

CHAPTER I

INTRODUCTION

1.1 Background of the Study

Nepal is one of the least development countries of the world. It is a landlocked country situated between large countries China and India. Nepal is situated between 26°22' to 30°27' northern latitude and 80°4' to 88°12' eastern longitude. The country has occupied 147181 square kilometer of land, which constitutes 0.03 percent area of the world and 0.3 percent area of Asian continent. National census 2058 has reported the total population to be 23151423. Majority of population here is agriculture dependent, but the country is gradually shifting its economy from agricultural to industrial sector for sustaining its economic life. Due to that, industrial sector for sustaining its economic life. Due to that, industrial activities are gradually increasing in the country. As a result, numbers of different types of industries have significantly increased in the recent years. With the increase of industries, competition among them has also increased significantly. This has resulted marketing to become more and important since it is the only tool to sell the product that they produce and remain competitive in the market.

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

Production is the prime activity of every industry and successful marketing of the product is the ultimate goal. Today's marketing environment is characterized by globalization, technological changes and strong competition. Successful marketers are those who deliver what customers are willing to purchase as well as according to their ability to purchase. For this reason, marketers today conduct

many researches to study consumers' buying decisions. Once it is understood, marketers become able to predict and shape their marketing strategies accordingly. Without doubt, marketers who understand markets and consumer behavior have great competitive advantage over other competitors. Therefore, it is obvious that a production organization or manufacturer must determine the needs, wants of their customer first, and then brings the product in the market accordingly.

According to Prof. Philip Kotler, "Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating offering and exchanging products of value with others."¹

Another scholar Prof. William J. Stanton defines marketing as "a total system of business activities designed to plan, price, promote and distribute want-satisfying products to target markets to achieve organizational objectives."²

Similarly, the American Marketing Association defines marketing as "the process of planning and executing this conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individuals and organizational goals."³

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

Nowadays, most of the consumers buy products with the help of brand rather than by inspecting the products. It means, successful marketing of product

¹ Philip Kotler , coated in G. R. Agrawal, Marketing Management in Nepal , M K Publisher and Distributer , Bhotahity Kathmandu P2

² William.j.stanton Coated in G. R. Agrawal, Marketing Management in Nepal, pp2

³ American Marketing Association Coated in G. R. Agrawal, Marketing Management in Nepal, pp2

means successful marketing of the brand of that product; moreover, every manufacturer. Prof. Philip Kotler defines "A product is anything that can be offered to market to satisfy a want or need". After producing a product, identification of the product should be given. For this, brand is used to identify the product. Branding constitutes an important part of product. So, building brand requires a great deal of time, money, promotion, packaging, etc. Prof. Kotler further says, "A brand is a name or mark intended to identify the product of one seller or group of sellers and differentiate the product from competing products."⁴ So, brand is not only a name given to a product but also a technique by which the quality or the product of various producers are differentiated. So, every manufacturer or marketer is trying its best to make the consumers develop a positive attitude towards the brand of their product and buy that brand repeatedly.

Simply, brand loyalty means a consumer's strong belief on a particular brand and, as a result, an intention to repurchase the same brand and buys the same brand repeatedly.

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

Brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand regularly. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, marketers must break consumer habits, help them acquire new habits and reinforce these habits by

⁴ Philip Kotler Marketing Management, printice-hall of India, New Delhi, 11th Edition, 2002 pp420

reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future.

Every producer or marketer is trying their best to prove their product to be the best. This can be observed from the promotional efforts like TV. Advertising, radio advertising, newspaper advertising, posters, hoarding boards, personal selling and other promotional tools etc. calling up to buy their product. After all, every producer or marketer wants to develop a market share highly loyal to his product or brand. These circumstances prevalent in Nepalese market signify the need of understanding brand loyalty behavior of the consumer.

1.2 Focus of the Study

In the modern business world, brand has become so strong that hardly anything goes unbranded. Even the commodity worth one rupee has a package with distinctive symbols of manufacturer. Success of an industry is the main function of successful marketing of its products. The term "successful marketing" to hear is very easy; but in reality, it is very complicated. Successful marketing require proper branding, labeling, and packaging. Therefore producing a product is not sufficient for successful marketing.

In fact, if we closely observe consumers' behavior, we can find that most of products are bought by brand rather than inspection. This is the reason that every marketer and manufactures are trying their best to develop brand loyalty towards their particular brand of products. Though it is often seen that all the consumers do not deal or follow brand exactly as the way intended by the marketers and producers, research evidence suggests that a great deal of brand loyalty develops quite early in the context of people's family life.

It is quite reasonable that brand and loyalty be defined separately. So as to understand and relate these terms in the context of our study. Brand has certain image in the market. Brand may be taken as an easy way for consumers to identify

a product or service. They, in fact, insure purchasers that they (the buyer) are getting comparable quality when they reorder for the same next time. Therefore, it is obvious that consumers are made to believe, by means of branding, that they should prefer a particular brand to others available in the market. In the process, many elements may be playing roles in consumers' mind i.e. faith on some brand regarding its quality or impression created in him due to the marketer's promotional activities or according to the experience of these same goods or other physiological and psychological elements etc.

In the case of loyalty, it may be said that loyalty refers to the specific preference over the products available in the market. It is also behavioral response of the consumer expressed over time by some decision-making unit with special reference to one or more alternative brands.

Thus, brand loyalty leads to strong brand preference and repeated purchasing behavior. Such brand preference gives extra benefits to companies even to the extent of high price charging because consumers do not mind to pay even more for their preferred brand. Surprisingly, it is found in reality that majority of consumers tend to buy product on basis of what they perceive rather than by inspecting and examining the quality of product itself. Hence, it is fact that brand loyalty is created in the mind if the consumer has some strong positive attitudes towards a brand making him buy it repeatedly. When this action of buying same brand repeatedly happens, brand loyalty occurs among the consumers. Therefore, we can say brand encourages repetitive purchase of products. This promotes brand loyalty among customers. Organizations can achieve stable market share. They get protrusion from competition and greater control in planning the marketing mix. They decrease importance of price.

This study is therefore conducted mainly to measure the loyal consumers on branding. Therefore, this study focuses mainly on the brand and loyalty of consumers in Pokhara valley. For this purpose, five different types of low

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

- 1) Soap
- 2) Noodle
- 3) Toothpaste
- 4) Tea
- 5) Biscuits

Each of the above low involvement consumer products are defined (for the study's purpose) as below:

1. **Soap:** Soap is a very common product packed in plastic or paper packages, which is used by all. This has become one of the necessities for everyday living. This is used for the purpose of bathing and personal hygiene. This is also used for washing clothes and cleaning the utensils. Bathing soap is soft and washing soap is hard.

2. **Noodle:** Noodle is a very common product packed in plastic which is used by almost everybody. Because of a quick and easy food, it is very popular among all the people. Children like it most. It is made up of wheat flour, salt, chilly, onion, garlic, egg, chicken, seafood, monosodium glutamate, spices, edible gum, permitted food additives etc. It is famous in the world.

3. **Toothpaste:** Toothpaste is the product used for cleaning teeth. It is also one of the necessities for everyday living. It is made up of calcium, carbonate, sorbitol, silica, flavor and vitamin E acetate and common salt. It gives fresher breath. It helps keep gums healthy. It makes our teeth strong and shiny. It seeks and fights germs.

4. **Tea:** Tea is a common drink. It is very popular. Everybody drinks tea. We offer tea to the guests. We drink tea with milk or without milk. Tea is obtained from a plant. It requires a lot of rain. Tea leaves are picked by hand then dried it and put in the small packs. Tea is very useful. It is also very cheap. It makes us fresh and removes tiredness.

5. **Biscuits:** Biscuits is also very common product which is packed in plastic. Almost people use it. This food is more appropriate for the ill and weak people and it is more alike by children. This is made by wheat flour, salt, egg, milk, ghee, baking powder, sugar, colors, butter cheese etc. Biscuits kill hunger. This product gives energy too.

1.3 Statement of the Problem

In Nepal, population is increasing. This has resulted in increase of demand of different products. Due to this reason, many industries are being established in Nepal. In the present condition, the world has become narrow by the developments in transportation, communication, political awareness, etc. Now, people can order and buy any kinds of goods from their room. Television advertisement and Internet shopping have revolutionized the marketing and sales within the short span of time. Today, one can use any product that is produced in another corner of the world. Now, consumers are not compelled to buy any particular product; rather, they are quite free to choose anything they think best.

Therefore, the basic problem of this study is to measure the loyal consumers in Pokhara. Mainly the study will examine the following questions:

1. Are the consumers belief and known towards the brand loyal?
2. In what competitive market do they buy these products?

3. In spite of availability of different brands in the market, do the consumers response and stick up to any particular brand or do they repeatedly switch to different brands?

1.4 Objectives of the Study

Since our main purpose is to study weather brand loyalty exists in Nepalese market or not, this study includes following specific objectives:

1. To analyze consumer's brand consciousness in Pokhara valley.
2. To identify the relationship of brand loyalty with demographic variables like age, sex and income.
3. To find out the major causes of being brand loyal.
4. To recommend for actual course of actions for the people, marketers and all concerned on the basis of findings based on the study.

1.5 Significance of the Study

In the era of cutthroat competition, successful marketing of products demand on understanding of consumer's taste, preferences and loyalty. The significance and importance of this study can be dealt in the following points.

- 2 The manufacturers and marketers of Pokhara will be highly benefited by this study. They can use the findings of the study as the guideline for making marketing strategies for their products so that they can achieve success.
- 3 This study will help to know the consumer behavior on their products. Hence, manufacturers and marketers can decide the advertisement policy, consumers' response to the price and consumers' perception about their product.
- 4 This study will help in the segmenting their market.

- 5 This study will support manufacturers and marketers in an effective way to understand the level of competition.
- 6 This study can be helpful in planning marketing mix.
- 7 Similarly, this study will be valuable reference to the scholars and researchers who are interested in conducting further researches about "brand loyalty."

1.7 Limitations of the Study

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

1. Only five low involvement consumer products are included in this study i.e., noodles, biscuits, toothpaste, soap and tea. Conclusions derived may not be necessarily applicable to other products.
2. Sample size of this study will be all together 200 respondents are selected for participation randomly.
3. This study is totally based on the views and responses received from consumers of Pokhara only. The findings of the study may not be applicable for other products and other parts of the country.
4. In this research, most data will be primary in nature and secondary data also will be used for cross check purpose.

1.8 Organization of the Study

The study report has presented the systematic presentation of the research design, analysis, presentation, and findings of the study. It has divided into five chapters

) *Chapter-I: Introduction*

The beginning chapter of the study is introduction, which highlighted the basic information of the research area, various problems of the study, and objectives of the study, significance of the study, limitation of the study.

) *Chapter-II: Review of Literature*

The second chapter of the study assures readers that they are familiar with important research that has been carried out in similar areas by earlier scholars in related areas. It also establishes that the study as link in a chain of research that is developing and emerging knowledge about concerned field.

) *Chapter-III: Research Methodology*

The third chapter describes the various research methods (i.e. research design, source of data, data collection techniques and types of questionnaire, data collection methods).

) *Chapter-IV: Data presentation and Analysis*

The developed information has finished in required form in fourth chapter. It presented and analyzed the information (i.e. both primary as well as secondary source) by using simple analytical tools in specified form to meet the stated objectives of study.

) *Chapter-V: Summary, Conclusion , & Recommendations*

On the basis of the results from data analysis, the researcher concluded about the research work. Besides, it also gives important suggestions to the concerned for Better improvement

CHAPTER II

REVIEW OF LITERATURE

2.1 Introduction

Review of literature means reviewing research studies of other relevant proposition in the related area of the study so that all the past studies, their conclusions and deficiencies may be known and further research can be conducted. In order to conceptualize the issue of research of activities helps to identify the adequate relevant literatures. This sort of activities helps to identify the research problem as well as to determine the methodology for the study. It also avoids unintentional replication of previous studies.

For this study, relevant literatures have been reviewed from books, journals, magazines, published and unpublished articles and so on. Reports of previous research and dissertation works have also been reviewed during the study. Relevant literatures are also cited form related web sites. Libraries and online libraries are frequently visited for this purpose. This chapter presents an outline of the literature reviewed during the study.

2.2 Review of Literature Related to Brand and Branding

2.2.1 Concept Relating Brand & Branding

“Products are made in the factory, but brands are created in the mind”⁶ in marketing, a brand is the symbolic embodiment of all the information connected with a product or service. A brand typically includes a name, logo, and other visual elements such as images or symbols. It also encompasses the set of expectations associated with a product or service which typically arise in the minds of people. Such people include employees of the brand owner, people involved with distribution, sale or supply of the product or service, and ultimately

6 The boss (2005), Brand Survey sep. 14 to oct. 15 P 44

consumers. In other contexts the term “brand” may be used where the legal term trademark is more appropriate.⁷

Some marketers distinguish the psychological aspect of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the brand experience. The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service.

Marketers seek to develop or the expectations comprising the brand experience through branding, so that a brand carries the “promise” to the product or service has a certain quality or characteristic which make it special or unique. A brand image may be developed by attributing a “personality” to or associating a “image” with a product or service, whereby the personality or image is “branded” in to the consciousness of consumers. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintaining a brand is called brand management

A brand which is widely known in the marketplace acquires brand recognition. Where brand recognition builds up to a point where a brand enjoys a mass of positive sentiment in the marketplace, it is said to have achieved brand franchise.⁸

2.2.2 Brand Equity

Brand equity measures the total value of the brand to the brand owner, and reflects the extent of brand franchise. The term brand name is often used interchangeably with “brand”, although it is more correctly used to specifically denote written or spoken linguistic elements of a brand. In this context a “brand name” constitutes a type of trademark, if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may

seek to protect proprietary rights in relation to a brand name through trademark registration.

The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer clothes. In non-commercial contexts, the marketing of entities which supply ideas or promises rather than product and services (eg. Political parties or religious organizations) may be known as “branding”.⁹

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

2.3 Guiding Principle of Branding

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

- 1) Branding gives you the means to break out of the appearance of offering commodity or parity services and products. Nothing-not even an actual improvement in your products. Or services-can achieve this end as effectively.
- 2) Branding is neither an art nor a science, but a process of improving relationships. It uses elements, processes, systems, and rules of both science and art. There is no single, simple solution to brand value improvement; rather, it is an individualized, customized, and evolving landscape.

- 3) Communications are a critical part, but not the sole aspect of branding. Strategic branding encompasses a continuum of services and system that extends from corporate goals to customer needs.
- 4) It is impossible to optimize every branding opportunity effectively. Although all elements are important, not all are equal. Focusing on your brand's strongest characteristics will return greater rewards for less "power".
- 5) Business prospers and grows when leaders find the essence of the situation, learn the key drives, and those are presented with clear and narrow choices. Your brand is the place we start, offering a range of services that will transform your organization into one that has the power to move forward.¹⁰

2.4 Brands Loyalty, Meaning and Concept

Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception becomes the foundation for a new buying habit. Consumers initially will make a trial purchases of the brand and after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.¹¹

In marketing, Brand loyalty is the strongest measure of a brand's value, it can be demonstrated by repeated buying of a product or service, of good word of mouth and advocating of a product or service. Even with the availability of other alternatives.¹²

Brand loyalists have the following attitude:

"I am committed to this brand."

"I am willing to pay a higher price for this brand over other brands."

"I will recommend this brand to others."

Today, all the marketing activities revolve around the consumer and society. The much advancement made in marketing has established the consumers

as the sovereign power in the marketing world. So, in order to be successful in accordance with marketing, products must be produced according to the needs of the consumers and interest of the society. In the modern business world, understanding consumer choice, purchasing decision-making process etc. or say understanding consumer behavior is the most important thing to take into consideration to become a successful marketer. Study of consumer behavior is prevailed as an effective measure helping to develop the successful marketing strategy. This growing need, an important part of the behavioral study of consumer, gave birth to loyalty on branding as a separate subject of study.

“Loyalty on branding” is a temporal aspect of consumer behavior. Loyalty on branding analysis mean, whether or not a consumer is loyal to a specific brand or set of brands in a certain time.

Studies of loyalty on branding began when researchers on consumer behavior became popular around the late 1950s and early 1960s.¹³ Most of the products today are sold by the brands. In the developed countries like UK, USA, and Japan, even vegetable products are sold by brands. This increasing use of brand has significantly increased the necessity to understand the loyalty in branding behavior of the consumer. According to Schiffman and Khanuk, “Just as there are different approaches to the definition and measurement of information processing; checks there are different views as to the definition of brand loyalty.”¹⁴ Different scholars, experts, behavioral scientists and researchers have defined brand loyalty in different ways and have researchers have defined brand loyalty in different ways and have utilized different approaches and criteria to measure brand loyalty. Some defined it in items of consumer behavior, while others defined it in terms of consumers as well as their attitude.

Marketing has been developing along with development in human civilization. If we trace three-four centuries back to the history of human civilization, we find marketing of that, by modern standards, was relatively uncultured. They did not need any mechanism, tolls, or techniques of marketing as

used today. Now all situations have changed the needs and want have changed. Human aspiration for excellence and better status have given birth to thousand of discoveries, inventions and innovations and established thousands of nits of different types of industries to fulfill that aspiration. These changes, in turn, not only invented different sophisticated tools and techniques and effective strategies for successful marketing but also made the marketing a most competitive field.¹⁵ Knowing the importance of loyalty on branding, many researches have been carried out. Different researchers effort on different base and have used different measures of brand loyalty. Hence, it seems very necessary to pay particular attention on definition of the term and approaches to measurement while reviewing the researches.

One of the earliest studies defined on loyalty by James F. Engel and Roger Blackwell, "The sequence of purchasing 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 into four categories: 1. Undivided loyalty, 2. Divided Loyalty, 3. Unstable Loyalty and 4. No Loyalty."¹⁶

"Brand loyalty is the proportion of total purchase within given product category devoted to the most frequently purchased brand."¹⁷ The definition of loyalty on branding that is based on the brand choice sequence approach or preferences over time approach or proportion of purchase approach are the operational definitions. They so not make any differentiation between a spurious loyal buyer and a true loyal buyer. Similarly, according to these definitions, it is difficult to compare the findings. For example, even in the same study, result may vary according to the approaches used. They define brand loyalty in terms if consumer behavior or rather than brand loyalty behavior. "To be truly brand loyal, the consumer must hold a favorable attitude toward the brand in addition to purchasing it repeatedly"¹⁸

The definition given by Jacoby is considered the best, easiest to understand and most complete of all the definitions based on preference purchase approach.

Jacoby states, "Brand loyalty is (1) the biased (i.e. on random) (2) behavioral response i.e. purchase (3) expressed over time (4) by some decision making unit (5) with respect to one or more alternative brands out of asset of such brands, and is (6) a function of psychological (i.e. decision marking evaluative) processes."¹⁹

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

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

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

toward the brand loyalty. Likewise, on definitions, the researchers have different views on how loyalty develops.²⁰

Brand loyalty, in fast moving consumer goods categories, is a topical issue, with several brands resorting to price cuts across categories. More importantly, price cuts or sales promotion by themselves do not seem to have done much for brands in terms of sustaining brand loyalty. They may attract consumers in the short run. Consumers may stock the brands and consumers new to the brand may try it. But over a period, the brand's value may be diluted in consumers' psyche and will eventually lose a strong base of consumers.²¹

2.5 Importance of Brand Loyalty

There are three main reasons why brand loyalty is important :

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

2) Premium Pricing Ability – Studies show that as brand loyalty increases, consumers are less sensitive to price changes. Generally, perceive some unique value in the brand that other alternatives do not provide. Additionally, brand loyalists buy less frequently on cents-of deals-these promotions only subsidize planned purchases.

3) Retain Rather than Seek – Brand loyalists are willing to search for their favorite brand and are less sensitive to competitive promotions. The result is lower costs for advertising, marketing and distribution. Specifically, it costs four to six times as much to attract a new customer as it does to retain an old one.²²

2.6 Factors for Building & Maintaining Brand Loyalty

Building and maintaining brand loyalty have been a central theme of marketing theory and practice on establishing sustainable competitive advantage. In traditional consumer marketing, the advantages enjoyed by a brand with strong customer loyalty include ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced selling costs, a strong barrier to potential new entries into the product/service category, and synergistic advantages of brand extensions to related product/service categories.

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

2.6.1 Product Differentiation

If the products are differentiated in terms of their characteristics and this difference is perceivable, there are chances of brand loyalty being formed based on satisfaction with greater performance or fit of product with needs. In this case, loyalty is driven by functional or symbolic benefits. Functional benefits would be specific tangible features of the product whereas symbolic benefits would be intangibles such as brand personality and "hedonistic" value of purchase.²³

2.6.2 Price Differentiation

If the price differentiation in the market is perceivable, price-led loyalty might exist in the market. Price-led loyalty is practiced by supermarkets, airline companies and FMCG brands, which come out with frequent sales promotions based on freebies. Alternatively, price might to be taken as an indicator of brand quality, and the customer might go in for higher priced options. Price-led loyalty has to be carefully considered with other marketing mix elements and the consumers should never perceive dilution, especially in low-priced brands. Hence, lower prices should create a sense of value through the product offerings as well through communication.⁴⁴

2.6.3 Branding

If the category is organized and there is branding activity, there will be greater loyalty than there would have been if the category were unorganized. Branding activities can differentiate between brands on context, refers to creating strong associations. Branding activity, in this name, symbol, images and associations that will influence the consumers not only with regard to functional attributes but also with symbolism. Ruf and Tuf's campaign using a personality-oriented concept to create a belief in products made in one's own country is another new approach to branding activity (especially in a category with Western origins). Creating an association through sponsorship too is a branding activity. Branding activities in a broad sense could range from advertising to sales promotion and public relations involving several aspects.²⁵

2.6.4 Level of Risk

The perceived risks that typically occur are functional, social and psychological risks. These kinds of risks are perceived in several products ranging from personal care products to electric cars. A pioneering brand in a category, which offers a good product and addresses the perceived risk associated with the product, is likely to get a loyal base of consumers. Amazon.com, one of the global pioneers in the business of online marketing, initially involved traditional categories, books and music, addressed and successfully overcame "the perceived risk" barrier to have a large group of loyal consumers. Smaller brands that compete with mega brands in the area of personal care (for example) can approach loyalty with this dimension.

2.6.5 Involvement of Consumer

A high brand involvement would mean a greater search intention, and satisfaction of the customer could lead to repeat purchase and then loyalty. Low involvement could lead to brand habit. Researching the involvement levels of

consumers helps to decide which of the marketing mix elements will be useful to create a trial, and hence loyalty.²⁶ To create and maintain brand loyalty marketer should consider about involvement of consumer while developing marketing strategy.

2.6.6 Sales Promotions

Sales promotions play a dominant role in creating and maintaining brand loyalty. Suitable promotional tools should be employed accordingly with nature of product.

The more the number of price-discount led sales promotions, the lesser the likelihood of brand loyalty in the category/segment that is the focus of such efforts. This is because the consumers are inducted into the price war mind set. Sales promotions by themselves as a concept are not a bad idea provided they are used well with the overall strategy of the brand. A premium brand, which gets into frequent sales promotion, has the risk of losing its premium a permanent damage to a brand, which has spent years creating the premium quality.²⁷

The factors discussed cannot be treated in isolation. They are to provide a synergy to result in brand loyalty. The combination of these factors and the timing of the combination is the topical challenge, which marketers face in an environment where loyalty is slowly eroding.

2.7 Brand Switching

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

There are many causes of brand switching behavior. It is usual to switch brands simply because of variety seeking. Some consumers switch brands because they are dissatisfied or bored with the same product; where as, others switch brand because they are concerned with price rather than brand names.²⁸

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

Similarly, if the consumers are more prices sensitive, then even a slight discount on the products of competitive brand may make him move towards those brands that offer cheaper products. However, the research on the brand switching revels that brand switching is not very risky as it is tough. In other words, brand switching is not very much threatening to the manufacturers. A recent study on consumer purchase habits reported that brands with larger market shares have proportionately larger group of loyal buyers.²⁹

Thus, it follows that some interpersonal factors such as dissatisfaction, price consciousness and aspiration for testing new brands causes brand switching. Similarly, external factors such as price, deals coupons, free samples etc. cause brand switching. However, the researches show that such brand switching cannot be converted into brand loyalty. The consumers do not keep in sticking up to brand that they are switched to.³⁰

2.8 Brand Loyalty Correlation

Brand loyalty correlation means the various factors that are associated or related with the differential degrees of brand loyalty. Brand loyalty correlation explains why brand loyalty varies across the product and consumers. Similarly, brand loyalty correlations identify the characteristics of brand loyal consumers and distinguish them from the non-loyal ones. Thus, the loyalties on branding correlation are of high importance for the marketers. Therefore, there must not be any conditions or confusions about the correlation. Correlation must be defined

and stated precisely so that the marketer could use them as the guidelines for making strategies. And, this can be better done by improving the weakness of the past attempts and by developing the most scientific and accepted research tradition.

- 1) Socio-economic, demographic and psychological variables generally do not distinguish brand loyal consumers from other consumers when traditional definitions of brand loyal have been used.
- 2) When extended definitions of brand loyalty are used, some socioeconomic, demographic and psychological variables are related to brand loyalty. However, those relationships tend to be product specific rather than ubiquitous across product categories.
- 3) There is limited evidence that the loyalty behavior of an informal group leader affects the behavior of the other group members.
- 4) Store loyalty is commonly associated with brand loyalty.
- 5) There are some evidences that brand loyalty is inversely related to the number of store shopped.
- 6) The relationship between amount purchased and the brand loyalty are uncertain because of contradictory findings.
- 7) There is little evidence that perceived risk is positively related to brand loyalty.
- 8) Market structure variables, including the extensiveness of distribution and market share of leading brand exert a positive loyalty on brand loyalty.
- 9) The effect of the number of the alternative brands, special deals and price activity are uncertain due to contradictory findings.

Thus, the conclusion made by Engel and Blackwell is that even the researchers have found out some factors such as socioeconomic, demography, store loyalty, number of stores shopped, market share of leading brands and the correlation of brand loyalty. However, their findings are contradictory concerning to other factors such as amount purchased, inter-purchase time, number of

alternative brands etc. It seems that researchers have not yet been reached to any concrete result about what are correlation and non-correlation of brand loyalty.

Brand loyalty correlation is the important aspect of the study of loyalty on branding. Brand loyalty correlation tells why brand loyalty varies across products and consumers. Similarly, brand loyalty correlation identifies the characteristics of brand loyalty consumers and distinguishes them from the non-loyal ones. Thus, there must not be any contradiction or confusions about the correlation. Correlation must be defined and stated precisely so that the marketer could use them as the guidelines for making strategies. Moreover, this can be better done by improving the weakness of the past attempts and by developing the most scientific and accepted research tradition.³¹

2.9 Brand Loyalty Models

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

The models that have been employed to analyze the brand loyalty behavior are stochastic in nature. Stochastic models predict behavior based on probabilities. That is to say, stochastic models treat the response of the consumer in the market place as the out come of some probabilistic processes. The models recognize many factors, such as consumer variable and exogenous variable that determine the outcome of behavior. Even though these factors or variable are not measured or explicitly included in the model, they are represented by probability distribution and their affect is accounted. So far, most attempts at stochastic modeling have been concerned with predicting brand-switching behavior and the rate of trail and repeated purchasing for new products.³²

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

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

The first question mentioned above is related to the degree of the loyalty that varies across consumers. The second question is related to the effect of the learning in brand choice process. And the last question deals with influence of time factor as well as promotion, distribution and shifting tastes in brand choice. In fact these questions deal with impact of consumer variables and exogenous variables on the consumer behavior.

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

2.9.1 Bernoulli Model

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

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

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

There are several variations of the basic Bernoulli model. Although these variations have explicitly considered the heterogeneity in the population, yet they have not abandoned the assumption made by the basic model, i.e. the past purchases have no effect on the present or future purchase probability.³³

2.9.2 Markov Model

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

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

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

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

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

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

There are some factors that the other experts point out as the weaknesses in the first-order Markov model. They have challenged the assumptions such as stationary transitional matrix first-order, population homogeneity etc. and have

developed other models, though following the principle of basic Markov model (i.e., previous purchase affects the brand choice probability in the present and future), which are, largely, independent of these assumptions. Some of such models are the second-order Markov models, which consider the effect of last two purchases, models based on non-stationary transitional matrix and the models taking into account the impact of population heterogeneity on brand choice probability.³⁴

2.9.3 Linear Learning Model

The primary concept of this linear learning model is similar to that of Markov model. This is, past purchase affects the future brand-choice. However, this model assumes that the consumer's brand-choice probability changes by a certain amount depending on the outcome of a given brand-choice event (whereas in the Markov model, the probability is set to a predetermined value that depends solely on the outcome of the event). Suppose that buying brand 'A' raises the probability of buying brand A by 10%. If the probability were 0.70 before a given trial, it would be either 0.75 or 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 is a linear relationship between purchase and post-purchase probabilities.

For the first time, Alfred Kuchn applied this model to brand choice data and found that it provided good predictions. Many researchers have tested this model even after Alfred Kuchn and have found the performance of the model rather well in the most of the testes. There are many models so far developed as the modifications to the basic linear learning model. Some of them considered as important are those, which incorporate the effects of external market forces into learning model by making their parameters functions of these forces.³⁵

2.9.4 New Trier Model

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

According to this model the , there is a trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of consumer's experiences relation to that brand in the trial period. In the initial purchase, the probability of purchasing the particular brand is constant for the consumer who bought it. This trial period purchase affects the probability. After the initial purchase, there may be a number of trial-period purchases. The number of such purchases may vary from consumer to consumer. During the very trial-period purchases, the consumer develops a new purchase of the brand that was purchased in the initial purchase; it may also result into rejection of that brand.

Thus, the new Trier model assumes that past purchase 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 the zero-order processes has limited its use.³⁶

2.9.5 Probability Diffusion Model

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

Above we reviewed some; widely used brand loyalty models based on the stochastic structure. Based on the principle of stochastic model, these models

therefore cannot be free from the problems immanent into the stochastic model. All the stochastic models of brand loyalty stated 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 heterogeneity and non-stationary are quite confusing in the models.³⁷

Moreover, the models demand actual purchase dates that is not always obtainable. Thus, it seems that these models still need some modifications or improvements for their effective use in accurate predictions of brand choice behavior.

2.10 Overview of Previous Research

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

Anupam Vasudeva, (2002) in study of brand loyalty among the urban and rural people, have pointed out that there are only two factors influencing the brand loyalty market share of the brand and the response to the promotion scheme. High market share of the brands attracts more brand loyalty than low market share brands do. Attraction for promotion schemes is thus inversely related to the brand loyalty.

The type of distribution out late form which the brand is brought is not related to the brand loyalty. There is great similarity between the urban and the rural market in the brand loyalty concern.

He also added that the brand loyal cases in both markets were similar with respect to response to promotion schemes. He had also concluded that the high-income groups are attached with the high price brand and the low-income groups are attached with the low priced brand. However, generally the higher income group exhibited a level of brand loyalty different form that of the other classes.³⁸

In the context of Nepal, Panta, Yogesh (1993) in his study on '**Brand Loyalty**' had concluded that Nepalese consumers have given high importance to the brand in both consumer durable goods and consumer non-durable goods. The consumers were brand loyal however their percentage is very low. Brand loyalty varies across the products. Brand loyalty is relatively higher in the products that are more frequently needed than those, which are needed or used in frequently. In his study, he had found that the consumers belonging to the age group of 26 to 40 of age were more brands loyal than those belonging to other age group. Brand loyalty was positively associated with the income as well. Brand loyal consumers were less influenced by the special deals like free samples, discounts, coupons and price activity and advertisement.

Another researcher, Mr. Shree Bista Ghimire (1979) has also mentioned something about loyalty on branding in the Nepalese consumer in his study. "**Study on Branding Policy of Durable Consumer Goods.**". His study is related with brand policy. He found brand loyalty of the Nepalese consumers to be moderate. In the finding of his study, he states, 34 percent consumers were found highly loyal, but an encouraging 55 percent stick up to certain brands. Further, only 35 percent consumer would wait for the particular brand." Thus, his findings relating to the loyalty on branding seems to be confusing. According to his findings, brand loyalty is differentiated from the consumer behavior like sticking to a particular brand and waiting for the favorite brand. Actually, loyalty on

branding itself is an outcome of both sticking up to a particular brand and an intention to wait for that in case of unavailability along with positive attitude toward the brand.

Moreover, Mr. Ghimire has treated brand loyalty as a general attribute or ubiquitous across products rather than product specific. However, the researches conducted so far have proved that brand loyalty varies across products. Hence, the finding of his study concerning to brand loyalty seems to be exception to the fact that is accepted universally.

His study is based on the durable consumer goods: stainless steel products, steel furniture, wooden furniture, glass and electric hoods. These products are not generally purchased repeatedly. Most probably, they are bought once in the whole lifetime by majority of the Nepalese consumers. It is incorrect as well as impossible to measure brand loyalty in such products in a very short period. Therefore, his work does not put forward any thing rather than branding policy not with loyalty on branding.

2.11 Conceptual Framework

2.11.1 Brand Loyalty: Perceptual Background

Loyalty on the branding has been studied from so many angles that the concept has been defined based on the measurement methods used. There are four measurements of brand loyalty.

1. Undivided Loyalty
2. Divided Loyalty
3. Unstable Loyalty, and
4. No Loyalty

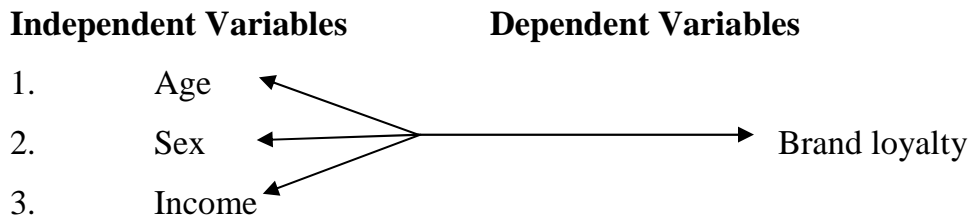
These measurements can be demonstrated as:

1. Households that purchased the Brand A in the sequence of AAAA suggest undivided loyalty.

2. Households that purchased the Brand A and Brand B in the sequence of ABAB suggests divided loyalty.
3. Households that purchased Brand A and Brand B in the sequence of AABB suggests unstable loyalty.
4. Households that purchased different Brands in the sequence of ABCD suggest the situation of no loyalty.

2.11.2 Variables Taken into Considerations

The percent study will include the following variables:



1. Age

The Age of the consumers determines the type of product demanded and the choice of outlet. Normally, young consumers are fashion conscious while choosing a product. Therefore, they frequently switch from one brand to another. While, middle-aged consumers are status conscious hence they are more brand loyal than younger consumers. Hence, this factor also greatly affects in brand loyalty. So this factor is considered

2. Sex

Male and female differ very much in their buying behavior. Female are more shopping and bargaining-prone and like to visit several shops to compare price, quality and service. Where as male show more brand and store loyalty.

3. Income

Income is that factor which directly affects consumers buying process. People with higher income prefer branded and high-quality product. Where as people with lower income are more prices conscious. Therefore, they prefer the products that are cheap and durable.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology is the main body of the study; it is the way to solve about research problem systematically. Therefore, research methodology is the research method on techniques to use through the entire study. In other words, research methodology is the process of arriving at the solution of problem through planned and systematic dealing with collection, analysis and interpretation of the fact and figures.

It goes without saying that research works are to be much more effective, accurate, useful, and need scientific methods. Hence, this study also employs scientific methods of research.

3.2 Research Design

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

3.3 Nature and Sources of Data

The data used are primary in nature. These primary data required for the study are collected from the consumers of Pokhara Valley.

3.4 Populations and Sampling

All consumers of related products in Pokhara valley is population of the study. It is almost impossible to include the whole population in the study.

Therefore, out of this population, only 200 samples are taken for this study. The snowball sampling technique is applied as sampling method.

3.5 Method of Data Collection

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

3.6 Data Analysis

The obtained data are presented in various tables, diagrams and charts with supporting interpretations. Data will be tabulated according to the nature of data. Chi-square tests of independence are used to test the hypothesis. Percentage analysis method is also used. SPSS software program is implemented for processing of collected data.

CHAPTER-IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

The previous chapters incorporated introduction of study, review of the literature and research methodology employed in the study respectively. This chapter incorporates data presentation and analysis. The data information collected from the respondents are presented, interpreted, and analyzed according to response of respondents on the field survey. All the questionnaires were distributed and collected by the researcher himself. Every questionnaire was thoroughly checked after the collection of all the questionnaires distributed. With the help of SPSS programme software all response of consumer are preceded, of categorized in their respective disciplines. This chapter analyzes consumer response to brand loyalty in terms of their demographic profile.

There are many approaches to measure brand loyalty. Preference purchase approach has been adopted in this study. Brand loyalty have been measured based on consumers purchase pattern. To see the purchase pattern respondents were asked the name of brands that which they brought in their last four purchases. For this study propose five consumer products has selected viz. Soap, Noodles, Toothpaste, Tea, and Biscuits. Hence, the brand loyalty, which is shown in their respective relationship with chosen demographic variable, is measured based on purchasing pattern of consumers of Pokhabra valley.

4.2 Sex and Brand Loyalty

Under this topic, consumers' response on brand loyalty in terms of sex is analyzed according to the selected product categories.

4.2.1 Sex and Brand Loyalty: Soap

The number of respondent of this product is 200. According to their response Dettol, Liril, Lux, Humam, Lifebuoy, Niva, Cammy, Mayalu, Peairs, Tulasi, glory, deluxe, etc. are the different brands of soap available in Nepalese market. In the survey, both male and female respondents were asked to name the soap of their last four

purchases. Then the loyalty on the specific brand is considered according to their purchase pattern. Total numbers of respondents are categorized into four groups according to their purchase pattern and preference relating to the different brands of soap. Table 1 presents the frequency and percentage distribution of respondents by sex and different degree of brand loyalty on soap.

Table 1 : Sex and Brand Loyalty on Soap

Brand Loyalty	Male		Female		Total	
	f	%	f	%	f	%
Undivided Loyalty (AAAA)	25	25	34	34	59	29.5
Divided Loyalty (ABAB)	32	32	37	37	69	34.5
Unstable Loyalty (AABB)	19	19	17	17	36	18
No Loyalty (ABCD)	24	24	12	12	36	18
Total	100	100	100	100	200	100

Source: Field Survey

Figure 1: Sex and Brand Loyalty on Soap (Bar Diagram)

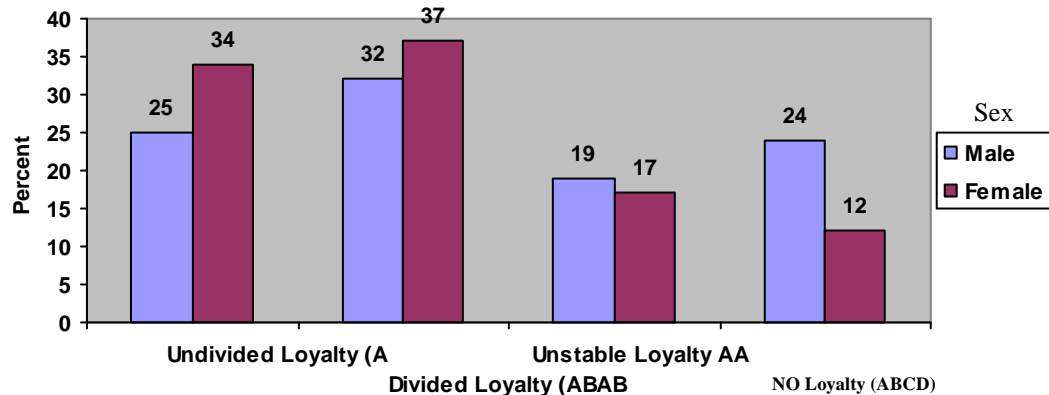


Table and chart presented above reveals that most of the respondents (34.5%) are divided brand loyal followed by undivided brand loyalty (29.5%). The number of people who are unstable brand loyal (18%) and non-loyal (18%) is found to be equal. In terms of sex, females are found to be more loyal in specific brand of soap. 25 percent male respondents and 34 percent female respondents are strongly loyal whereas 32 percent male and 37 percent female are found to have divided loyal. Additionally 19 percent

male respondent and 17 percent female respondents are found to be unstable in terms of brand loyalty. In addition, remaining 24 percent male and 12 percent female respondent are found to be no-loyal in any specific brand of soap.

4.2.1 (a) Sex and Brand Loyalty on Soap Chi-square Test

H₀: There is no significant difference in brand loyalty between male and female.

Table 2: Chi-square Calculation of Sex and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	2
Degree of freedom	3
Tabulated value	7.815
Chi square test statistic	5.846

Since chi square (χ^2) test statistic (5.846) is less than chi square (χ^2) tabulated value (7.815) value; hence, this shows that males and females are found to be equally brand loyal in the case of soap. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.2.2 Sex and Brand Loyalty: Noodles

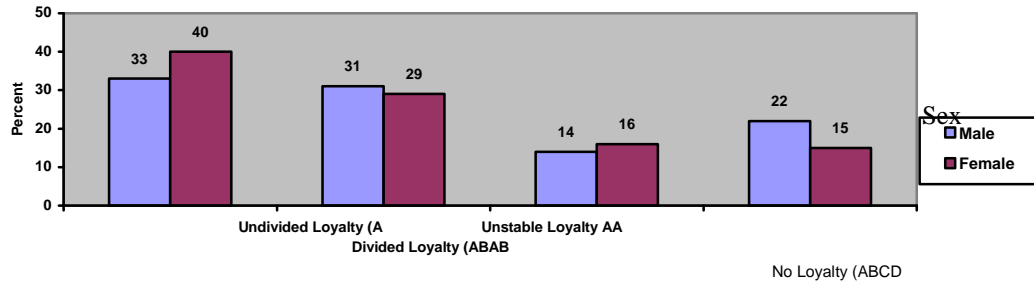
Following table and chart presents the frequency and percentage distribution of respondents by sex and different degree of brand loyalty on Noodles.

Table 3: Sex and Brand Loyalty on Noodles

Brand Loyalty	Male		Female		Total	
	f	%	f	%	f	%
Undivided Loyalty (AAAA)	33	33	40	40	73	36.5
Divided Loyalty (ABAB)	31	31	29	29	60	30
Unstable Loyalty (AABB)	14	14	16	16	30	15
No Loyalty (ABCD)	22	22	15	15	37	18.5
Total	100	100	100	100	200	100

Source: Field Survey

Figure 2: Sex and Brand Loyalty on Noodles (Bar Diagram)



The table chart presented above shows the sex and brand loyalty on Noodles. Among the 200 respondents 36.5 percent respondent are found strongly loyal on specific brand of Noodles. They have brought same brands AAAA in their last four purchases, they are said to be true loyal buyers. Divided brand loyalty is found in 30 percent of total respondents, they are better to say multi brand loyal as they brought ABAB in their last four purchases. Additional 15 percent respondents are found unstable brand loyal as they brought AABB in their last four purchase and remaining 18.5 percent respondent are found non loyal because their purchasing pattern do not match with their preference.

In terms of sex, 33 percent male respondents and 40 percent female respondents are strongly loyal on the specific brand of Noodles whereas 31 percent male and 29 percent female find to be divided brand loyal. 14 percent male respondent and 16 percent female respondents are found to be unstable in their purchasing decision. In addition, remaining 22 percent male and 15 percent female respondent are found to be non-loyal in any specific brand of Noodles.

4.2.2 (a) Sex and Brand Loyalty on Noodles Chi-square Test

H₀: There is no significant difference in brand loyalty between male and female.

Table 4: Chi-square Calculation of Sex and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	2
Degree of freedom	3
Tabulated value	7.815
Chi square test statistic	2.196

Since chi square (χ^2) test statistic (2.196) is less than chi square (χ^2) tabulated value (7.815) value; hence, this shows that males and females are found to be equally brand loyal in the case of Noodles. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.2.3 Sex and Brand Loyalty: Tea

The number of respondent of this product is 200. According to their response Muna, Tulsi, Lalupate, Tokala, Red Label, Tin Pate etc. are the different brands of Tea available in the Nepalese markets. The frequency and percentage distribution of the response of consumer according to their purchase pattern and preference relating to different brand of Tea are displayed in the following table.

Table 5: Sex and Brand Loyalty: Tea

Brand Loyalty	Male		Female		Total	
	f	%	f	%	f	%
Undivided Loyalty (AAAA)	20	20	29	29	49	24.5
Divided Loyalty (ABAB)	26	26	16	16	42	21
Unstable Loyalty (AABB)	14	14	29	29	43	21.5
No Loyalty (ABCD)	40	40	26	26	66	33
Total	100	100	100	100	200	100

Source: Field Survey

Figure 3: Sex and Brand Loyalty on Tea (Bar Diagram)

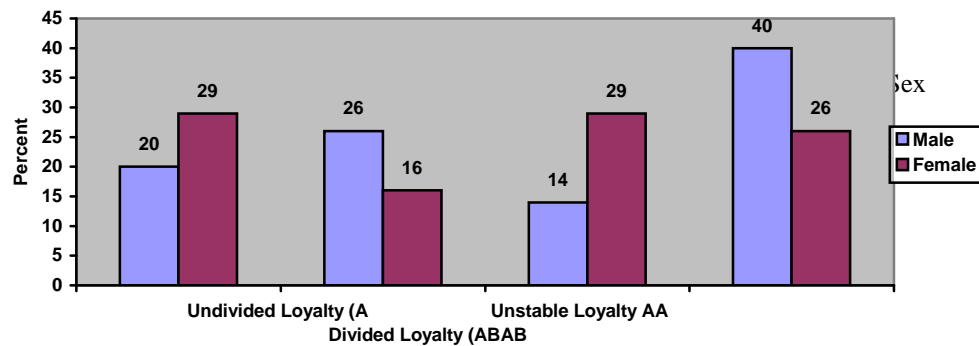


Table displays that the majority of the respondent (33%) fall in to the purchase pattern of group ABCD i.e. they are not loyal on specific brand of tea as their purchasing pattern do not match with their preference. 24.5 percent are found divided loyalty. Remaining 21.5 percent, respondents are found unstable brand loyal. 40 percent female and 26 percent male respondent are found non-loyal, 29 percent female and 24.5 percent male are found undivided loyal. Additional 29 percent female and 14 percent male are found unstable loyal remaining 16 percent female and 26 percent male are found divided loyal in terms of purchasing tea.

4.2.3 (a) Sex and Brand Loyalty on Tea Chi-square Test

H_0 : There is no significant difference in brand loyalty between mal and female.

Table 6: Chi-square Calculation of Sex and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	2
Degree of freedom	3
Tabulated value	7.815
Chi square test statistic	12.236

Since chi square (χ^2) test statistic (12.236) is more than chi square (χ^2) tabulated value (7.815) value; hence, this shows that males and females are found to be not equally brand loyal in the case of Tea. There is significant difference between male and females. Therefore, the null hypothesis has been rejected.

4.2.4 Sex and Brand Loyalty: Toothpaste

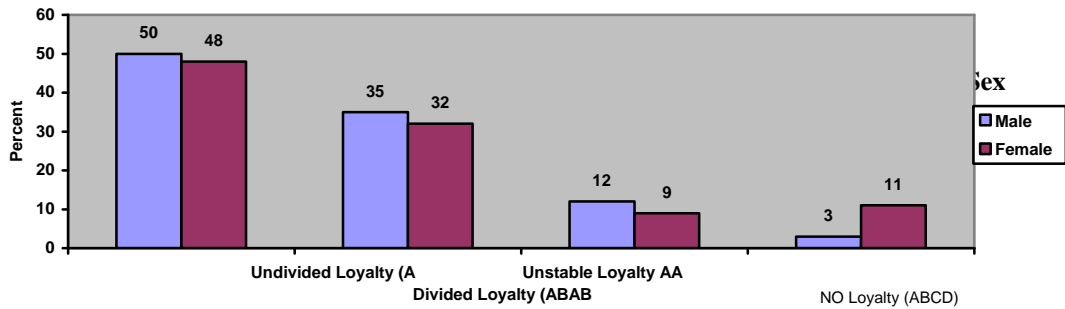
The response of consumer according to their purchase pattern and preference relating to different brand of toothpaste are presented in the following table.

Table 7: Sex and Brand Loyalty on Toothpaste

Brand Loyalty	Male		Female		Total	
	f	%	f	%	f	%
Undivided Loyalty (AAAA)	50	50	48	48	98	49
Divided Loyalty (ABAB)	35	35	32	32	67	33.5
Unstable Loyalty (AABB)	12	12	9	9	21	10.5
No Loyalty (ABCD)	3	3	11	11	14	7
Total	100	100	100	100	200	100

Source: Field Survey

Figure 4: Sex and Brand Loyalty on Toothpaste



Given Table and chart reveals that majority (49%) respondents are strongly brand loyal in case of toothpaste followed by divided loyalty (33.5%). Additional 10.5 percent respondents are found unstable brand loyal and remaining 7 percent respondent are found non loyal because there purchasing pattern do not match with their preference.

In terms of sex, 50 percent male respondents and 48 percent female respondents are strongly loyal whereas 35 percent male and 32 percent female are found to have divided brand loyal. Additionally 12 percent male respondent and 9 percent female respondents are found to be unstable in terms of brand loyalty. Moreover, remaining 3 percent male and 11 percent female respondent are found to be non-loyal in any specific brand to toothpaste.

4.2.4 (a) Sex and Brand Loyalty on Toothpaste Chi-square Test

H₀: There is no significant difference in brand loyalty between male and female.

Table 8 : Chi-square Calculation of Sex and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	2
Degree of freedom	3
Tabulated value	7.815
Chi square test statistic	5.236

Since chi square (χ^2) test statistic (5.236) is less than chi square (χ^2) tabulated value (7.815) value; hence, this shows that males and females are found to be equally brand loyal in the case of Toothpaste. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.2.5 Sex and Brand Loyalty: Biscuits

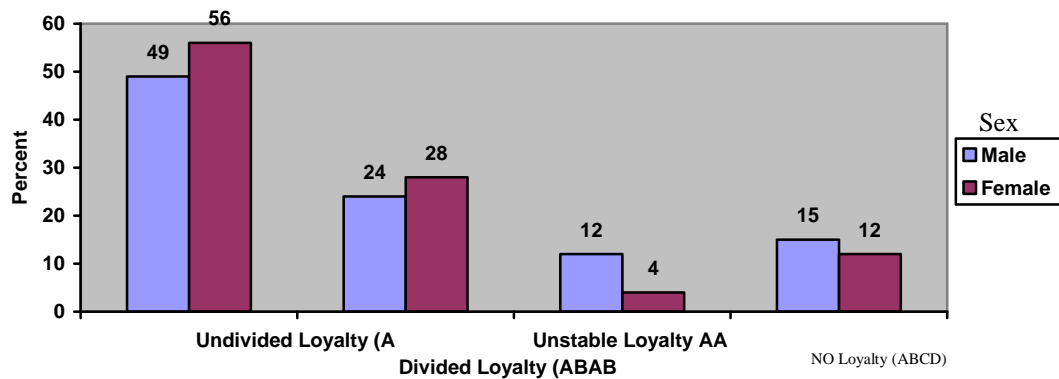
The frequency and percentage distribution of consumers response according to their purchase pattern and preference relating to different brands of Biscuits are given in the following table.

Table 9: Sex and Brand Loyalty on Biscuits

Brand Loyalty	Male		Female		Total	
	f	%	f	%	f	%
Undivided Loyalty (AAAA)	49	49	56	56	105	52.5
Divided Loyalty (ABAB)	24	24	28	28	52	26
Unstable Loyalty (AABB)	12	12	4	4	16	8
No Loyalty (ABCD)	15	15	12	12	27	13.5
Total	100	100	100	100	200	100

Source: Field Survey

Figure 5: Sex and Brand Loyalty on Biscuits



Given Table and chart reveals that majority 52.5 percent respondents are found strongly brand loyal in case of Biscuits. The percentages of divided brand loyal, unstable brand loyal and non-loyal respondents are 26, 8 and 13.2 respectively. 49 percent male respondents and 56 percent female respondents are found to be strongly loyal on specific brand of biscuits whereas 28 percent male and 26 percent female are divided brand loyal. 12 percent male respondent and 4 percent female respondents are found to be unstable in

terms of brand loyalty. And remaining 15 percent male and 12 percent female respondent are found to be non loyal in any specific brand of Biscuits.

4.2.5(a) Sex and Brand Loyalty on Biscuits Chi-square Test

H₀: There is no significant difference in brand loyalty between male and female.

Table 10: Chi-square Calculation of Sex and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	2
Degree of freedom	3
Tabulated value	7.815
Chi square test statistic	5.108

Since chi square (χ^2) test statistic (5.108) is less than chi square (χ^2) tabulated value (7.815) value; hence, this shows that males and females are found to be equally brand loyal in the case of Biscuits. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.3 Age and Brand Loyalty

People's age may be one of factors that affect their choice. The choice of young people may not be preferred by the ageing people. Under this topic, consumers' response on brand loyalty in terms of age is analyzed according to the selected product categories. The ages of the respondents are divided into four groups viz. 15-20, 20-25, 25-30 and 30 and above. In the survey, respondents of different age group were asked to name the brand of product of their last four purchases. Then the loyalty on the specific brand is considered according to their purchase pattern and preferences.

4.3.1 Age and Brand Loyalty: Soap

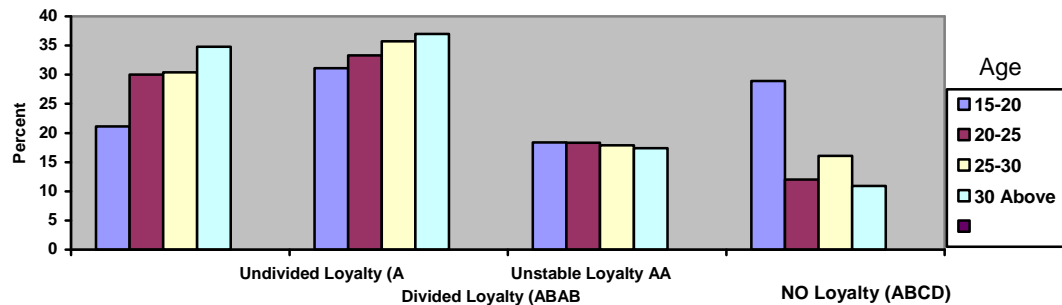
Following table presents the frequency and percentage distribution of respondents by age and different degree of brand loyalty on soap.

Table 11: Age and Brand Loyalty on Soap

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30		No.	%
	No.	%	No.	%	No.	%	No.	%		
Undivided Loyalty (AAAA)	8	21.1	18	30	17	30.4	16	34.8	59	29.5
Divided Loyalty (ABAB)	12	31.6	20	33.3	20	35.7	17	37	69	34.5
Unstable Loyalty (AABB)	7	18.4	11	18.3	10	17.9	8	17.4	36	18
No Loyalty (ABCD)	11	28.9	11	18.3	9	16.1	5	10.9	36	18
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey

Figure 6: Age and Brand Loyalty on Soap



The above table and chart reveals that 21.1 percent respondents of 15-20 age group, 30 percent respondents of 20-25 age group, 30.4 percent respondents of 25-30 years age group and 34.8 percent respondents of 30 and above age group are found to be undividedly loyal on the specific brand of soap. In the same way 31.6 percent respondents of 15-20, age group, 33.3 percent respondents of 20-25 age group, 35.7 percent respondents of 25-30 years age group and 37 percent respondents of 30 and above age group are found to have divided brand loyal. Similarly, 18.4 percent respondents of 15-20, age group, 18.4 percent respondents of 20-25, age group, 19.9 percent respondents of 25-30 years age group and 17.4 percent respondents of 30 and above age group are found to be unstable in terms of brand loyalty. Lastly 28.9 percent

respondents of 15-20 age group, 18.3 percent respondents of 20-25 age group, 16.1 percent respondents of 30 and above age group are non loyal in any specific brand.

4.3.1 (a) Age and Brand Loyalty on Soap Chi-square Test

H₀: Age of the individual does not have significant influence on the brand loyalty.

Table 12: Chi-square Calculation of Age and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	4
Degree of freedom	9
Tabulated value	16.9186
Chi square test statistic	5.988969

Since chi square (χ^2) test statistic (5.988969) is less than chi square (χ^2) tabulated value (16.9186) value; hence, this shows that there is no relation between age and brand loyalty. Therefore, the null hypothesis has been accepted.

4.3.2 Age and Brand Loyalty: Toothpaste

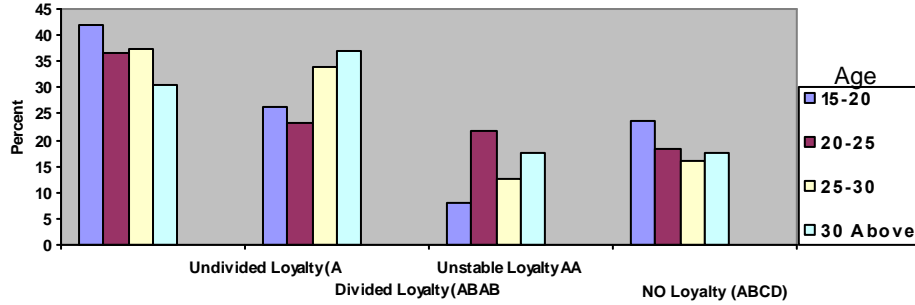
The response of different age groups respondent according to their purchase pattern and preference relating to different brands of Toothpaste are given in the following table.

Table 13: Age and Brand Loyalty on Toothpaste

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30		No.	%
	No.	%	No.	%	No.	%	No.	%		
Undivided Loyalty (AAA)	16	42.1	22	36.7	21	37.5	14	30.4	73	36.5
Divided Loyalty (ABAB)	10	26.3	14	23.3	19	33.9	17	37	60	30
Unstable Loyalty (AABB)	3	7.9	13	21.7	7	12.5	7	15.2	30	15
No Loyalty (ABCD)	9	23.7	11	18.3	9	16.1	8	17.4	37	18.5
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey

Figure 7: Age and Brand Loyalty on Toothpaste



The above table and chart reveals that 42.1 percent respondents of 15-20 age group, 30 percent respondents of 20-25 age group, 37.5 percent respondents of 25-30 years age group and 30.4 percent respondents of 30 and above age group are found to be undividedly loyal on the specific brand of toothpaste. In the same way 26.3 percent respondents of 15-20, age group, 23.3 percent respondents of 20-25 age group, 33.9 percent respondents of 25-30 years age group and 37 percent respondents of 30 and above age group are found to have divided brand loyal. Similarly 7.9 percent respondents of 15-20, age group, 21.7 percent respondents of 20-25, age group, 12.5 percent respondents of 25-30 years age group and 15.2 percent respondents of 30 and above age group are found to be unstable in terms of brand loyalty. Lastly 23.7 percent respondents of 15-20 age group, 18.3 percent respondents of 20-25 age group, 16.1 percent respondents of 25-30 and above age group are non loyal in any specific brand.

4.3.2 (a) Age and Brand Loyalty on toothpaste Chi-square Test

H₀: Age of the individual does not have significant influence on the brand loyalty.

Table 14: Age and Brand Loyalty on Toothpaste Chi square Test

Level of significance	0.05
Number of row	4
Number of column	4
Degree of freedom	9
Tabulated value	16.9186
Chi square test statistic	14.62475

Since chi square (χ^2) test statistic (14.62475) is less than chi square (χ^2) tabulated value (16.9186) value; hence, this shows that there is no relation between age and brand loyalty. Therefore, null hypothesis is accepted.

4.3.3 Age and Brand Loyalty: Noodles

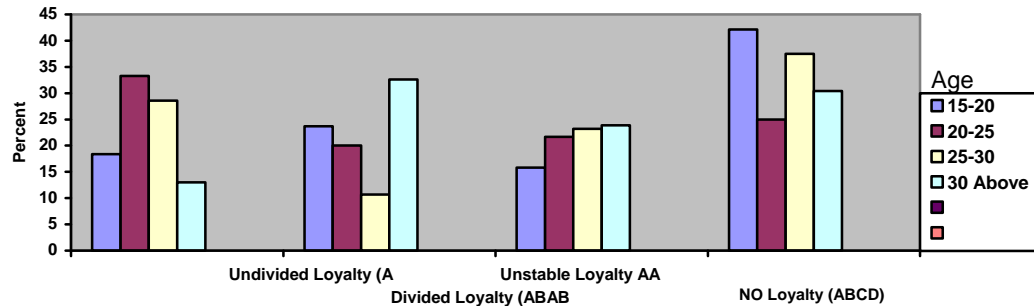
The response of different age groups respondent according to their purchase pattern and preference relating to different brands of Noodles are given in the following table.

Table 15: Age and Brand Loyalty : Noodles

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30		No.	%
	No.	%	No.	%	No.	%	No.	%		
Undivided Loyalty (AAA)	7	18.4	20	33.3	16	28.6	6	13	49	24.5
Divided Loyalty (ABAB)	9	23.7	12	20	6	10.7	15	32.6	42	21
Unstable Loyalty (AABB)	6	15.8	13	21.7	13	23.2	11	23.9	43	21.5
No Loyalty (ABCD)	16	41.1	15	25	21	37.5	14	30.4	66	33
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey

Figure 8: Age and Brand Loyalty on Noodles



The table and chart presented above reveals that majority of respondents in 15-20 and 20-25 age group, (42.1%) respectively are not loyal in any specific brand of Noodles whereas in age group 20-25 strongly loyal consumers hold the majority (33.3%). Similarly, most of the respondents (32.6%) of 30 and above age group seem to be

dividedly loyal on the specific brand of Noodles. Among total 200 respondents, majority belongs to the non-loyal group.

4.3.3 (a) Age and Brand Loyalty on Noodles Chi-square Test

H₀: Age of the individual does not have significant influence on the brand loyalty.

Table 16: Chi square Calculation of age and Brand Loyalty of Noodles

Level of significance	0.05
Number of row	4
Number of column	4
Degree of freedom	9
Tabulated value	16.9186
Chi square test statistic	6.97469

Since chi square (χ^2) test statistic (6.97469) is less than chi square (χ^2) tabulated value (16.9186) value; hence, this shows that there is no relation between age and brand loyalty. Therefore, null hypothesis is accepted.

4.3.4 Age and Brand Loyalty: Tea

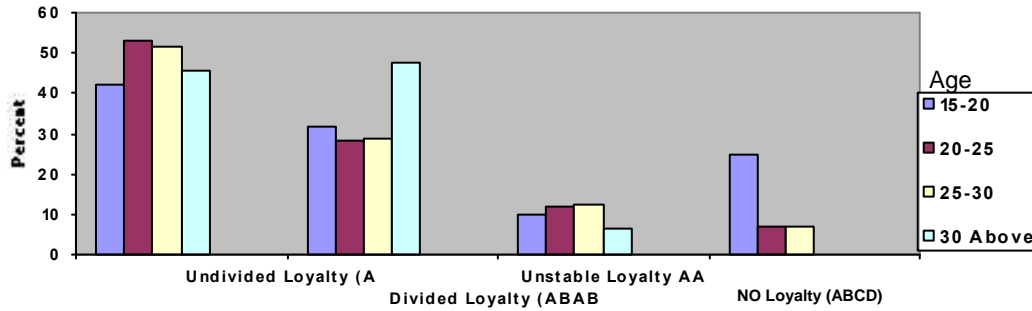
The response of different age groups respondent according to their purchase pattern and preference relating to different brands of Tea are given in the following table.

Table 17: Age and Brand Loyalty: Tea

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30		No.	%
	No.	%	No.	%	No.	%	No.	%		
Undivided Loyalty (AAA)	16	42.1	32	53.3	29	51.8	21	45.7	98	49
Divided Loyalty (ABAB)	12	31.6	17	28.3	16	28.6	22	47.8	67	33.5
Unstable Loyalty (AABB)	4	10.5	7	11.7	7	12.5	3	6.5	21	10.5
No Loyalty (ABCD)	6	15.8	4	6.7	4	7.1	0	0	14	7
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey

Figure 9: Age and Brand Loyalty on Tea



The above table and chart reveals that 42.1 percent respondents of 15-20 age group, 30 percent respondents of 20-25 age group, 51.8 percent respondents of 25-30 years age group and 45.7 percent respondents of 30 and above age group are found to be undividedly loyal on the specific brand of Tea. In the same way 31.6 percent respondents of 15-20, age group, 28.3 percent respondents of 20-25 age group, 28.6 percent respondents of 25-30 years age group and 47.8 percent respondents of 30 and above age group are found to have divided brand loyal. Similarly, 10.5 percent respondents of 15-20, age group, 11.7 percent respondents of 20-25, age group, 12.5 percent respondents of 25-30 years age group and 6.5 percent respondents of 30 and above age group are found to be unstable in terms of brand loyalty. Lastly 15.8 percent respondents of 15-20 age group, 6.7 percent respondents of 20-25 age group, 7.1 percent respondents of 25-30 years are group and 0 percent respondents of 30 and above age group are non loyal in any specific brand.

4.3.4 (a) Age and Brand Loyalty on Tea Chi Squire Test

H₀: Age of the individual does not have significant influence on the brand loyalty.

Table 18 : Chi square Calculation of Age and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	4
Degree of freedom	9
Tabulated value	16.9186
Chi squire test statistic	12.75237

Since chi square (χ^2) test statistic (12.75237) is less than chi square (χ^2) tabulated value (16.9186) value; hence, this shows that there is no relation between age and brand loyalty. Therefore, null hypothesis is accepted.

4.3.5 Age and Brand Loyalty: Biscuits

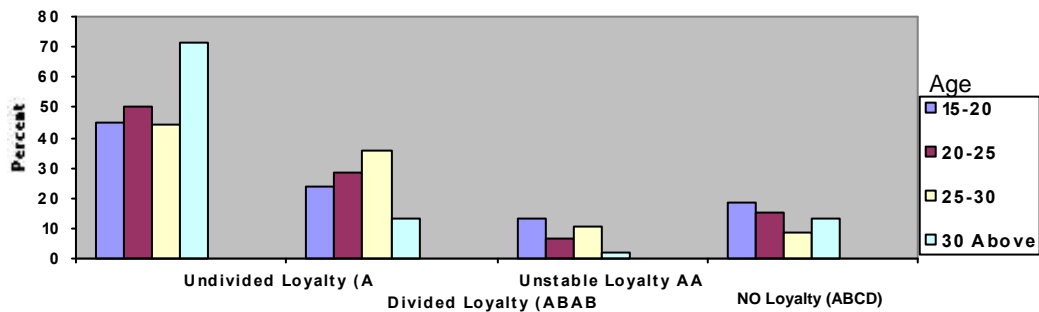
The response of different age groups respondent according to their purchase pattern and preference relating to different brands of Biscuits are given in the following table.

Table 19: Age and Brand Loyalty : Biscuits

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30		No.	%
	No.	%	No.	%	No.	%	No.	%		
Undivided Loyalty (AAAA)	17	44.7	30	50	25	44.6	33	71.7	105	52.5
Divided Loyalty (ABAB)	9	23.7	17	28.3	20	35.7	6	13	52	26
Unstable Loyalty (AABB)	5	13.2	4	6.7	6	10.7	1	2.2	16	8
No Loyalty (ABCD)	7	18.4	9	15	5	8.9	6	13	27	13.5
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey

Figure 10: Age and Brand Loyalty on Biscuits



The above table and chart reveals that 44.7 percent respondents of 15-20 age group, 50 percent respondents of 20-25 age group, 46.6 percent respondents of 25-30 years age group and 71.7 percent respondents of 30 and above age group are found to be undividedly loyal on the specific brand of Biscuits. In the same way 23.7 percent respondents of 15-20, age group, 28.3 percent respondents of 20-25 age group, 35.7 percent respondents of 25-30 years age group and 13 percent respondents of 30 and above age group are found to have divided brand loyal. Similarly, 13.2, percent respondents of 15-20, age group, 6.7 percent respondents of 20-25, age group, 10.7 percent respondents of 25-30 years age group and 2.2 percent respondents of 30 and above age group are found to be unstable in terms of brand loyalty. Lastly 18.4 percent respondents of 15-20 age group, 15 percent respondents of 20-25 age group, 8.9 percent respondents of 25-30 years are group and 13 percent respondents of 30 and above age group are non loyal in any specific brand. In the total figure majority of respondents (52.5%) seems to be strongly loyal followed by divided loyal (26%), non-loyal (13.5%) and unstable loyal (8%) respectively.

4.3.5 (a) Age and Brand Loyalty on Biscuits Chi Squire Test

H_0 : Age of the individual does not have significant influence on the brand loyalty.

Table 20 : Chi square Calculation of Age and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	4
Degree of freedom	9
Tabulated value	16.9186
Chi squire test statistic	15.22536

Since chi squire (t^2) test statistic (15.22536) is less than chi squire (t^2) tabulated value (16.9186) value; hence, this shows that there is no relation between age and brand loyalty. Therefore, null hypothesis is accepted.

4.4 Income and Brand Loyalty

Income is considered the major factor that affects the consumers' choice. Under this topic, degree of loyalty of respondents in any specific brand of the product is analyzed according to their monthly household income.

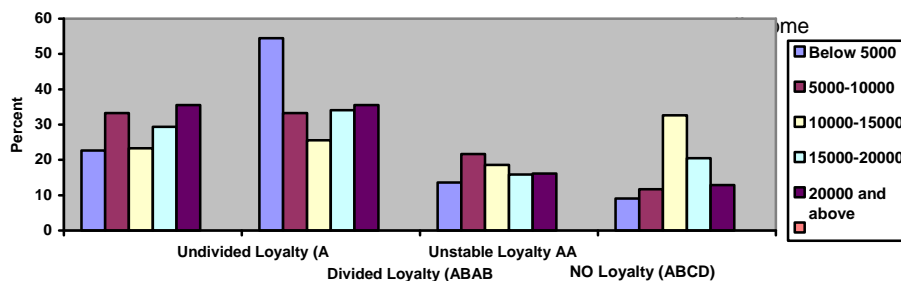
4.4.1 Income and Brand Loyalty: Soap

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

Table 21: Income and Brand Loyalty on Soap

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		1000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided Loyalty (AAAA)	5	22.7	20	33.3	10	23.3	13	29.4	11	35.5	59	29.5
Divided Loyalty (ABAB)	12	54.5	50	33.3	11	25.6	15	34.1	11	35.5	69	34.5
Unstable Loyalty (AABB)	3	13.6	13	21.7	8	18.6	7	15.9	5	16.1	36	18
No Loyalty (ABCD)	2	9.1	7	11.7	14	32.6	9	20.5	4	12.9	36	18
Total	22	100	60	100	43	100	44	100	31	200	200	200

Figure 11: Income and Brand Loyalty on Soap



In the table and chart we can see that among 22 respondents having bellow 5000 monthly income, 22.7 percent are strongly loyal, 54.4 percent are divided loyal, 13.5 percent are unstable loyal and 9.1 percent are non loyal on specific brand of soap. Similarly among 60 respondents having monthly household income 5000-10000, the percentage of strongly loyal person and dividedly loyal person is equal (33.3%). Unstable and non-loyal respondents of this income group are 21.7 and 11.7 percent respectively. Among 43 respondents of income category 10000-15000, the percentages of undivided, divided, unstable and non-loyal respondents are 23.3, 25.6, 18.6, and 32.6 respectively. Similarly among 44 respondents of 15000-20000 income categories, 29.5 percent are strongly loyal, 34.1 percent are dividedly loyal, and 15.9 percent are unstable loyal and 12.9 percent are non-loyal. Among 31 respondents having more than 20000 monthly household income, 35.5 percent are strongly loyal, 35.5 percent are dividedly loyal, 16.1 percent are unstable loyal and 12.9 percent are non-loyal on purchasing any specific brand of soap.

4.4.1 (a) Income and Brand Loyalty on Soap Chi Squire Test

H_0 : Age of the individual does not have significant influence on the brand loyalty.

Table 22 : Chi square Calculation of Income and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	5
Degree of freedom	12
Tabulated value	21.026
Chi squire test statistic	14.15205

Since chi squire (χ^2) test statistic (14.15205) is less than chi squire (χ^2) tabulated value (21.026) value; hence, this shows that there is no relation between income and brand loyalty. Therefore, null hypothesis is accepted.

4.4.2 Income and Brand Loyalty: Noodles

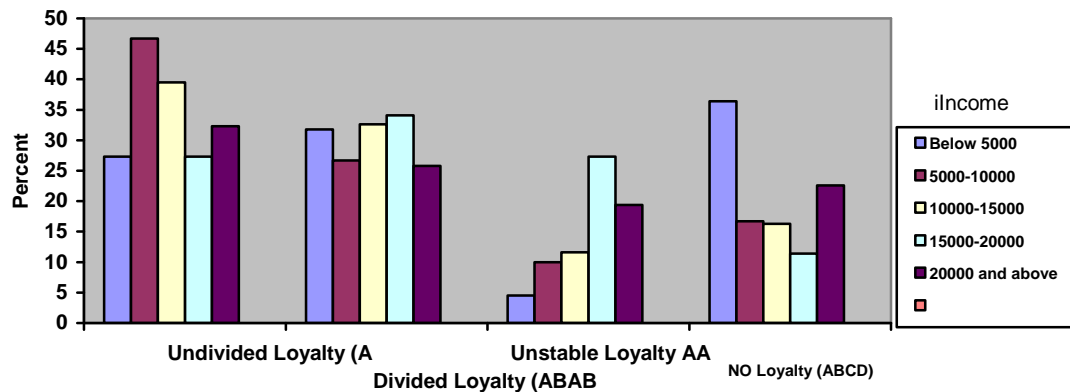
Under this topic brand loyalty of respondents on any specific brand of Noodles are analyzed with the help of frequency table and bar chart according to their monthly household income.

Table 23: Income and Brand Loyalty on Noodles

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		1000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided Loyalty (AAA)	6	27.3	28	46.7	17	39.5	12	27.3	10	32.3	73	36.5
Divided Loyalty (ABAB)	7	31.8	16	26.7	14	32.6	15	34.1	8	25.8	60	30
Unstable Loyalty (AABB)	1	4.5	6	10	5	11.6	12	27.3	6	19.4	30	15
No Loyalty (ABCD)	8	36.4	10	16.7	7	16.3	5	11.4	7	22.6	37	18.5
Total	22	100	60	100	43	100	44	100	31	200	200	200

Source : Field Survey

Figure 12: Income and Brand Loyalty on Noodles



The table presented above reveals that majority of respondents (36.5%) in below 5000 income group are non-loyal in any specific product of noodles. But, opposite to this group, in the income groups 5000-10000, 10000-15000 and 20000 and above, strongly,

most of the respondents held the majority. In the income group 15000-20000, most of the respondents belong to dividedly loyal group.

4.4.2 (a) Income and Brand Loyalty on Noodles Chi square Test

H₀: There is no effect on income on the brand loyalty.

Table 24: Chi square Calculation of Income and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	5
Degree of freedom	12
Tabulated value	21.026
Chi square test statistic	17.48795

Since chi square (χ^2) test statistic (17.48795) is less than chi square (χ^2) tabulated value (21.026) value; the null hypothesis is accepted. Hence, there is no significant difference in income group on brand loyalty. That means level of income doesn't effects the brand loyalty on noodles.

4.4.3 Income and Brand Loyalty: Toothpaste

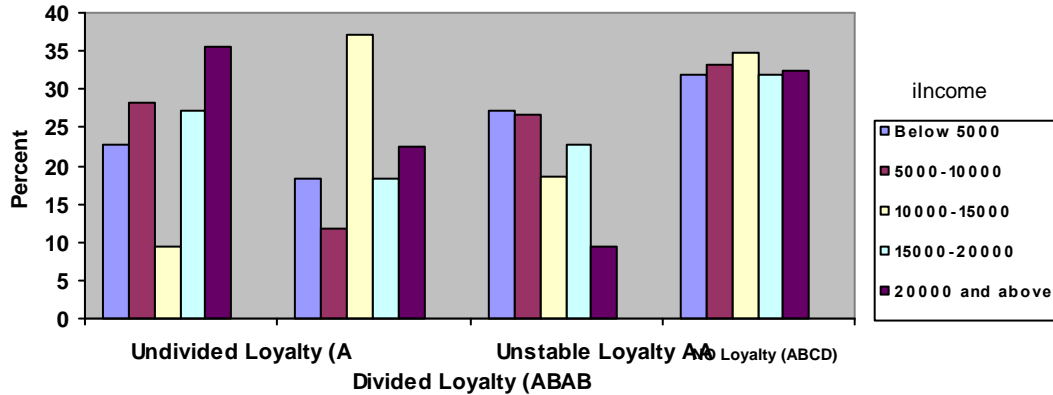
In the case of product Toothpaste, majority of respondents in all income groups except in the group 20000 and above are non-loyal in any brand. In the income group (20000 and above) strongly loyal respondents constructs the majority (35.5%). (Table: 25 and Figure 13)

Table 25: Income and Brand Loyalty Toothpaste

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		1000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided Loyalty (AAA)	5	22.7	17	28.3	4	9.3	12	27.3	11	35.5	49	24.5
Divided Loyalty (ABAB)	4	18.2	7	11.7	16	37.2	8	18.2	7	22.6	42	21
Unstable Loyalty (AABB)	6	27.3	16	26.7	8	18.6	10	22.7	3	9.6	43	21.5
No Loyalty (ABCD)	7	31.8	20	33.3	15	34.9	14	31.8	10	32.3	66	33
Total	22	100	60	100	43	100	44	100	31	200	200	200

Source : Field Survey

Figure 13: Income and Brand Loyalty : Toothpaste



4.4.3 (a) Income and Brand Loyalty on Toothpaste Chi square Test

H₀: There is no effect on income on the brand loyalty.

Table 26 : Chi square Calculation of Income and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	5
Degree of freedom	12
Tabulated value	21.026
Chi square test statistic	17.48795

Since chi square (χ^2) test statistic (17.48795) is less than chi square (χ^2) tabulated value (21.026) value; the null hypothesis is accepted. Hence, there is no significant difference in income group on brand loyalty.

4.4.4 Income and Brand Loyalty: Tea

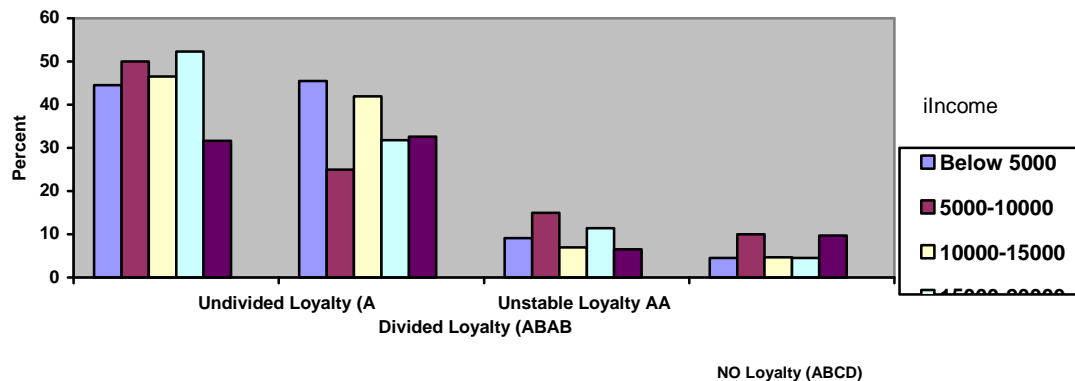
Under this topic brand loyalty of respondents on any specific brand of toothpaste are analyzed with the help of frequency table and bar chart according to their monthly household income.

Table 27: Income and Brand Loyalty: Tea

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		1000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided Loyalty (AAA)	9	44.9	30	50	20	46.5	23	52.3	16	51.6	98	49
Divided Loyalty (ABAB)	10	45.5	15	25	18	41.9	14	31.8	10	31.6	67	33.5
Unstable Loyalty (AABB)	2	9.1	9	15	3	7	5	11.4	2	6.5	21	10.5
No Loyalty (ABCD)	1	4.5	6	10	2	4.7	2	4.5	3	9.7	14	7
Total	22	100	60	100	43	100	44	100	31	200	200	200

Source: Field Survey

Figure 14: Income and Brand Loyalty on Tea



In the above table and chart we can see that among 22 respondents having below 5000 monthly income, 40.9 percent are strongly loyal, 45.5 percent are divided loyal, 9.1

percent are unstable loyal and 4.5 percent are non loyal on specific brand of Tea. Similarly, among 60 respondents having monthly household income 5000-10000, the percentage of strongly loyal person is 50, and percentage of dividedly loyal person is 25. Unstable and non-loyal respondents of this income group are 15 and 10 percent respectively. Among 43 respondents of income category 10000-15000, the percentages of undivided, divided, unstable and non-loyal respondents are 46.5, 41.9, 0.7, and 4.7 respectively. Similarly among 44 respondents of 15000-20000 income categories, 52.3 percent are strongly loyal, 31.8 percent are dividedly loyal, and 11.4 percent are unstable loyal and 4.5 percent are non-loyal. Among 31 respondents having more than 20000 monthly household income, 51.6 percent are strongly loyal, 32.3 percent are dividedly loyal, 6.5 percent are unstable loyal and 9.7 percent are non-loyal on purchasing any specific brand of Tea.

4.4.4 (a) Income and Brand Loyalty on Tea Chi square Test

H₀: There is no effect on income on the brand loyalty.

Table 28: Chi square Calculation of Income and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	5
Degree of freedom	12
Tabulated value	21.026
Chi square test statistic	7.854536

Since chi square (χ^2) test statistic (7.854536) is less than chi square (χ^2) tabulated value (21.026) value; hence, this shows that there is no relation between income and brand loyalty on Tea. Therefore, null hypothesis is accepted.

4.4.5 Income and Brand Loyalty: Biscuits

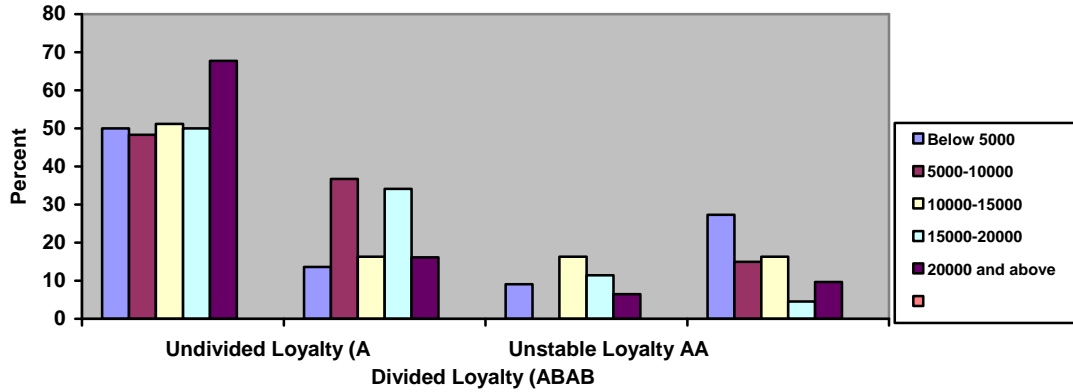
There are varieties brand of Biscuits available in the market indifferent retail price. This topic attempts to analyze the use of Biscuits by respondent according to their monthly household income.

Table 29: Income and Brand Loyalty on Biscuits

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		1000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided Loyalty (AAA)	11	50	29	48.3	22	51.2	22	50	21	67.7	105	52.5
Divided Loyalty (ABAB)	3	13.6	22	36.7	7	16.3	15	34.1	5	16.1	52	26
Unstable Loyalty (AABB)	2	9.1	0	0	7	16.3	5	11.4	2	6.5	16	8
No Loyalty (ABCD)	6	27.3	9	15	7	16.3	2	4.5	3	9.7	27	13.5
Total	22	100	60	100	43	100	44	100	31	200	200	200

Source: Field Survey

Figure 15: Income and Brand Loyalty on Biscuits



The table presented above shows that majority of respondents of all defined income group falls I strongly loyal category. 50 percent respondents of below 5000 income group, 48.3% respondents of 5000-10000 income group, 51.2percent respondents of 10000-15000 income group, 50 percent respondents of 15000-20000 income group and 67.7 percent respondents of 20000 and above income group falls in this (strongly loyal) category. Total percentage of dividedly loyal respondents is 26 whereas unstably loyal respondents are only 8 percent in total. Non-loyal respondents constitute 13.5 percent of total respondents. It is remarkable that non-loyal respondents are highest in

below 5000 income group whereas strongly loyal respondents are highest in 20000 and above income group.

4.4.5 (a) Income and Brand Loyalty on Biscuits Chi square Test

H_0 : There is no effect on income on the brand loyalty.

Table 30: Chi square Calculation of Income and Brand Loyalty

Level of significance	0.05
Number of row	4
Number of column	5
Degree of freedom	12
Tabulated value	21.026
Chi square test statistic	26.33106

Since chi square (t^2) test statistic (26.33106) is more than chi square (t^2) tabulated value (21.026) value, the null hypothesis is rejected. Hence, there is significant difference in income group on brand loyalty. That means level of income effects the brand loyalty on Biscuits.

4.6 Factors Causing Brand Switching

It has been already presented in various table and chart that the number of respondent who are strongly loyal in the specific brand of any product is very low. People switch brand for many purposes. In this topic, it is attempted to find out the causes of brand switching in different products. Respondents were asked the question. "Which one of the following factors makes you leave one brand and switch to other?" The factors provided with the question are: =

- i. Price off
- ii. Advertising
- iii. A desire to test new brand
- iv. Others

Others, includes factors like quality, test, sent, smell availability, health, conscious, from friends and recommendation, purity, suitability fairness, availability near by shop etc.

To analyze the factors causing brand switching, undividedly loyal (AAAA), dividedly loyal (ABAB) and unstable loyal (AABB) respondents are grouped as brand loyal respondents and rests are defined as non brand loyal respondent the response of the respondents on the question is presented in the table 31.

Table 31 : Factors Causing Brand Switching

Name of Produce	Factors	Brand Loyal	%	Non brand loyal	%	Total	%
Soap	Price of	47	23.5	8	4	55	27.5
	Advertising	56	28	17	8.5	73	36.5
	Desire to test new product	22	11	5	2.5	27	13.5
	Others	39	19.5	6	3	45	22.5
		164	82	36	18	200	100
Noodles	Price of	39	19.5	14	7	53	26.5
	Advertising	62	31	16	8	78	39
	Desire to test new product	26	13	3	1.5	29	14.5
	Others	36	18	4	2	40	20
		163	81.5	37	18.5	200	100
Tea	Price of	40	20	19	9.5	59	29.5
	Advertising	44	22	23	11.5	67	33.5
	Desire to test new product	19	9.5	10	5	29	14.5
	Others	31	15.5	14	7	45	22.5
		135	67	66	33	200	100
Toothpaste	Price of	73	36.5	25	12.5	98	49
	Advertising	53	27	13	6.5	67	33.5
	Desire to test new product	18	9	3	1.5	21	10.5
	Others	12	6	2	1	14	7
		157	78.5	43	21.5	200	100
Biscuits	Price of	79	39.5	26	13	105	52.5
	Advertising	46	23	6	3	52	26
	Desire to test new product	14	7	2	1	16	8
	Others	19	9.5	8	4	27	13.5
	Total	158	79	42	21	200	100

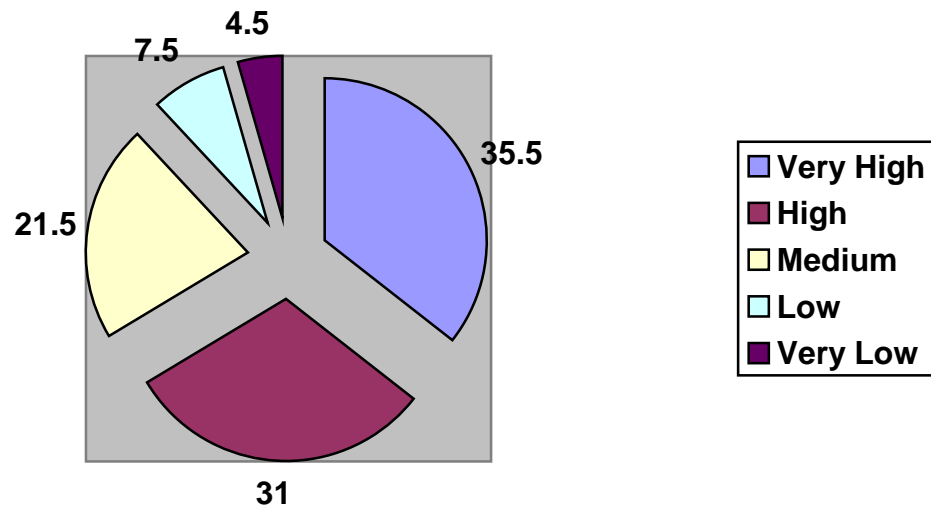
The table shows that advertisement is the most effective factor for switching brand of soap. 36.5 percent (28% brand loyal and 8.5% non-brand loyal) respondents responded that advertising is the factor that inspires them to leave the one brand and switch on another brand of soap. Similarly, 39 percent (31% brand loyal and 8% non-brand loyal) respondents of Noodles are affected by advertisement to switch the brand. Advertising has effected dominantly for brand switching in the product tea too. 33.5, percent (22% brand loyal and 11.5% non-loyal) respondent are found to be affected by advertising campaign to switch the brand of tea. However, in the case of toothpaste and Biscuits, most of the respondents are affected by the price activities to switch another brand of the product. 49, percent respondents (36.5% brand loyal and 12.5% non-loyal respondents) responded that they are highly impressed by the price activities to leave one brand and switch to other brand of toothpaste. Similarly 52.5, percent respondents (39.5% brand loyal and 13% non-loyal respondents) are found to be affected by price activities to switch their favorite brand of Biscuits 33.5 percent (27% brand loyal and 6.5% non-loyal) respondents of toothpaste and 26 percent (23% brand loyal and 3% non-loyal) respondents of Biscuits are inspired by advertisement to leave one brand and switch to other. 27.5 percent (23.5% brand loyal and 4% non-loyal) respondents of soap, 26.5 percent (19.5% brand loyal and 7% non-loyal) respondents of Noodles and 29.5 percent (20% brand loyal and 9.5% non-loyal) respondents of Tea are affected by price activities (price off) for brand switching. In the same way 26.5 percent (11% loyal and 7% non loyal) respondents of Noodles, 14.5 percent (9.5% loyal and 5% non loyal) respondents of Tea, 10.5 percent (9% loyal and 1.5% non loyal) respondents of toothpaste and 8 percent (7% loyal and 1.5% non loyal) respondents of hair oil responded that they were motivated to switch the brand because of a desire to use new product. Moreover, rest of the respondents have others reason for brand switching.

4.7 Effects of Incentives in Brand Choice

Table 32: Effects of Incentives in Brand Choice

Effects of Incentives	Frequency	Percent
Very High	71	35.5
High	62	31.0
Medium	43	21.5
Low	15	7.5
Very Low	9	4.5
Total	200	100.0

Figure 16: Effects of Incentives in Brand Choice



The Table and chart presented above shows that most of respondents or consumers are affected by incentives like free goods, price off etc. 35.5 percent of respondents responded that those incentives very highly effects in brand choice. Similarly, 31percent of respondent replied that the effect is high, 21.5 percent of respondent have opinion that those incentives have medium effect in brand choice. Very few respondents (7.5% and 4.5% respectively) responded that the effects of the incentive are low and very low. According to response received from consumer we can conclude that majority of consumer are effected by incentives like free sample, price off, free coupon, prize, bumper, discount etc. for brand choice.

4.8 Major Findings

The following major findings are deduced from the study.

4.8.1 Sex Variable

The greater percent of female are found to have divided loyalty and undivided loyalty. Male are also found undivided loyalty and divided loyalty in case of soap. Test shows that there is no difference in brand loyalty between male and female.

In the case of Noodles, male and female are found to have equally loyal. Test show that there is no difference in brand loyalty between male and female.

In case of Tea greater percentage of female are found to have loyal and most of male are found to have no loyalty. Test show that there is significant difference between male and female.

Similarly in the case of toothpaste percentage of loyal respondent are found high. They are equally brand loyal. There is no significant difference in brand loyalty between male and female.

In case of Biscuits both male and female respondent are found highly loyal. Among them female are more than male and test statistic shows that there is no different in brand loyalty between male and female.

4.8.2 Age Variable

Under age group 15-20 greater percentages of respondents are found to have divided loyalty and then found to have no loyalty in case of soap. There is no relation between age and brand loyalty. Greater percentage of respondents is found to have divided loyal among them.

Most of respondent are found to have undividedly loyal in case of Noodles. This indicates that, they are conscious in the case of noodles. Test statistics shows that there is no relation between age and brand loyalty.

In the case of Tea greater percentage of respondents are found to have no loyalty. Among them greater percentage of respondent of age group 20-25 are found

loyal. Test statistics indicates that there is no relation between age and brand loyalty.

In the case of toothpaste most of respondents is fall in 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.

In the case of Biscuits, most of respondents are found to have undividedly brand loyal. Among them, greater percentage 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.

4.8.3 Income Variable

Under income group 20000 and above greater percentage of respondents are found to have undividedly loyal in the case of soap. Test statistics show that there is no relation between income and brand loyalty.

In the case of Noodles greater percentage of respondents are found to have undividedly loyal. Test statistics show that there is no significant difference between income and brand loyalty.

In the case of Tea, most of the respondents are found to have undividedly loyal. However, among them greater percentage of respondents of income group 20000 and above are found undividedly loyal in the case of Tea. This indicates that there is no relation between age and brand loyalty.

In the case of toothpaste, most of respondents or greater percentages of respondents are found loyal consumer categories. Among them greater percentage of income group 10 to 30 and above are found more loyal than other. This indicates that there is no significant difference between income and brand loyalty.

In the case of Biscuits more respondents are found to have undivided loyal. In addition, followed by divided loyal and unstable loyalty. This indicates that there is significant difference between income and brand loyalty. Test statistics indicates that greater income group has brand loyal in case of Biscuits.

4.8.4 Causes of Brand Switching

Advertising Campaign is found to be the dominant factor for brand switching in products Soap, Noodles and Tea.

In the case of the products Toothpaste and Biscuits, majority of the people are affected by price activities (price off) for brand switching.

It is found that incentives like price off, free goods etc. highly affects people to purchase the brand

CHAPTER-V

SUMMARY, CONCLUSION & RECOMMENDATIONS

5.1 Summary

The greater percentage of female are found to have divided loyalty and undivided loyalty. Male are also found undivided loyalty and divided loyalty in case of soap. Test shows that there is no difference in brand loyalty between male and female. Female are found to have equally loyal in Noodles. Test shows that there is no difference in brand loyalty between male and female.

In case of Tea greater percentage of female are found to have loyal and most of male are found to have no loyalty. Test shows that there is significant difference between male and female. Similarly greater percentage of toothpaste's loyal respondent are found high. They are equally brand loyal. There is no significant difference in brand loyalty between male and female. And in Biscuit's loyalty, both male and female respondent are found highly loyal. Among them female are more than male and test statistic shows that there is no different in brand loyalty between male and female.

Under age Group 15-20 greater percentages of respondents are found to have divided loyalty and then found to have no loyalty in case of soap. There is no relation between age and brand loyalty. Greater percentage of respondent is found to have divided loyal among them.

Most of respondent are found to have undividedly loyal in case of Noodles. This indicates that, they are conscious in the case of Noodles. Test statistics shows that there is no relation between age and brand loyalty. In case of Tea greater percentage of respondents are found to have no loyalty. Among them greater percentage of respondents of age group 20-25 are found loyal. Test statistics indicates that there is no relation between age and brand loyalty. In case of Toothpaste most of respondents are fall in

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. In the case of Biscuits, most of respondents are found to have undividedly brand loyal. Among them, greater percentage of age group 30 and above, are found more loyal than other group. The test statistics shows that there is no relation between age and brand loyalty.

Under income group 20000 and above greater percentage of respondents are found to have undividedly loyal in the case of soap. Test statistics show that there is no relation between income and brand loyalty. In case of Noodles greater percentages of respondents are found to have undividedly loyal. Test statistics show that there is no relation between income and brand loyalty. In the case of Tea, most of the respondents are found to have undividedly loyal. However, among them greater percentage of respondents of income group 20000 and above are found undividedly loyal in the case of Tea. This indicates that there is no relation between age and brand loyalty in case of tea. In the case of toothpaste, most of respondents or greater percentages of respondents are found loyal consumer categories. Among them greater percentage of income group 10 to 20 thousand and above are found more loyal than other. More respondents are found to have undivided loyal in the case of Biscuits. In addition, followed by divided loyal and unstable loyalty. This indicates that there is relation between income and brand loyalty in case of Biscuits. Test statistics indicates that greater income group has brand loyal in case of Biscuits.

5.2 Conclusion

Following conclusion are deducted from the study

- Consumers of Pokhara valley give high importance to brand. They purchase the products based on brand.
- Most of consumers have good knowledge about all the brands available in the market.

- Brand loyalty varies also product to product and loyalty towards brand is relatively higher in the product that is more frequently needed as compared to those needed or used less frequently.
- Brand loyalty varies consumer to consumer. Some consumers are more brands loyal than other and vice versa.
- No relation between consumers age and brand loyalty was established.
- Only in case of Tea, male and female are varies in loyalty.
- In case of Biscuits higher income group are more loyal on brand.
- Most of respondent are influenced by incentive for their brand choice.
- Most of consumers of Pokhara valley are found undividedly loyal in specific brand of chosen products categories except Tea.
- Greater percentage of consumer switches the brand in cause of advertising.

5.3 Recommendations

Following recommendation are made based on findings of the study.

- Particular attention should be given in branding the product, Brand is necessary in almost all type of product.
- Brand should be distinctive or unique in every type of product. The distinct brand will be very much helpful to differentiate the desire product of the consumer from the other products.
- Studies on brand loyalty should be made on continuously. Most of consumer showing brand loyalty indicates towards hidden assets of the manufactures or sellers. They should have knowledge of these valuable assets. It will give them effective guideline for developing successful marketing strategy.
- The product line of the same brand should be increased according to preference of consumers. So that brand switching is discouraged. The quality of product should also be maintained.
- The following recommendations are made for the future researchers.
- Sample size should be larger. Products chosen for the study under brand loyalty are those, which are purchased regularly and repeatedly, and

population using such products is very large, therefore small of sample cannot accurately resemble the population.

- The product to be included in the study should be having diversified nature so that each of them represents as many types of product as possible.
- The questionnaire used in study should be as short and simple as possible.
- Effective statistical tools should be used to analyze and interpret collected data.

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ANNEX-1

Tribunal University
Faculty of Management
Prithvi Narayan Multiple Campus
Pokhara, Kaski

Questionnaire for the research of masters of Business studies of dissertation survey entitled "Brand Loyalty"

Please tic () in the answers for which you agree with.

Respondent profile

Age

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

Sex

Male	Female
------	--------

Profession:

Educational qualification.....

Monthly household income

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

1) Do you use these daily?

a) Soap	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) Noodle	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c) Tooth paste	<input type="checkbox"/> Yes	<input type="checkbox"/> No
d) Tea	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e) Biscuits	<input type="checkbox"/> Yes	<input type="checkbox"/> No

1.1 For Product Soap

A) Which soap do you use for bathing purpose ?

- i) Liril

 ix

- iii) Dettol

 other

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

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

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

- i) Wait for favorite

- ii) Buy the alternative

1.2 For Product Noodles

A) Which Shampoo do you use for bathing purpose ?

- i) Wai Wai

 ii) Mayos

- iii) 2 PM

 iv) Other

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

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

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

- i) Wait for favorite

- ii) Buy the alternative

1.3 For Product Toothpaste

A) Which Toothpaste do you use for the purpose of lubrication?

- i) Pepsodent

 ii) Close up

- ii) Brighter

 iv) Others

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

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

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

- i) Wait for favorite

- ii) Buy the alternative

1.4 For Product Tea

A) Which mineral Water do you drink?

- i) Muna ii) Tokala
 ii) Upahar iv) Others

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

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

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

- i) Wait for favorite
 ii) Buy the alternative

1.5 For Product Biscuits

A) Which Hair Oil do you drink?

- i) Britinia ii) Parle G
 ii) Coconut iv) Others

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

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

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

- i) Wait for favorite
 ii) Buy the alternative

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

Soap

a) Price off	
b) Advertisement Campaign.	
c) A desire to test new product	
d) Quality	
e) Other	

Noodles

a) Price off	
b) Advertisement Campaign.	
c) A desire to test new product	
d) Quality	
e) Other	

Toothpaste

a) Price off	
b) Advertisement Campaign.	
c) A desire to test new product	
d) Quality	
e) Other	

Tea

a) Price off	
b) Advertisement Campaign.	
c) A desire to test new product	
d) Quality	
e) Other	

Biscuits

a) Price off	
b) Advertisement Campaign.	
c) A desire to test new product	
d) Quality	
e) Other	

3. To what extent does the incentives (price off, Free goods ... e.t.c.) affect you brand choice?

a) Very High	
b) High	
c) Medium	
d) Low	
e) Very Low.	

Thanks for your kinds response.

ANNEX 2

COMPUTATION OF CHI SQUIRE

Chi-square (χ^2) test is calculated in the following steps.

Step I : Formulation of hypothesis

H_0 : Null hypothesis

H_1 : Alternative hypothesis

Step II : Set $\alpha = 0.05$

$$\chi^2 = (r-1)(c-1)$$

Table value of ($\chi^2_{0.05, (r-1)(c-1)$) \times χ^2_{table} value

Calculation of Expected Frequency :- $\frac{(RowTotal) \times (ColumnTotal)}{GrandTotal}$

Step III : Compute $\chi^2 = \frac{(O - E)^2}{E}$

1 Sex and Brand Loyalty

1. A. Computation of Chi-square (χ^2), Sex and Brand Loyalty on soap

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
25	29.5	-4.5	20.25	0.686441
32	34.5	-2.5	6.25	0.181159
19	18	1	1	0.055556
24	18	6	36	2
34	29.5	4.5	20.25	0.686441
37	34.5	2.5	6.25	0.181159
17	18	-1	1	0.055556
12	18	-6	36	2
				5.846311

1. B. Computation of Chi-square (χ^2), Sex and Brand Loyalty on Noodles

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
33	36.5	-3.5	12.25	0.335616

31	30	1	1	0.033333
14	15	-1	1	0.066667
22	18.5	3.5	12.25	0.662162
40	36.5	3.5	12.25	0.335616
29	30	-1	1	0.033333
16	15	1	1	0.066667
15	18.5	-3.5	12.25	0.662162
				2.195557

1. C. Computation of Chi-square (χ^2), Sex and Brand Loyalty on Tea

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
20	24.5	-4.5	20.25	0.826531
26	21	5	25	1.190476
14	21.5	-7.5	56.25	2.616279
40	33	7	49	1.484848
29	24.5	4.5	20.25	0.826531
16	21	-7	25	1.190476
29	21.5	7.5	56.25	2.616279
26	33	-7	49	1.484848
				12.23627

1. D. Computation of Chi-square (χ^2), Sex and Brand Loyalty on Toothpaste

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
50	49	1	1	0.020408
35	33.5	1.5	2.25	0.067168
12	10.5	1.5	2.25	0.214286
3	7	-4	16	2.285714
48	49	-1	1	0.020408
32	33.5	-1.5	2.25	0.067164
9	10.5	-1.5	2.25	0.214286
11	7	4	16	2.285714
				5.175145

1. E. Computation of Chi-square (χ^2), Sex and Brand Loyalty on Biscuits

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
49	52.5	-3.5	12.25	0.233333

24	26	-2	4	0.153848
12	8	4	16	2
15	13.5	1.5	2.25	0.166667
546	52.5	3.5	12.25	0.233333
28	26	2	4	0.153846
4	8	-4	16	2
12	13.5	-1.5	2.25	0.166667
				5.107692

2. Age and Brand Loyalty.

2. A. Computation of Chi-square (Age and Brand Loyalty on soap)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
8	11.2	-3.2	10.24	0.914286
12	13.1	-1.1	1.21	0.92366
7	8.8	-1.8	3.24	0.68182
11	6.8	4.2	17.64	2.594118
18	17.7	0.3	0.09	0.005085
20	20.7	-0.7	0.49	0.023671
11	10.8	0.2	0.04	0.003704
11	10.8	0.2	0.04	0.003704
17	16.5	0.5	0.25	0.015152
20	19.3	0.7	0.49	0.025389
10	10.1	-0.1	0.01	0.00099
9	10.1	-1.1	1.21	0.119802
16	13.6	2.4	5.76	0.423529
17	15.9	1.1	1.21	0.076101
8	8.3	-0.3	0.09	0.010843
5	8.3	-3.3	10.89	1.312048
				5.988969

2. B. Computation of Chi-square (Age and Brand Loyalty on Noodles)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
16	13.9	2.1	4.41	0.317266
10	11.4	-1.4	1.96	0.17193

3	5.7	-2.7	7.29	1.278947
9	7	2	4	0.571429
22	21.9	0.1	0.01	0.000457
14	18	-4	16	0.888889
13	9	4	16	1.777778
11	11.1	-0.1	0.01	0.000901
21	20.4	0.6	0.36	0.017647
19	16.8	2.2	4.84	0.288095
7	8.4	-1.4	1.96	0.233333
9	10.4	-1.4	1.96	0.188462
14	16.4	-2.8	7.84	0.466667
17	13.8	3.2	10.24	0.742029
7	6.9	0.1	0.01	0.001449
8	8.5	-0.5	0.25	0.029414
				6.97469

2. C. Computation of Chi-square (Age and Brand Loyalty on Toothpaste)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
7	9.3	-2.3	5.29	0.568817
9	8	1	1	0.125
6	8.2	-2.2	4.84	0.590244
16	12.5	3.5	12.25	0.98
20	14.7	5.3	28.09	1.910884
12	12.6	-0.6	0.36	0.028571
13	12.9	0.1	0.01	0.000775
15	19.8	-4.8	23.04	1.163636
16	13.7	2.3	5.29	0.386131
6	11.8	-5.8	33.64	2.850847
13	12	1	1	0.083333
21	18.5	2.5	6.25	0.3378.8
6	11.3	-5.3	28.09	2.485841
15	9.7	5.3	28.09	2.895876
11	9.9	1.1	1.21	0.122222
14	15.2	-1.2	1.44	0.094737
				14.62475

2. D. Computation of Chi-square (Age and Brand Loyalty on Tea)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
16	18.6	-2.6	6.76	0.363441
12	12.7	-0.7	0.49	0.038583
4	4	0	0	0
6	2.7	3.3	10.89	4.033333
32	29.4	2.6	6.76	0.229932
17	20.1	-3.1	9.61	0.478109
7	6.1	0.7	0.49	0.077778
4	4.2	-0.2	0.04	0.009524
29	27.4	1.6	2.56	0.093431
16	18.8	-2.8	7.84	0.417021
7	5.9	1.1	1.21	0.205085
4	3.9	0.1	0.01	0.002564
21	22.5	-1.5	2.25	0.1
22	15.4	6.6	43.56	2.828571
3	4.8	-1.8	3.24	0.675
0	3.2	-3.2	10.24	3.2

				12.75237
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2. E. Computation of Chi-square (Age and Brand Loyalty on Biscuits)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
17	20	-3	9	0.45
9	9.9	-0.9	0.81	0.081818
5	3	2	4	1.333333
7	5.1	1.9	3.61	0.707843
30	31.5	-1.5	2.25	0.071429
17	15.6	1.4	1.96	0.125641
4	4.8	-0.8	0.64	0.133333
9	8.1	0.9	0.81	0.1
25	29.4	-4.4	19.36	0.65853
20	14.6	5.4	29.16	1.99726
6	4.5	1.5	2.25	0.5
5	7.6	-2.6	6.76	0.889474
33	24.2	8.8	77.44	3.2
6	12	-6	36	3
1	3.7	-2.7	7.29	1.97027
6	6.2	-0.2	0.04	0.006452
				15.22536

3. Income and Brand Loyalty

3. A. Computation of Chi-square (Age and Brand Loyalty on Soap)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
5	6.5	-1.5	2.25	0.344154
12	7.6	4.4	19.36	2.547368
3	4	-1	1	0.25
2	4	-2	4	1
20	17.7	2.3	5.29	0.29887
20	20.7	-0.7	0.49	0.023671
13	10.8	2.2	4.84	0.448148
7	10.8	-3.8	14.44	1.337037
10	12.7	-2.7	7.29	0.574016
11	14.8	-3.8	14.44	0.975676
8	7.7	0.3	0.09	0.011688
14	7.7	6.3	39.69	5.154545
13	13	0	0	0

15	15.2	-0.2	0.04	0.002632
7	7.9	-0.9	0.81	0.102532
7	7.9	1.1	1.21	0.153165
11	9.1	1.9	3.61	0.396703
11	10.7	0.3	0.09	0.008411
5	5.6	-0.6	0.36	0.064286
4	5.6	-1.6	2.56	0.457143
				14.15205

3. B. Computation of Chi-square (Age and Brand Loyalty on Noodles)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
6	8	-2	4	0.5
7	6.6	0.4	0.16	0.024242
1	3.3	-2.3	5.29	1.60303
8	4.1	3.9	15.21	3.709756
28	21.9	6.1	37.21	1.699087
16	18	-2	4	0.222222
6	9	-3	9	1
10	11.1	-1.1	1.21	0.109009
17	15.7	1.3	1.69	0.107643
14	12.9	1.1	1.21	0.093793
05	6.5	-1.5	2.25	0.346154
7	8	-1	1	0.125
12	16.1	-4.1	16.81	1.044099
15	13.2	1.8	3.24	0.245455
12	6.6	5.4	29.16	4.418182
5	8.1	-3.1	9.61	1.18642
10	11.3	-1.3	1.69	0.149558
8	9.3	-1.3	1.69	0.18172
6	4.6	1.4	1.96	0.426087
7	5.6	1.3	1.69	0.296491
				17.48795

3. C. Computation of Chi-square (Age and Brand Loyalty on Toothpaste)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
5	5.4	-0.4	0.16	0.02963
4	4.6	-0.6	0.36	0.078261
6	4.7	1.3	1.69	0.359574
7	7.3	-0.3	0.09	0.012329
17	14.7	2.3	5.29	0.359864
7	12.6	-5.6	31.36	2.488889
16	12.9	3.1	9.61	0.744961
20	19.8	0.2	0.04	0.00202
4	10.5	-6.5	42.25	4.02381
16	9	7	49	5.444444
8	9.2	-1.2	1.44	0.156522
15	14.2	0.8	0.64	0.045.7

12	10.8	1.2	1.44	0.133333
8	9.2	-1.2	1.44	0.156522
10	9.5	0.5	0.25	0.026316
14	14.5	-0.5	0.25	0.017241
11	7.6	3.4	11.56	1.521053
7	6.5	0.5	0.25	0.038462
3	6.7	-3.7	13.69	2.043284
10	10.2	-0.2	0.04	0.003922
				17.68551

3. D. Computation of Chi-square (Age and Brand Loyalty on Tea)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
9	10.8	-1.8	3.24	0.3
10	7.4	2.6	6.76	0.913514
2	2.3	-0.3	0.09	0.03913
1	1.5	-0.5	0.25	0.166667
30	29.4	0.6	0.36	0.012245
15	21.1	-5.1	26.01	1.29403
9	6.3	2.7	7.29	1.157143
6	4.2	1.8	3.24	0.771429
20	21.1	-1.1	1.21	0.057346
18	14.4	3.6	12.96	0.9
3	4.5	-1.5	2.25	0.5
2	3	-1	1	0.333333
23	21.6	1.4	196	0.090741
14	14.7	-0.7	0.49	0.033333
5	4.6	0.4	0.16	0.034783
2	3.1	-1.1	1.21	0.390323
16	15.5	0.8	0.64	0.042105
10	10.2	-0.4	0.16	0.015385
2	3.3	-1.3	1.69	0.512121
3	2.2	0.8	0.64	0.290909
				7.854536

3. E. Computation of Chi-square (Age and Brand Loyalty on Biscuits)

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
11	11.6	-0.6	0.36	0.031034
3	5.7	-2.5	7.29	1.278947
2	1.8	0.2	0.04	0.022222

6	3	3	9	3
29	31.5	-2.5	6.25	0.198413
22	15.6	6.4	40.96	2.625641
0	4.8	-4.8	23.04	4.8
9	8.1	0.9	0.81	0.1
22	22.6	-0.6	0.36	0.015929
7	11.2	-4.2	17.64	1.575
7	3.4	3.6	12.96	3.811765
7	5.8	1.2	1.44	0.248276
22	33.1	-11.1	123.21	3.722356
15	11.4	3.6	12.96	1.136842
5	3.5	1.5	2.25	0.642857
5	5.9	-0.9	0.81	0.137288
21	16.3	4.7	22.09	1.335215
5	8.1	-3.1	9.61	1.18642
2	2.5	-0.5	0.25	0.1
3	4.2	-1.2	1.44	0.342857
				26.33106