC, ABBA and AABBC who prefer more than one brand in same time and indifferent to them. They are 18.0 percent. Remaining 5 respondents whose purchase patterns are ABCDD, ABACD and ABCDE show no loyalty to the brand, which is 12.82 percent.

4.2.5.2 State of Brand Loyalty on LG

A pie chart is created below to clearly represent the findings of survey study related to the LG mobiles.



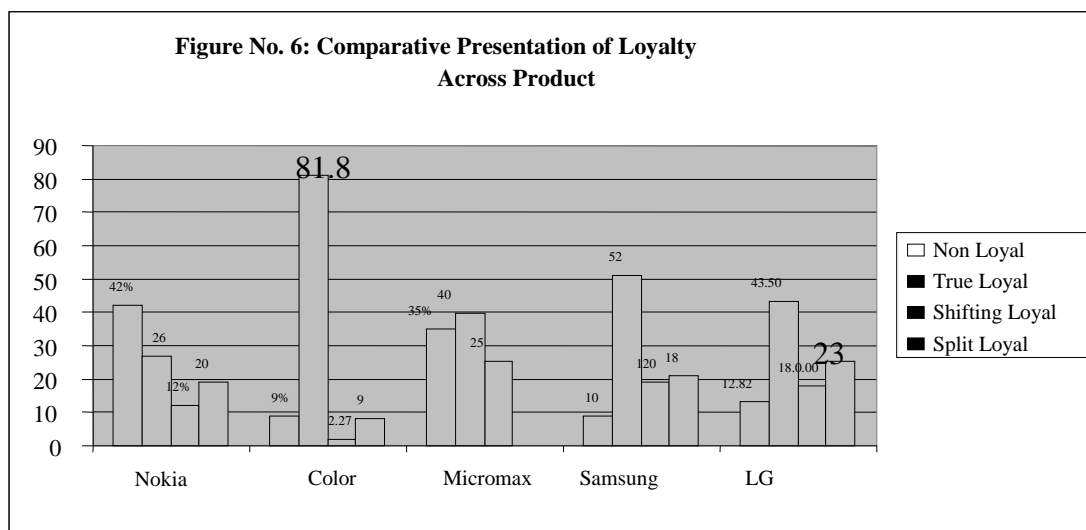
Above figure no. 5 clearly represents the findings about brand loyalty on LG. There are four types of loyalty, which is classified according to the purchase pattern and purchase preference of consumers relating to the LG. The figure shows the loyalty on branding in LG Mobiles is very high in consumers of Jhapa districts of Nepal. Total loyal

consumers to the brands of LG Mobiles are 87% which is obviously higher. Only 12.82% consumers show no any loyalty to the brand of LG.

From the above figure, it is concluded that the higher number of consumers of LG in Jhapa districts of Nepal are loyal.

4.2.6 Comparison of Brand Loyalty across Products

The finding related to the state of brand loyalty are presented above and found out the brand loyalty behaviour of consumer shown to the surveyed products. Almost all consumers show the high degree of brand loyalty to the mentioned products, although it is vary across the products. Brand loyalty shown by the consumers to different product can be shown comparatively in diagram.



The loyalty revealed by all the consumers are presented in above table, which shows how the loyalty is varies across products. It varied in degree from the consumer to consumer. Some consumers are highly loyal to one product and low to another product and vice versa. The loyalties shown by the consumers have categorized into four types according to the degree of loyalty shown. True loyalty is such loyalty where consumers

show strong loyalty to their preference. Split loyal consumer's shows the equal loyalty to more than one brand in same time and shifting loyal consumers show the nature of shifting from one brand to another.

All of the consumers showing true loyalty, split loyalty and shifting loyalty are treated as brand loyal consumers. And the consumers who are indifferent to the brands they are non-loyal consumers.

Above table shows 26% consumers of Nokia Mobiles, 81.80% consumers of Color, 40% consumers of Micromax, 52% consumers of Samsung and 43.5% consumers of LG Mobiles are true loyal. 20% consumers of Nokia Mobiles, 6.8% consumers of Color Mobiles, 25.30% consumers of Micromax, 20% consumers of Samsung and 18.00% consumers of LG are split loyal. There are no consumers of Micromax mobile showing split loyalty. Similarly 12% consumers of Nokia, 2.27% consumers of Color, 25% consumers of Micromax, 18% consumers of Samsung and 8.23% consumer of LG shows the shifting loyalty. And at last 42% consumers of Nokia Mobiles, 9.0% consumers of Color, 35.0% consumers of Micromax, 10% consumers of Samsung and 12.82% consumers of LG Mobiles are indifferent to the brand, they are known as non loyal consumers. The data reveals that the consumers of Nokia and Micromax show higher degree of non-loyalty and consumers of Color and LG Mobiles show least non-loyalty.

4.3 Correlation of Brand Loyalty

In this section I have tried to find out the answer of what are the correlations of brand loyalty? What are the factors associated with brand loyalty? These are the factors that distinguish brand loyal consumer from the non-loyal ones. Therefore it is very hard to state exact number of

correlation. Brand loyalty correlations vary across the products. I have included in this study as many factors as possible and have examined them that whether or not they correlate with brand loyalty. The factors included are the consumer's personality characteristics such as sex, age, marital status etc, each of these factors is presented and analyzed in the following table to find whether it correlate with brand loyalty or not.

4.3.1 Age and Brand Loyalty

Age is one of the significant factors of brand loyalty correlation. The effect of age in brand loyalty is examined here. For this purpose, 40 male and 40 female are surveyed and their loyalty on branding is presented in table below. The consumers are classified into four age groups, which are below 20, 21 to 30, 31 to 45 and 46 to above and their loyalty on branding are examined here.

Table No. 4.8: Correlation of Age with Brand Loyalty

S.N	Product	Age Group	Loyal Respondents		Non-Loyal Respondents		Total	
			No.	%	No.	%	No.	%
1.	Nokia Mobiles	20 and below	8	53.33	7	46.67	15	100
		21-30	11	55.00	9	45.00	20	100
		31-45	5	50.00	5	40.00	10	100
		46 and above	5	100.00	0	-	5	100
		Total	29	58.00	21	42.00	50	100
2.	Color Mobiles	20 and below	11	84.61	2	15.38	13	100
		21-30	16	94.11	1	5.88	17	100
		31-45	7	87.5	1	12.5	8	100
		46 and above	6	100.00	0	-	6	100
		Total	40	90.90	4	9.09	44	100
3.	Micromax Mobiles	20 and below	4	30.75	9	69.25	13	100
		21-30	13	76.47	4	23.52	17	100
		31-45	5	83.33	1	16.66	6	100
		46 and above	5	100.00	0	-	4	100
		Total	26	65.00	14	35.00	40	100
4.	Samsung Mobiles	20 and below	12	80.00	3	20.00	15	100
		21-30	19	95.00	1	5.00	20	100
		31-45	10	100.00	1	-	11	100
		46 and above	4	100.00	0	-	4	100
		Total	45	90.00	5	10.00	50	100
5.	LG Mobiles	20 and below	8	61.53	5	38.46	13	100
		21-30	15	100.00	0	-	15	100
		31-45	8	100.00	0	-	8	100
		46 and above	3	100.00	0	-	3	100
		Total	34	87.18	5	12.82	39	100

Source: Field Survey, 2013

Note: Each percentage is calculated in each group

Above table reveals correlation of age group. According to the table age group 46 to above have highest degree of loyalty and shown 100 percent loyalty to all product surveyed. The percentage of brand loyal respondents belonging to other age group is significantly lower in comparison to this age group. Age group 20 and below shows the lowest brand loyalty in the entire product selected. This age group shows 53.33 percent loyalty in Nokia Mobiles, 84.42 percent in Color, 30.75 percent in Micromax, 80.0 percent in Samsung and 61.53 percent in LG which are lower than other age group. Age group 21 to 30 shows 55.0 percent loyalty in Nokia, 94.11 percent in Color, 76.47 percent in Micromax, 95.0 percent in Samsung and 100 percent in LG which are extremely higher.

Another age group 31 to 45 shows 50 percent loyalty in Nokia Mobiles, 87.50 percent in Color Mobiles, 83.33 percent in Micromax, 100 percent in Samsung and 100 percent in LG Mobiles, it is also very high.

From above mentioned analysis, here we can conclude that age is positively correlated with the brand loyalty behaviour of consumer of Jhapa district of Nepal.

4.3.2 Marital Status and Brand Loyalty

Marital Status is also correlated with brand loyalty. The correlation of marital status is presented in table below.

Table No. 4.9: Correlation of Brand Loyalty with Marital Status

S.N.	Product	Marital Status	Loyal Respondents		Non-Loyal Respondents		Total	
			No.	%	No.	%	No.	%
1.	Nokia Mobiles	Married	11	53.40	10	46.51	21	100
		Unmarried	18	62.06	11	37.93	29	100
		Total	29	58	21	42	50	100
2.	Color Mobiles	Married	20	100	0	0	20	100
		Unmarried	20	83.34	4	16.66	24	100
		Total	40	90.90	4	9.09	44	100
3.	Micromax Mobiles	Married	12	75	4	25	16	100
		Unmarried	14	58.34	10	41.66	24	100
		Total	26	65	14	35	40	100
4.	Samsung Mobiles	Married	21	100	0	0	21	100
		Unmarried	24	82.75	5	17.24	29	100
		Total	45	90	5	10	50	100
5.	LG Mobiles	Married	16	88.88	2	11.12	18	100
		Unmarried	18	85.71	3	14.28	21	100
		Total	34	87.18	5	12.82	39	100

Source: Field Survey, 2013

Note: Each percentage is calculated in each group

Above table reveals the brand loyalties based on the marital status and it varies across products. Out of total married respondents 53.49 percent married respondents are found brand loyal and 46.51 percent married respondents are found non loyal in Nokia Mobiles. On the other

hand 62.06 percent of unmarried respondents are found brand loyal in Nokia and 37.94 percent respondents are found non loyal.

In other product categories it is found that married respondents are more brand loyal than unmarried respondents. 100 percent married respondents are found brand loyal in Color and only 83.34 percent unmarried respondents in Color Mobiles are loyal. In Micromax 75 percent married respondents are found loyal and only 58.34 percent of unmarried respondents are found loyal.

100 percent married respondents are found loyal in Samsung and 88.88 percent in LG found loyal and only 82.75 percent unmarried consumers are loyal in Samsung and 85.71 percent unmarried respondents are found loyal in LG Mobiles.

Here we can conclude that married customers show high brand loyalty compare to unmarried consumers.

4.3.3 Family Income and Brand Loyalty

The correlation of family income is examined here. To achieve the ultimate result the respondents are categorized in four groups according to their family income. The income groups 5000 and below, 5001 to 10000, 10000 to 20000 and 20001 to above. Following table represents the correlation of family income.

Table No. 4.10: Correlation of Family Income with Brand Loyalty

S.N.	Product	Family Income (Monthly)	Loyal Respondents		Non-Loyal Respondents		Total	
			No.	%	No.	%	No.	%
1.	Nokia Mobiles	5000 and below	10	43.47	13	56.52	23	100
		5001-10000	5	55.55	4	44.45	9	100
		10000-20000	8	66.66	4	33.34	12	100
		20001 and above	6	100	-	-	6	100
		Total	29	58	21	42	50	100
2.	Color Mobiles	5000 and below	16	88.88	2	11.12	18	100
		5001-10000	7	77.78	2	22.23	9	100
		10000-20000	11	100	-	-	11	100
		20001 and above	6	100	-	-	6	100
		Total	40	90.9	4	9.09	44	100
3.	Micromax	5000 and below	9	56.25	7	43.75	16	100
		5001-10000	5	62.50	3	37.50	8	100
		10000-20000	6	60	4	40	10	100
		20001 and above	6	100	-	100	6	100
		Total	26	65	24	35	40	100
4.	Samsung Mobiles	5000 and below	19	82.61	4	17.39	23	100
		5001-10000	8	88.88	1	11.12	9	100
		10000-20000	12	100	-	-	12	100
		20001 and above	6	100	-	-	6	100
		Total	45	90	5	10	50	100
5.	LG Mobiles	5000 and below	12	75	4	25	16	100
		5001-10000	8	100	-	-	8	100
		10000-20000	7	77.78	2	22.22	9	100
		20001 and above	6	100	-	-	6	100
		Total	34	87.18	5	12.82	39	100

Source: Field Survey, 2013

Note: Each percentage is calculated in each group

The above table reveals the total numbers and percentage of brand-loyal and non-loyal respondents belonging to each of the group in different product categories. It is clearly seen in the table of total respondents belonging to each group, the percent of brand loyal respondents is higher in the high-income groups than the low-income group in all the products.

Here we reached a conclusion that income groups over 20,000 shows extremely high loyalty. Respondents of this income groups show cent percent loyalty to the product categories.

4.3.4 Education and Brand Loyalty

Education is one of the important factors that relates with the brand loyalty. The behavior of educated person is different. Their expression, attitude personality, thought differs from other common people.

The total numbers of respondents of this group have been divided into four groups. The groups and their state of loyalty are presented in the table below.

Table No. 4.11: Correlation of Brand Loyalty with Education

S.N.	Product	Education	Loyal Respondents		Non-Loyal Respondents		Total	
			No.	%	No.	%	No.	%
1.	Nokia Mobiles	S.L.C. and below	10	50	10	50	20	100
		Intermediate /+2	6	66.66	3	33.34	9	100
		Bachelor	4	57.14	3	42.86	7	100
		Master and above	9	64.28	5	35.71	14	100
		Total	29	58	21	42	50	100
2.	Color Mobiles	S.L.C. and below	16	88.88	2	11.12	18	100
		Intermediate /+2	7	87.50	1	12.5	8	100
		Bachelor	5	100.00	-	-	5	100
		Master and above	15	92.30	1	7.70	13	100
		Total	40	90.90	4	9.09	44	100
3.	Micromax Mobiles	S.L.C. and below	10	58.82	7	41.17	17	100
		Intermediate /+2	3	60	2	40	5	100
		Bachelor	3	60	2	40	5	100
		Master and above	10	76.92	3	23.07	13	100
		Total	26	65	14	35	40	100
4.	Samsung Mobiles	S.L.C. and below	16	80	4	20	17	100
		Intermediate /+2	8	88.88	1	11.12	9	100
		Bachelor	7	100.00	-	-	7	100
		Master and above	14	100.00	-	-	14	100
		Total	45	90	5	10	50	100
5.	LG Mobiles	S.L.C. and below	11	68.57	5	31.43	16	100
		Intermediate /+2	7	100.00	-	-	7	100
		Bachelor	5	100.00	-	-	5	100
		Master and above	11	100.00	-	-	11	100
		Total	34	87.18	5	12.82	39	100

Source: Field Survey, 2013

Note: Each percentage is calculated in each group

Above table shows the total numbers of consumer, percentage of consumers, brand loyal and non loyal respondents according to their education level. In the table the education group of S.L.C. and below shows the lowest brand loyalty in all product category but other groups except in Micromax show no any significant relationship of their education level with brand loyalty, because the percent of brand loyal respondents is neither increasing nor decreasing regularly. For example in Nokia brand loyal respondents of intermediate / +2 groups is 66.66 percent whereas in bachelor groups is 57.14 percent and 64.28 percent in masters group.

On the other hand it is similar in LG where all the respondents of three education group show 100 percent loyalty to the brand. But in Micromax it seems the education level affect their brand loyalty behavior which can be seen in the table. In the table 60 percent respondents of intermediate / +2 groups, 60 percent respondents of bachelor groups and 76.92 percent respondents of masters and above group show brand loyalty which means education level has some degree of relationship with brand loyalty, which can be varies across products.

It is very difficult to conclude that the education level either relates or not with the brand loyalty according to the above study. But some cases of this study clearly show the relationship of brand loyalty and education is positive. The education group of below S.L.C. shows the lower brand loyalty, which is not coincidence.

In conclusion I can say that the education level have some degree of relationship to the brand loyalty.

4.3.5 Sex and Brand Loyalty

Following table shows the number and percentage of loyalty consumers and non-loyal consumers on the basis of their sex.

Table No. 4.13: Correlation of Brand Loyalty with Sex

S.N.	Product	Sex	Loyal Respondents		Non-Loyal Respondents		Total	
			No.	%	No.	%	No.	%
1.	Nokia Mobile	Male	18	60	12	40	30	100
		Female	11	55	9	45	20	100
		Total	29	58	21	42	50	100
2.	Color	Male	23	88.46	3	11.54	26	100
		Female	17	94.45	1	5.55	18	100
		Total	40	90.90	4	9.09	44	100
3.	Micromax	Male	18	81.80	4	18.20	22	100
		Female	8	44.44	10	55.56	18	100
		Total	26	65	14	35	40	100
4.	Samsung Mobile	Male	27	90	3	10	30	100
		Female	18	90	2	10	20	100
		Total	45	90	5	10	50	100
5.	LG Mobiles	Male	18	85.71	3	14.29	21	100
		Female	16	88.88	2	11.12	18	100
		Total	34	87.18	5	12.82	39	100

Source: Field Survey, 2013

Note: Each percentage is calculated in each group

Above table reveal the percentage of brand loyal female respondents are higher than that of male in the entire products category except Nokia and Micromax Mobile. In Color brand loyal male respondents is 88.46 percent while female brand loyal respondents are 94.6 percent. In Micromax brand loyal male respondents are 81.80 percent against 44.44 percent of female respondents. 90 percent male and female are brand loyal in Samsung and 85.71 male are brand loyal in LG against 88.88 percent of female. But in Nokia only 55 percent female respondents are brand loyal while 60 percent of male are brand loyal which is higher than that of female.

Thus it can be concluded that the female consumers are more brand loyal than male consumers in Color, Micromax, Samsung and LG but male consumers are more loyal to the brand of Nokia.

4.3.7 Factor Causing Brand Switching

To find out factor causing brand switching, respondents are asked which one of the factors makes you leave your favorite brand among price activities, advertisement campaign, a desire to test new brand and quality of product. Following outcome is occurred in the study.

Table No. 4.15: Factors Causing Brand Switching

S.N.	Product	Factors	Total	
			No.	%
1.	Nokia Mobiles	Price Activity	4	8.00
		Advertisement	2	4.00
		Desire to test new	32	64.00
		Quality of Product	12	24.00
		Total	50	100.00
2.	Color Mobiles	Price Activity	6	13.63
		Advertisement	3	6.80
		Desire to test new	16	36.36
		Quality of Product	19	43.19
		Total	44	100.00
3.	Micromax Mobiles	Price Activity	1	2.50
		Advertisement	3	7.50
		Desire to test new	15	37.50
		Quality of Product	21	52.50
		Total	40	100.00
4.	Samsung Mobiles	Price Activity	2	4.00
		Advertisement	17	34.00
		Desire to test new	4	8.00
		Quality of Product	27	54.00
		Total	50	100.00
5.	LG Mobiles	Price Activity	3	7.70
		Advertisement	3	7.70
		Desire to test new	5	12.80
		Quality of Product	28	71.80
		Total	39	100.00

Source: Field Survey, 2013

This question is asked to the respondents to find out the factors that make them to leave/change their favorite brand switch to another brand. Here one must understand that there is reverse relationship between brand loyalty and brand switching. According to table no. 4.15 respondents gives the low priority to price activity. Here price activity implies increase or decrease in price in comparison to competitors. But they are affected by a desire to test new brand and quality of product which means majority respondents leave their favorite brand either because to test new brand or quality of product instead of price and advertisement.

From the above analysis we can conclude that the cause of brand switching is not price and advertisement campaign in Jhapa district of Nepal.

4.4 Co-Efficient of Correlation Analysis

The correlation analysis shows the relationship between dependent and independent variables. In this study the Karl Pearson's coefficient of correlation loyalty and age of consumer, loyalty and marital status of consumer, loyalty and income of consumer, loyalty and family system, loyalty and education of consumer and loyalty and sex of consumers are analyzed as follows: Detail relating to this analysis is presented in annex 1.

Table No. 4.16: Correlation and Probable Error of Brand Loyalty

Variables	Correlation (r)	Determinants of correlation	P.E.	6 P.E.
Age and Loyalty:				
) Nokia Mobiles	0.792	0.627	0.125	0.75
) Color Mobiles	0.967	0.935	0.01	0.06
) Micromax Mobiles	0.930	0.865	0.032	0.192
) Samsung Mobiles	0.824	0.679	0.059	0.354
) LG Mobiles	0.774	0.599	0.076	0.456
Marital Status and Loyalty	0.743	0.552	0.077	0.462
Income and Loyalty				
) Nokia Mobiles	0.927	0.862	0.028	0.168
) color Mobiles	0.743	0.552	0.086	0.516
) Micromax Mobiles	0.851	0.724	0.05	0.300
) Samsung Mobiles	0.904	0.817	0.032	0.192
) LG Mobiles	0.607	0.368	0.028	0.168
) Education and Loyalty				
) Nokia Mobiles	0.359	0.129	0.216	1.296
) Color Mobiles	0.273	0.075	0.219	1.314
) Micromax Mobiles	0.869	0.755	0.044	0.264
) Samsung Mobiles	0.898	0.806	0.034	0.204
) LG Mobiles	0.774	0.599	0.076	0.456
Sex and Loyalty	0.964	0.929	0.011	0.60

Source: Table No. 4.3, 4.4, 4.5, 4.6 and 4.7

4.4.1 Correlation between Age and Brand Loyalty

The coefficient of correlation between age and brand loyalty is calculated separately product wise. Correlation coefficient between age and brand loyalty are 0.792 in Nokia, 0.961 in Color, 0.903 in Micromax, 0.824 in Samsung and 0.774 in LG Mobiles, which are nearly to 1. Therefore the correlation between age and brand loyalty is highly positive. And correlation (r) is higher than 6 PE in all the product categories. Thus the coefficient of correlation between age and brand loyalty is definitely significant.

Furthermore, the relationship between age and brand loyalty is linear that when the age increased, the loyalty on brand also increased and vice versa.

4.4.2 Correlation between Marital Status and Brand Loyalty

The coefficient of correlation between marital status and brand loyalty is 0.743, which shows the positive correlation between married loyal consumer and unmarried loyal consumers. And the correlation is higher than 6 PE (i.e. $0.743 > 0.462$). Thus the coefficient of correlation between marital status and brand loyalty is definitely significant, and conclude that the marital status of consumer affects their brand loyalty.

4.4.3 Correlation between Income and Brand Loyalty

The coefficient of correlation between income and brand loyalty is calculated separately product wise. Correlation coefficient between income and brand loyalty are 0.928 in Nokia Mobiles, 0.743 in Color, 0.851 in Micromax, 0.904 in Samsung, and 0.604 in LG Mobiles. Therefore the correlation between income and brand loyalty is positive.

And correlation (r) and higher than 6 PE in all the product categories. Thus, the coefficient of correlation between income and brand loyalty is definitely significant.

Furthermore, the relationship between income and brand loyalty is linear that when the income increased, the loyalty on brand increased and vice versa.

4.4.4 Correlation between Education and Brand Loyalty

The coefficient of correlation between education and brand loyalty is calculated separately product wise correlation coefficient between education and brand loyalty are 0.359 in Nokia Mobiles, 0.273 in Color, 0.869 in Micromax, 0.898 in Samsung and 0.774 in LG Mobiles. Therefore the correlation between education and brand loyalty is positive. But the correlation on Nokia and Color are not fully significant because correlation (r) is less than 6 PE. But in other product categories, it is significant. Thus the correlation between education and brand loyalty is not significantly positive it varies across product.

4.4.6 Correlation between Sex and Brand Loyalty

The coefficient of correlation between sex and brand loyalty is 0.964 which is nearly to 1 and shows the highly positive correlation between sex and brand loyalty and the correlation is higher than 6 PE (i.e. $0.964 > 0.066$). Thus the coefficient of correlation between sex and brand loyalty is definitely significant. And conclude that the sex of consumer affects their brand loyalty.

4.5 Testing of Hypothesis (Chi-Square χ^2 for independence)

The method of statistics, which helps in arriving at the criterion for decision, is called test of hypothesis or hypothesis testing. A hypothesis is an assumption that we make about the population parameter. The test of hypothesis is a process of sample shown from the population. The testing of hypothesis discloses the fact whether the difference between the computed statistic and hypothetical parameter is significant.

In this study the chi-square test for independent variable has been applied. In this test it has tested that whether the variables are dependent or independent to each other.

Table No. 4.17: Calculated Chi-Square for Independence

Variables	Chi-Square		Degree of Freedom	Significance Level	Result
	Calculated	Tabulated			
Age and Brand Loyalty	45.192	5.99	2	5%	H ₁ : Accepted
Marital Status and Brand Loyalty	3.012	3.84	1	5%	H ₀ : Accepted
Family Income and Brand Loyalty	13.903	5.99	2	5%	H ₁ : Accepted
Education and Brand Loyalty	15.101	9.49	3	5%	H ₁ : Accepted
Sex and Brand Loyalty	0.31	3.84	1	5%	H ₀ : Accepted

Source: Table 4.8, 4.9, 4.10, 4.11, 4.12, 4.13 and 4.14

Note: The mean value has used to calculate chi-square in age, income and education. The mean has drawn from the respective age in every product, income in every product and education in every product. The result of above table can be described as:

4.5.1 Result of Age and Brand Loyalty

It is found that the calculated value of χ^2 is 45.192 and tabulated value of χ^2 for 2 degree of freedom at 5% level of significance is 5.99, which is less than the calculated value. In this situation, alternate hypothesis is accepted which means the age of consumer affects their loyalty. So, it is concluded that the age of consumer is highly affected the loyalty behavior hence, they are highly correlated.

4.5.2 Marital Status and Brand Loyalty

It is found that the calculated value of χ^2 is 3.072 and tabulated value of χ^2 for 1 degree of freedom at 5% level of significance is 3.84, which is greater than the calculate value. In this situation, null hypothesis, (H_0) the marital status of the consumer doesn't affects their loyalty is accepted. So, it is conclude that the marital status of consumer doesn't affect their loyalty on brand.

4.5.3 Income and Brand Loyalty

From calculation of χ^2 it is found that the calculated value χ^2 is 13.903 for 2 degree of freedom at 5% level of significance is 5.99 which is less than the calculated value of χ^2 , which is highly significant, and alternate (H_1) hypothesis, the income of consumers affect their loyalty is accepted. So, it is concluded that there is high degree of correlation between income and brand loyalty.

4.5.4 Education and Brand Loyalty

It is found that the calculated value of \mathfrak{K} is 15.101, and tabulated value of \mathfrak{K}^2 for 3 degree of freedom at 5% level of significance is 9.49 which is less than the calculated value. In this situation alternate hypothesis (H_1), the education of consumers affect their loyalty is accepted. So, it is concluded that the education of consumer is highly affected by loyalty and they are highly correlated.

4.5.5 Sex and Brand Loyalty

It is found that the calculated value of \mathfrak{K} is 0.31 and tabulated value of \mathfrak{K}^2 for I degree of freedom at 5% level of significance is 3.84 which is greater than the calculated value. In this situation, null hypothesis (H_0), the age of consumers doesn't affect their loyalty is accepted. So, it is concluded that the sex of consumer doesn't affect their loyalty.

4.6 Findings

Following conclusion are drawn from analysis and data presentation in chapter (IV),

-) It is found that urban consumers of Jhapa districts have given high importance to the brand of product. 94 percent consumers of Nokia, 68.20 percent consumers of Color, 75 percent consumers of Micromax, 90 percent in Samsung and 74.36 percent in LG used brand in buying.
-) Table no. 4.2 reveals that more than 73 percent consumers of this region have the knowledge of almost all alternative brands available in the market.
-) On the basis of analysis it is found that majority consumers of Nokia, Color, Micromax, Samsung and LG Mobiles are loyal to their favorite brands.
-) It is found that consumers of this particular region are not affected by deals like coupon, discounts, tree samples etc.
-) Brand switching is not the cause of price and advertisement campaign in Jhapa district.
-) Correlation coefficient is found very positive, between age and brand loyalty, marital status and brand loyalty, income and brand loyalty, and sex and brand loyalty. However correlation between education and brand loyalty is not significantly positive, it varies across products.
-) According to the Chi-Square test it is found that marital status of consumer does not affect loyalty. In this testing null hypothesis (H_0) is accepted.

-) It is found that education level have some degree of relationship to the brand loyalty. In this chi-square test alternative hypothesis (H_1) is accepted.
-) Between sex and brand loyalty, it is found that sex of consumer doesn't affect their loyalty behavior. In this testing null hypothesis (H_0) is accepted.
-) Result of chi-square test state that age of consumer is highly affected the loyalty behavior. Under this test alternative hypothesis (H_1) is accepted.
-) According to chi-square test it is found that income of consumer affect their loyalty behavior. In this testing alternative hypothesis (H_1) is accepted.

CHAPTER V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

In general scene marketing is selling through advertising. However selling and advertising are only a small part of whole marketing. Marketing helps organizations to find out what their customers want and also helps to decide what products to make.

Today the concept of marketing has changed significantly. Today marketing must be understood not in the sense of traditional thinking "telling and selling" but, in the new sense of satisfying customer's needs. If the marketer does a good job of understanding customer's needs, develops products that provides superior value and price, distributes and promotes them effectively, he/ she will easily sell the products otherwise it is difficult to stay in market.

In the today's world of Globalization, technological change and intense competition marketing success belongs to those who can deliver what customers are willing to purchase. An organization must determine their vision to satisfy customer's needs and wants through successful marketing. Marketing is a societal process by which individuals and groups obtained what they need and want through creating, offering and freely exchanging products and series of value with others.

The concept of marketing has changed now and this change in turn not only invented different sophisticated tools and techniques and affective strategies for successful marketing but also made the marketing

a most competitive field. Today firms are changing them as the transactional corporation and their strategies are also changing.

But in the context of Nepal, as an agricultural country most of the people in Nepal are depending on agricultural products. But the change is a process which is seen here too. Many different types of industries are establishing in the country and people are shifting from agriculture to industrial sector. And the necessity of marketing is increasing to win the competition. Product cannot be sold successfully without better brand and strong promotional campaign. Winning of heart of customer has become a challenge and difficult job. Without well-designed brand and strategically strong promotional campaign the goals of marketer cannot be achieved. As such establishing the better image of brand is very important in modern competitive age to achieve success.

Realizing this fact, nature of modern marketing and the belief of Nepalese consumers on brand and their behaviors' toward purchase issues are explored in this study. The main objective of this study was to find out the brand loyal behavior of Jhapa district of Nepal. To achieve the objective I have examined the brand awareness of Nepalese consumers, state of brand loyalty and their correlation of brand loyalty. The study is based on five types of products. They are Nokia Mobiles, Samsung Mobiles, Micromax, Color and LG Mobiles.

In this study scientific research method is applied. The total consumers of above mentioned products in Jhapa district of Nepal are only considered as the population applied in this study. Among the total population only 50 consumers are selected for the study. A well structured questionnaire is developed to collect the relevant data for the study. The questionnaire was focused as significant tools for collecting

data. The questionnaire were distributed to 50 consumer's altogether and collected. The data and information collected from the consumers are presented, tabulated and interpreted and analyzed where necessary in systematic and scientific way to attain the targeted objective of the study.

According to the collected data and information it is found that consumers of Jhapa district of Nepal are highly brand conscious. They show the high brand awareness of the durable goods in comparison to non durable goods. And they also show the high degree of brand loyalty to entire product selected for the study. The correlation of brand loyalty like sex, age, income, education, family system and marital status also examined here in the study and found they are positively correlated to the brand loyalty but the relationship varies across products.

5.2 Conclusion

Following conclusions are drawn from analysis and data presentation in chapter 4.

- 1) It is found that consumers of Jhapa districts have given high importance to brand.
- 2) Most of the consumers buy the product selected for this study by brand rather than by inspection. 94 percent consumers of Nokia, 68.20 percent consumers of Color, 75 percent consumers of Micromax, 90 percent in Samsung and 74.36 percent in LG Mobiles used brand in buying.
- 3) According to table 4.2 more than 73 percent consumers have found in each product selected for this study that have the knowledge of almost all alternative brand available in the market.

On the basis of above findings, it is concluded that brand awareness is very high in consumers of Jhapa district of Nepal.

- 4) On the basis of analysis majority (more than 50%) consumers of Nokia Mobiles in Jhapa are brand loyal.
- 5) Only 9.00 percent consumers of color Mobiles are non-loyal in this particular region of Nepal.
- 6) It is also found that majority consumers are loyal to the brand of Micromax.
- 7) According to figure no. 4, only 10% consumers show no any loyalty to the brand of Samsung.
- 8) Only 12.82 percent consumers show no any loyalty to the brand of LG Mobiles.
- 9) Brand switching is not the cause of price and advertisement campaign in Jhapa.
- 10) Correlation coefficient between age and brand loyalty has found very positive. And correlations are higher than 6 PE in all the product categories. Thus the coefficient of correlation between age and brand loyalty is definitely significant.
- 11) The coefficient of correlation between marital status and brand loyalty is 0.743, which shows the positive correlation between married loyal consumer and unmarried loyal consumers. And the correlation is higher than 6 PE (i.e. $0.743 > 0.462$). Thus the coefficient of correlation between marital status and brand loyalty is definitely significant. And conclude that the marital status of consumer affect their brand loyalty.
- 12) Correlation between income and brand loyalty is found positive. And correlation (r) is higher than 6 PE in all the product categories. Thus the coefficient of correlation between income and brand loyalty is definitely significant. Furthermore, the

relationship between income and brand loyalty is linear that when the income increased, the loyalty on brand also increased and vice versa.

- 13) The coefficient of correlation between education and brand loyalty is calculated separately product wise. The correlation on Nokia and Color are not fully significant. Thus, the correlation between education and brand loyalty is not significantly positive, it varies across products.
- 14) The coefficient of correlation between sex and brand loyalty is 0.964, which is nearly to 1, and shows the highly positive correlation between sex and brand loyalty. And the correlation is higher than 6 PE (i.e. $0.964 > 0.066$). Thus the coefficient of correlation between sex and brand loyalty is definitely significant. And conclude that the sex of consumer affect their brand loyalty.
- 15) It is found that marital status correlates with brand loyalty. According to the chi-square test it is found that the calculated value of χ^2 is 3.012 and tabulated value of χ^2 for 1 degree freedom at 5% level of significance is 3.84, which is greater than the calculated value. In this situation (H_0) hypothesis is accepted and alternative hypothesis (H_a) is rejected.

So, it is concluded that marital status of consumer does not affect their loyalty.

- 16) Income group of 20001 to above show extremely high loyalty. Respondents of this income group show 100 percent loyalty to all the product categories.

It is found that calculated value of χ^2 is 13.903 and tabulated value of χ^2 for 2 degree of freedom at 5% level of signification is 5.99, which is less than the calculated value of χ^2 which is highly significant, and null (H_0) hypothesis is accepted.

- 17) It is found that the education level have some degree of relationship to the brand loyalty. It is found that the calculate value of χ^2 is 15.10% and tabulated value of χ^2 for 3 degree of freedom at 5% level of significance is 9.49, which is less than the calculated value. In this situation null (H_0) hypothesis is rejected and alternative hypothesis (H_1) is accepted. So, it concluded that the education of consumer is highly affected by brand loyalty.
- 18) It is found that the calculated value of χ^2 is 0.31, and tabulated value of χ^2 for 1 degree of freedom at 5% level of significance is 3.84, which is more than the calculated value. In this situation null (H_0) hypothesis is accepted and alternative hypothesis (H_1) is rejected. So, it concludes that sex of consumer doesn't affect their loyalty.

5.3 Recommendation

Consumers have the sovereign identity in modern marketing. It is the age of science, technology and competition. The manufacture who manufactures the product should be careful to the needs of the targeted consumers. Sound knowledge of consumer's needs, their status and ego is necessary to be successful marketer.

Knowledge of brand loyalty of consumers makes easier to understand consumer's attitude. Brand loyalty express not only consumer's attitude but also it exposed consumer's preference, and purchasing pattern, satisfaction, social status, earning, aspiration and ambition.

The Nepalese consumer market is rapidly growing. Competition is being tough day by day with this growth. Understanding brand loyalty is a very effective measure to increase the competitive strength of manufactures or sellers. So the findings of this study have multiple implications for the Nepalese marketers. The following recommendations are made on the base of the findings of this study.

-) Brand is very important to almost all the products. So particular attention should be given in branding. Brand is a valuable asset of manufacturer.
-) Brand should be unique which helps to promote the brand because it will be helpful to differentiate the products from the competitors.
-) The consumers are found very little conscious to the research work. They found unaware of the fact that a research work is beneficial not only for the researcher but for the country as a whole. So they do not

respond elegantly to the questionnaire distributed to them. So the consumers should also perceive the research work as a good work.

-) The sample size should be larger as much as possible because small sample size could not represent population nature properly.
-) The products selected for the study should be diversified in nature so that the each of them represents as many types of products.

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Questionnaire On Brand loyalty

With special reference to mobiles

I am Puja Oli a student of Shankar Dev Campus, faculty of Management is conducting a research study on

AN EXPLORATORY STUDY ON BRAND LOYALTY WITH SPECIAL REFERENCE TO MOBILES

for requirement of faculty of management, Tribhuvan University for the degree of master in business studies. Hereby, I request you to co-operate me by filling up the questionnaires. The more accurate and elegant filling up these questionnaires lead my study to more accurate and meaningful.

Annex I

A. General Information

- 1) Name
- Gender Age..... Sex
- 2) Home Address
- 3) Present Address
- 4) Birth Place Date of Birth
- 5) Marital Status
- 6) Education
- 7) Family System Family Income

Annex II

B. The set of questions mentioned below is related to find out brand consciousness

1) Are you familiar with the terms brand and brand loyalty behaviour of consumer? Give yes or no answer only.

.....

2) Give the brand name of any 10 products or services that you frequently use to buy from your local market.

a) b)

c) d)

e) f)

g) h)

i) j)

3) As a consumer you buy products or services by brand or by inspection of products or services? Tick on your choice.

a) By brand

b) By inspection

4) Family members of your family buy products or services by brand. Tick the appropriate one only.

a) All family members.

b) Elder members of my family only.

c) Younger members of my family only.

d) None of my family members.

5) Neighbors of your own buy products or services by brand. Tick the appropriate one only.

a) All neighbors.

b) Elder neighbors only.

c) Younger neighbors only.

d) None of my neighbors.

- 6) Friends living in Jhapa districts of Nepal buy products or services by brand. Tick the appropriate one only.
- a) All friends.
 - b) Few of them.
 - c) None of them.
- 7) Relatives living in Jhapa districts of Nepal buy products or services by brand. Tick the appropriate one only.
- a) Almost all relatives.
 - b) Elder members of my relative only.
 - c) Younger members of my relatives only.
 - d) None of my relative members.
- 8) Suppose you are one of the brand loyal consumers of this particular region. At which stage o your lives have you started showing brand loyalty behaviour. Tick the appropriate one only.
- a) From schooling stage.
 - b) From college stage.
 - c) After marriage.
 - d) After starting my profession.
 - e) After retirement from job.

Annex III

C. The set of questions mentioned below is related to find out state of brand loyalty, correlation and regression of brand loyalty.

1) Which is your most favorite brand of mobiles? Give the name.

- a) Nokia
- b) Color
- c) Micromax
- d) Samsung
- e) LG

2) Which is your next most favorite brand? Give the name.

- a) Nokia
- b) Color
- c) Micromax
- d) Samsung
- e) LG

3) Give the name of brands that you bought in your last five purchase (fill to last)

- a) Nokia 1) 2) 3)..... 4)..... 5)
- b) Color 1) 2) 3)..... 4)..... 5)
- c) Micromax 1) 2) 3)..... 4)..... 5)
- d) Samsung 1) 2) 3)..... 4)..... 5)
- e) LG 1) 2) 3)..... 4)..... 5)

4) Give the name of brands that your family members bought in last five purchase (fill to last)

- a) Nokia 1) 2) 3)..... 4)..... 5)
- b) Color 1) 2) 3)..... 4)..... 5)
- c) Micromax 1) 2) 3)..... 4)..... 5)
- d) Samsung 1) 2) 3)..... 4)..... 5)
- e) LG 1) 2) 3)..... 4)..... 5)

- 5) Give the name of competing brands available in the market.
- a) Nokia 1) 2) 3)..... 4)..... 5)
 - b) Color 1) 2) 3)..... 4)..... 5)
 - c) Micromax 1) 2) 3)..... 4)..... 5)
 - d) Samsung 1) 2) 3)..... 4)..... 5)
 - e) LG 1) 2) 3)..... 4)..... 5)
- 6) If other competing brand displayed more prominently or attractively in the store. What would you do in that case? Tick on your choice.
- a) Buy the one that you have been buying so far.
 - b) Buy the one that is displayed prominently.
- 7) If other competing brands offer you some special deals like, coupons, free samples, discount, attractive gift offer etc. Would you leave your favorite brand and switch to them. Give answer in yes or no.

Ans

- 8) What would you do if your favorite brand is not available in the market? Tick on your choice.
- a) Wait for the favorite.
 - b) Buy the alternatives.
- 9) Which one of the following factors makes you leave your favorite brand and switch to other alternative? Tick on your choice.

A. Nokia

-) Price activity
-) Advertisement campaign
-) Quality of product
-) Desire to test new brand

B. Color

-) Price activity
-) Advertisement campaign
-) Quality of product
-) Desire to test new brand

C. Micromax

-) Price activity
-) Advertisement campaign
-) Quality of product
-) Desire to test new brand

D. Samsung

-) Price activity
-) Advertisement campaign
-) Quality of product
-) Desire to test new brand

E. LG

-) Price activity
-) Advertisement campaign
-) Quality of product
-) Desire to test new brand

10) Which one of the following factors makes you loyal to your favorite brand? Tick on your choice.

A. Nokia

-) Price of the product
-) Quality of the product
-) Advertisement effectiveness
-) Prestige and status

B. Color

-) Price of the product
-) Quality of the product
-) Advertisement effectiveness
-) Prestige and status

C. Micromax

-) Price of the product
-) Quality of the product
-) Advertisement effectiveness
-) Prestige and status

D. Samsung

-) Price of the product
-) Quality of the product
-) Advertisement effectiveness
-) Prestige and status

E. LG

-) Price of the product
-) Quality of the product
-) Advertisement effectiveness
-) Prestige and status

Annex IV

D. The set of questions mentioned below is related for developing recommendation and marketing strategies.

1) "Brand is very important to almost all product and services" Do you agree with this statement. Give yes or no answer only.

.....

2) If 'yes' what are the reasons behind it?

.....

3) Are you satisfied with the products and services branding by manufacturers of your favorite brand.

.....

4) If not satisfied, what recommendation would you like to give them regarding branding of products and services.

.....

5) Do you feel any difficulties while pronouncing the brand name of your favorite brand?

.....

6) If 'yes', what may be the reason?

.....

7) Apart from, price, quality, advertisement and prestige what other actors would you like to focus for increasing brand loyalty behaviour of consumer?

.....

Annex V

For testing of hypothesis, chi-square (χ^2) for independence is applied.

Following problem is set to reach final result of the study.

1. For Age and Brand Loyalty

Age	Respondents		Total
	Loyal	Non Loyal	
20 and below	43	26	69
21-30	74	15	89
31-45	35	8	43
46 and above	22	0	22
Total	174	49	223

Null Hypothesis H_0 :- The age of consumer do not affect their brand loyalty.

Alternative Hypothesis H_1 :- The age of consumer affect their brand loyalty.

Annex VI

2. For Marital Status and Brand Loyalty

Marital Status	Respondents		Total
	Loyal	Non Loyal	
Married	80	16	96
Unmarried	94	33	127
Total	174	49	223

Null Hypothesis H_0 :- The marital status of consumer doesn't affect their loyalty.

Alternative Hypothesis H_1 :- The marital status of consumer affects their loyalty.

Annex VII

3. For Family Income and brand Loyalty

Income Groups (Monthly Income)	Respondents		Total
	Loyal	Non Loyal	
5000 and Below	66	30	96
5001-10,000	33	10	43
10,001-20,000	44	10	54
20,000 and above	30	0	30
Total	173	50	223

Null Hypothesis H_0 :- The income of consumer doesn't affect their loyalty.

Alternative Hypothesis H_1 :- The income of consumer affects their loyalty.

Annex VIII

4. For Education and Brand Loyalty

Education	Respondents		Total
	Loyal	Non Loyal	
S.L.C. and below	63	28	91
Intermediate/+2	31	7	38
Bachelor	24	5	29
Master and above	56	9	65
Total	174	49	223

Null Hypothesis H_0 :- The education of consumer doesn't affect their loyalty.

Alternative Hypothesis H_1 :- The education of consumer affects their loyalty.

Annex IX

5. For Sex and Brand Loyalty

Sex	Respondents		Total
	Loyal	Non Loyal	
Male	104	25	129
Female	70	24	94
Total	174	49	223

Null Hypothesis H_0 :- The age of consumer doesn't affect their loyalty.

Alternative Hypothesis H_1 :- The age of consumer affect their loyalty.

