

CHAPTER - I

INTRODUCTION

1.1 Background of the Study

Nepal is a small, least developed and landlocked country situated between two large countries china and India. It has a lot of problems as well as prospectus too. Unemployment is said to be the biggest problem of the country. Nepal is an agricultural country. Most of the people of the nation are primarily engaged in agriculture sector and they are depended on agriculture to fulfill their basic needs.

A weak economy in one country may be offset by a strong economy in another. To overcome weak economy of Nepal, it is very essential to develop the infrastructure and facilities for establishment of manufacture and processing industries.

In the past, the Nepalese market was highly supply driven. Organization could sell almost everything they produced or imported. In a high demand situation, they did not realize the importance of marketing. Marketing for most of the organization meant distribution and selling. Nepal has experienced significant social and economic change in the last two decades. Nepalese business community feels that their major weakness lies in the area of marketing. They have realized the importance of marketing and increasingly demand personnel who are trained in this field.

According to American Marketing Association, "Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchange that satisfy individual and

organizational objectives" (P.D. Dictionary of Marketing Chicago, USA, 1995).

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

Production is the prime activity of each and 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 consumer 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. So, it is obvious that a producing organization or manufacturer must determine the needs and wants of their customer first and then bring 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."

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."

According to E. Jerome McCarthy, "Marketing is the performance of activities that seek to accomplish an organization's objectives by anticipating customer or client's needs and directing a flow of need-satisfying goods and services from producer to customer of client."

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."

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

Nowadays, most of the consumers buy products with the help of brand rather than by inspecting the products. It means, successful marketing of product means successful marketing of the brand of 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 name of mark intended to identify the product of one seller or group of sellers and differentiate the product from competing producers" (Kotler, Philip, 2002: 420).

Thus, 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 again and again. To put more precisely, every manufacturer wants and tries their best to make their consumers loyal to the brand of their product. But quite naturally, all the consumers do not deal or behave with the brands exactly in the way marketers want. In spite of availability of different brands, there are some consumers who keep on sticking up to a particular brand; where as, some are indifferent in selection of a brand. Similarly, there are also others who are constantly switching from one brand to other. Every brand has a certain image in the market. Every brand is known for its own feature, according to the experience of the same or due to another psychological element; prefer one brand to others. If they think a brand is good in terms of quality, price, social status than any other; they develop a positive attitude towards that brand and repeatedly intend to repurchase, the manufacturer has gained a great assets known as brand loyalty.

In simple term, brand loyalty means a consumer's strong faith or belief on a particular brand and, as a result, an intention to repurchase the same brand and buys the same brand again and again. The consumer there is said to be brand loyal.

A consumer's buying behaviour 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 marketing.

While purchasing a product, a consumer goes through a decision process. This process consists of up to five stages; problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. The length of this decision process will vary, ranging from shorter route response behavior to limited problem solving and a more comprehensive extensive problem solving. A consumer may not act in isolation in the purchase, but rather may be influenced by any of several people in various roles. The number of people involved in the buying decision increases with the level of involvement and complexity of the buying decision behavior.

Not all consumers will accept new product at the same rate. Marketers will need to aim the initial marketing mix at potential early adopters, especially those identified as opinion leaders in order to increase consumer awareness of the product and sales. They must also understand the adoption process to effectively market to new customers.

Brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumers' 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 reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future.

Cut-throat competition is the main characteristic of modern marketing. Competition has been very tough in the Nepalese consumer market together with increase in the number of units of industries producing different types of consumer goods. On the one hand, Nepal's own industries are producing different types of products; and on the other hand, products of different types are being imported from the other countries. Today, so many brands of even a

specific product category are being sold in the Nepalese market. Consequently, Nepalese consumers have lots of alternative choices while buying most of the products. They are no more compelled to buy any particular brand; rather, they are free to choose any brand they think the best from different brands available in the market. This, in turn, has increased the promotional activities in the country. Every producer or marketer in the country is trying their best to prove their product to be the best. This can be observed from the promotional efforts like T.V. commercials, radio ads, newspaper ads, posters, hording boards, personal selling and other promotional tools etc. calling up to buy their products. 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 for understanding brand loyalty behavior of the consumer.

In marketing environment Pricing is the major factor that influence customer decision making process for buying the product. Historically, price has been the major factor affecting buyer choice. This is still true in poorer nations, among poorer groups, and with commodity products. However, non price factors have become more important in buyer choice behavior in recent decades. Unless price, modern customers are aware with many other variables regarding the product they are buying. They prefer good quality of the product and ready to pay high price for the good quality of product. The product quality durability, reliability, precision, ease of operation and repair, and other valued attributes. We can find customer ready to pay high price for the quality of the product they purchase for fulfillment of their satisfaction.

Similarly Brand of the products also effect costumers whether to buy the product or not. Nowadays, the most distinctive skill of professional marketers is their ability to create, maintain, protect and enhance brands of its product and service since brand is a valuable assets of every manufacturers. "Brand is a name, term, sign, symbol, or design, or a combination of these intended to

identity the goods or services of one seller group of sellers and to differentiate them from those of competitors." It is easy to identify branded product from others. If customers are satisfied with certain branded product, they keep on buying it. They demand for same product in future also. They don't want to buy other products because they trust the branded product. This brand loyalty is the assets for the manufacturers.

Consumers in many markets face a growing variety of products groups under different umbrella brands, and can access vast amounts of information about these products. This may result in increasing product - level competition between firms. However, some observers argue that the increase in the availability of products and information can cause clutter and confusion and that brand play a useful role as shorthand that convey information about the underlying products. This effect works to reduce product-level competition and increase the relative importance of brands. The impact of brands is now manifesting in every single aspect of business life, from the smallest decision in the corner store to the biggest decision in the largest company. It touches all the business activities. It delivers, in a very concentrated form, a business vision, business plan, corporate culture, image and many more aspects of business life

Similarly, satisfaction is also an important factor for buying decision. It is said that best advertisement is done by satisfied customer. "Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcomes) in relation to his or her expectations." Marketing point of view, high satisfaction level is required to be created by the marketer in order to develop customer loyalty and retain the customer for a longer period of time. Therefore, many companies, nowadays, are energizing their efforts to deliver total customer satisfaction by longer warrantee period, money back guarantee scheme, replacement of defective items, home delivery services etc. Satisfied customers keep on purchasing the product although it's

high price. From this it can be said that customers give more priority to their satisfaction than in price.

Every organization has customers of some kind. The organization provides products of some kind of its customers through the mechanism of a marketplace. The product the organization provides are subject to competition is interested in the satisfaction of its customers is because customers purchase the organization's products. The organization is interested in retaining its existing customers and increasing the number of its customers. No business, unless perhaps it is a state controlled monopoly, can stay in business unless it has satisfied customers. Just as people cannot live without eating, companies cannot survive without having satisfied customers. The most effective and the cheapest, form of marketing is word-of-mouth recommendation which is done by satisfied customer. Customer satisfaction is one of the best methods of increasing profits. In this sense, every company should focus in satisfying customers' need and wants.

Only little research has been conducted so far in Nepal to find out how consumers behave with different brands of product available in the market. So this study in therefore conducted mainly to find out whether Nepalese consumers are brand loyal or not.

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 Re.1 has a package with distinctive symbols of manufactures. 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 of successful marketing.

In fact, if we observe today's consumer's behavior closely, we can find that most of products are bought by brand rather than inspection. This is the reason that every marketer and manufacturers 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 is 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. So, 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 the mind of the consumers; i.e., faith on same brand regarding its quality or impression created him due to the marketer's promotional activities or according to the experience of these same goods or other psychological and psychological element etc.

Now coming to 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 repeat purchase 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 string positive attitudes towards a brand making him buy it again and again repeatedly. When this action of buying same brand repeatedly happens, brand loyalty occurs among the consumers. So, 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. So, this study focuses mainly on the brand and loyalty of consumers in Kathmandu valley. For this purpose, five different types of low involvement products have been selected for the study are as follows:

- Soap
- Mineral water
- Toothpaste
- Shampoo
- Hair Oil

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

- **Mineral water:** Mineral water is packaged drinking water sold in plastic bottles. Few years ago, common people used to perceive this as the product used or consumed by rich people and tourists only; but now, this concept has changed. Common people are using mineral water more frequently. This is the reason for the increase in demand of this product in Nepal.
- **Toothpaste:** Toothpaste is the product used for cleaning teeth. This is also one of the basic necessities for everyday living.
- **Shampoo:** Shampoo is the soapy liquid, cream, etc. used for the purpose of washing hair.

- **Hair Oil:** Hair oil is the product applied on hair for making it healthier as well as stylish.

1.3 Statement of the Problem

Population in Nepal is increasing more and more. This has resulted in increase of demand of different products. Due to this reason, many industries are being established in Nepal. Few years back, there were very few industries and they were able to fulfill the demand of the consumers; but now, developments in transportation, communication, political awareness, etc. have made the world narrower. Now, people can order and buy any kinds of goods without leaving comfort of 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 Kathmandu Valley. Mainly, the study will examine the following questions:

- 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.
- The real number of consumers, their belief and attitudes towards the brand are not known exactly.
- There are many competitive brands available in market.

1.4 Objectives of the Study

Since our main purpose is to find out weather loyalty on branding exists in Nepalese market or not, this study includes following specific objectives.

1. To analyze brand consciousness of consumers of Kathmandu Valley.
2. To identify the relationship of brand loyalty with demographic variables like age, sex and income.
3. To find out the number of brand loyal consumers or percentage of brand loyal consumer.
4. To recommend important measures that would help to develop marketing strategies and for conducting further researches on loyalty on branding in future.

1.5 Significance of the Study

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

- The manufacturers and marketers of Kathmandu valley will be highly benefited by this study. They can use the findings of the study as the guidelines for making marketing strategies of their products so that they can achieve success.
- 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.
- This study can help in the segmentation of their market into loyal consumer market and non-loyal consumer market.
- This study can give manufactures and marketers protection from competition.
- This study can be helpful in planning marketing mix.
- Similarly, this study will be valuable reference to the scholars and researchers who are interested in conducting further researches about "brand loyalty."

1.6 Limitation of the Study

This study is simply a partial fulfillment of MBS degree and has to be finished within a short span of time. So, 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., soap, mineral water, toothpaste, shampoo, and hair oil. Conclusions derived may not be necessarily applicable to other products.
2. Sample size is very small in comparison to the population of the study. Only 200 respondents are selected for participation.
3. This study is totally based on the view and responses received from consumers of Kathmandu valley only. The findings of the study may not be applicable for other products and other parts of the country.

1.7 Organization of the Study

This thesis has been divided into five chapters. They are:

Chapter I: Introduction

Chapter II: Review of Literature

Chapter III: Research Methodology

Chapter IV: Data Presentation and Analysis

Chapter V: Summary, Conclusions and Recommendations

The introduction chapter covers background of the study, statement of problem, objectives of the study, importance of the study and organization of the study.

The second chapter focuses on review of literature. It contains the conceptual framework and review of past research study related with television advertisement.

The third chapter deals with the research methodology to be adopted for the study consisting research design, sources of data, data gathering procedure, population and sample, research variables and data processing procedure.

The fourth chapter deals with, presentation, analysis, interpretation and major findings of primary data collected from questionnaires.

The last chapter covers the summary, conclusions and recommendations.

CHAPTER - II

REVIEW OF LITERATURE

2.1 Theoretical Framework

Review of literature is related with overview of previous studied done in the topic or subject area. After reviewing the related literature, it becomes clear that what has been done in past and what must be done now

2.2 Concept Relating Brand & Branding

In marketing, a brand is the symbolic embodiment of all the information connected with a product or Service. 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 consumers. In other contexts the term "brand" may be used where the legal term trademark is more appropriate.

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 construction 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" that a 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 an "image" with a product or service, whereby the personality or image is

"branded" into 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 market place. 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.

2.3 Basic Concept

Today's companies are facing their toughest competition ever. Companies need to do a better job of meeting and satisfying customer needs. Marketing is the only one factor in attracting and keeping customers. Cosmetics or make-up are substances used to enhance the beauty of the human body. Their use is widespread, especially among women. In this area users must be highly satisfied with the product. Cosmetic products need to be well advertised and it should be branded. For this, companies need to focus on non price variables also rather than the price factor. Consumers have belief that the lower price is made possible by lower quality ingredients, lower cost labeling and packaging, and minimal advertising with less satisfaction to the users so that they become unloyal to the cosmetic product.

Today's companies are aiming for high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are highly satisfied are much less ready to switch. High satisfaction or delight creates an emotional bond with the brand, not just a rational preference. The result is high customer loyalty. Nowadays manufacturers have learnt market power lies with building their own brand in cosmetic products. Branding is such a strong force that hardly any product goes unbranded. Especially in cosmetic products users are ready to pay high price for good

quality. They have a thinking that cosmetic products with low price have less quality and these products cannot satisfy their needs. Cosmetic products are sensitive and there is such care in purchasing these products. They may create negative effect by using counterfeit cosmetic goods. So users are very serious in purchasing cosmetic goods and they are affected by the brand name, quality, satisfaction, advertisement of the products and many other variables.

A product is not used by consumers until and unless they get sufficient and effective information about the product and this is done by advertising. So it cannot be ignored that advertising plays a vital role in purchasing cosmetic products. If the advertisement of the product is effective, the quality of the product is also high, the brand is preferred by the users and the product can satisfy the consumers' need so that they repurchase the same product again and again only then, it is success to get the market of that product. So these variables are very important for the marketers to consider.

2.4 Trade mark

Just as people have signatures by which they may be identified, so businesses have trademarks that distinguish their products. Nearly everyone is familiar with the golden arches of McDonald's, the wave on a Coke can or bottle, and (in the United States) the peacock of the National Broadcasting Company. Each of these identifying symbols is a form of property that belongs to the company that uses it. Legally a trademark must identify a product or service as originating from one source.

According to a code adopted in 1963 by the International Association for the Protection of Industrial Property, a distinctive trademark may consist of words or groups of words, letters, numbers, devices, names, the shape of a product or its packaging, color combinations with signs, combinations of colors, and combinations of any number of signs and words. A brand name is one of the most common trademarks. Sometimes a company name is used as part of a

trademark—such as Campbell's Chicken Noodle Soup, Heinz Tomato Ketchup, or IBM Personal Computers. Sometimes the names are contrived—for example, Total Breakfast Cereal and Kentucky Fried Chicken.

Trademarks originate from the rule that no one has the right to have products for sale under the pretense that they are the goods of another person by either direct or indirect misrepresentation. This kind of unfair competition has become widespread. Some goods that have either large or exclusive markets have been counterfeited and sold with trademarks similar to the originals.

The law recognizes trademarks as property and grants to the trader an exclusive right to use an individual mark. Thus the trademark has the characteristic of a special monopoly right in that it prevents its use for another person's or company's goods in the same way it protects other forms of private property.

The right to a trademark has traditionally arisen out of actual use of the mark. Most countries, however, demand in addition to its use that it be registered with the proper government agency.

The easiest way to lose the right to a trademark is by abandoning the use of the trademark or by failing to renew registration. In countries where an unregistered trademark has been acquired by use, the right continues so long as use has not been abandoned. Loss of a trademark right also can occur when it is transformed or when it degenerates into a household term. This has happened with such well-known former trademark names as aspirin, cellophane, dry ice, shredded wheat, thermos, and others.

2.5 Brand Equity

Brand equity measures the total value of the brand to the 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 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 kinds 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 products and services (eg. political parties or religious organizations) may also be known as "branding".

Consumers may look on branding as an important value added aspect of products or services, as it often serves to denote a certain attractive quality or characteristic. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the 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 of owner.

2.6 Guiding Principle of Branding

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

1. Branding give 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, process, 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 systems 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 drivers, and 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.

2.7 Brand 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. Basically, consumers initially will make a trial purchase of the brand and after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.

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 a good word of mouth and avocation of a product or service even with the availability of other alternatives.

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 means , whether or not a consumer is loyal to specific brand or set of brands in a certain time period.

Studies of loyalty on branding began when researches on consumer behavior became popular around the late 1950s and early 1960s. (J.E. Consumer Behaviour intl. Edn.: 565).

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 Kanuk, "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"(Leion, Schiffman G and Kanuk, 1990:258).

Different scholars, experts, behavioral scientists and researchers have defined brand loyalty in different ways and have utilized different approaches and criteria to measure brand loyalty. Some defined it in terms of consumer behavior, while others defined it in terms of consumers as well as their attitude.

Marketing has been developing along with development in human civilization. If we trace three-four centuries back to the history of human civilization, we find marketing of that time, by modern standards, was relatively uncultured. They did not need any mechanism or tools or techniques of marketing as used today. But now all situations have changed the needs and wants. Human aspiration for excellence and better status have given birth to thousand of discoveries, inventions and innovations and established thousands of units of different types of industries to fulfill that aspiration. These changes, in turn, not only made successful marketing but also made the marketing a most competitive field (Kotler, Philip, 2002:28).

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 (Blackwell, R. and Engel, J.F., 1982:566).

"Brand loyalty is the proportion of total purchase within given product category devoted to the most frequently purchased brand" (Blackwell, R. and Engel, J.F., 1982:567).

The definition of loyalty on branding that is based on the brand choice sequence approach or preferences over time approach or proportion of purchase approach are the operational definitions. They do not make any differentiation between a spurious loyal buyer and a true loyal buyer. Similarly, according to these definitions, it is difficult to compare the findings. For example, even in the same study, result may vary according to the approaches used. They define brand loyalty in terms of consumer behavior 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 (Blackwell, R. and Engel, J.F., 1982:569).

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) (1) behavioral response i.e. purchase(3) expressed over time (4) by some decision making unit (5) with respect to one or more alternative brands out of a set of such brands, and is (6) a function of psychological (i.e. decision making evaluative) process" (Blackwell, R. and Engel, J.F., 1982: 571).

The theme of Jacoby's definition of loyalty and 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 purchased repeatedly whereas the evaluation of consumer preference answers why he/she

repeats purchase of that brand or brands. He may buy some brands due to many factors such as psychological commitment, ignorance of other alternative brand or brands, unavailability of other alternative brands or many other factors. Anyway, it is necessary to know which factor is contributing to loyalty.

Another important aspect of Jacoby's definition is that it recognizes the existence of multi-brand. When we speak of loyalty on branding, we concentrate our mind on a specific brand. But 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, it both an input variable and an output variable. As input variable, it is the cause of the consumer decision and as an output 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 place 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 (Leion G. & Leslie L. K., 1990: 260).

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 of time, the brand's value may get diluted in consumers' psyche and will eventually lose a strong base of consumers.

2.8 Factors for Building & Maintaining Brand Loyalty

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

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

2.8.1 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 of fit of product with needs. In this case, loyalty is driven by functional or symbolic benefits. Functional benefits would be intangibles such as brand personality and "hedonistic" value of purchase.

2.8.2 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 be taken as an indicator of brand quality, and the customer might go in for higher priced options. Price-led loyalty has to be carefully considered with other marketing mix elements and the consumers should never perceive dilution, especially in low-priced bands. Hence, lower prices should create a sense of value through the product offerings as well as through communication.

2.8.3 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 name, symbol, images and associations. Branding activity, in this context, refers to creating strong associations that will influence the consumers not only with regard to functional attributes but also with symbolism. Ruf and Tuf's campaign using a personality-oriented concept to create a belief in products made in one's own country is another new approach to branding activity (especially in a category with Western origins). Creating an association through sponsorship too is a branding activity. Branding activities in a broad sense could range from advertising to sales promotion and public relations involving several aspects. (www.hindubusinessline.com)

2.8.4 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 risks associated with the product is likely to get a loyal base of consumers. Amazon.com, one of the global pioneers in the business of online marketing which 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 which compete with mega brands in the area of personal care (for example) can approach loyalty with this dimension. How does a good but lower-priced fairness cream ensure that consumers do not perceive health or usage risks?

2.8.5 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.

2.8.6 Sales Promotions

The more the number of price-discount led sales promotions, the lesser the likelihood of brand loyalty in the category/segment which 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 is 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 aura. 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.

2.9 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 not usual to switch brands simply because of variety seeking (Mc. Aliester & Pessimier, 1999:31).

Some consumers switch brands because they are dissatisfied or bored with the same product; where as, others switch brand because they are concerned with price rather than brand names

Consumers having been loyal to a brand for a long time may switch to other hand because of being dissatisfied or being bored with the brand he has been using for the long time. Similarly, if the consumers are more price sensitive, then even a slight discount on the products of competitive brand may make him move towards whose brands who offer cheaper products. But the research on the brand switching reveals that brand switching is not very risky as it is tough. In other words, brand switching is not very much threatening to the manufacturers. A recent study on consumer purchase habits reported that brands with larger market shares have proportionately larger group of loyal buyers (Leion, S. & Kunuk 1999:260).

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. But the researches show that such brand switching cannot be converted into brand loyalty. The consumers do not keep in sticking up to the brand that they are switched to (Leion, S.& Kunuk, 1999:26).

2.10 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 form the no-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 for making strategies. And, this can be better done by improving the weakness of the past attempts and by developing the most scientific and accepted research tradition.

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

1. Socioeconomic, 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 relations 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 brands loyalty. But their findings are contradictory concerning to other factors such as amount purchased, inter-purchase time, number of alternative brands etc. It seems that 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 form 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 (Engel and Blackwell, 1982: 577-578).

2.11 Brand Loyalty Model

A wide Variety of models have been employed in an attempt to understand and predict brand loyalty behavior of the customer. 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 on the basis of 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 that there are many facto4rs such as consumer variable and exogenous variable that determine the out of behavior. Even though these factors are 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 repeat purchasing for new products.

2.11.1 Bernoulli Model

This is earliest model of brand loyalty. In this model, the consumer is assumed to have a constant probability (p) of purchasing the brand under study. The probability (p) is determined from aggregate brand choice data and is assumed to be independent of all external influence, Prior purchases or consumer characteristics. In this model, the probability of purchasing brand A at a particular occasion (T) is represented by $P(AT)$.

This model suggests that there is no feed back from post purchase events. The response functions is free to change over time if, 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 (Engel and Blackwell, 1982: 581).

2.11.2 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 customer 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 next purchase. That is, if a consumer had purchased brand 'A' in last the purchase, it is almost certain that it will be bought in the next purchase. But, if a consumer had purchase brand 'A' 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% chance 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% and of 'C' is 30%. 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 is 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.

However, there are some factors in the first-order Markov model that the other experts point out as the weaknesses of the 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 to a great extent, 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 (Boyd, Harper W. & Massy, William F., 1990: 59-63).

2.11.3 Linear Learning Model

The primary concept of this linear model is similar to that of Markov model. That 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 for 'A' and 0.35 after the purchase of 'B'. Thus, linear learning model shows that there is a linear relationship between pre-purchase probabilities.

For the first time, Alfred Kuchn applied this model to brand choice data and found that it provided good predictions. Many researchers have tested this model even after Alfred Kuchn and have found the performance of the model rather well in the most of the tests. There are many models so far developed as the modifications to the basic linear learning model. Some of them considered

as important are those which incorporate the effects of external market forces into learning model by making their parameters functions of these forces (Boyd, Harper W. & Massy, William F., 1990: 63-65).

2.11.4 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 before, that is completely forgotten he had used that before. According to this model, there is a trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of the consumer's experiences relating to 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 is the trial period purchase that affects the probability. After the initial purchase, there may be a number of trial-period purchases. The number of such 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 (Engel, J.F. and Blackwell, R., 1982: 583-584).

2.11.5 Probability Diffusion Model

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

the probability diffusion model is to some extent related to that of the Markov Model.

Above we reviewed some; widely used brand loyalty models based on the stochastic structure. Based on the principle of stochastic model, these models therefore cannot be free from the problems immanent into the stochastic model. All the stochastic models of brand loyalty stated 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 (Boyd, Harper W. and Massy, William F., 1990: 67-70)

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.

2.12 Overview of Previous Research

George Brown (1951), was the first to study and published on brand loyalty. 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 in involvement goods such as coffee, orange juice, soap and margarine. Households making five or more purchase was placed in one of the four brand loyalty categories depending on the sequence 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 11 to 73 percent from product to product.

Annam Vasudeva , 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 from 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 price brand. But generally the higher income group exhibited a level of brand loyalty different from that of the other classes.

Panta, Yoges (1993) in his study on brand loyalty had concluded the 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 frequently. In his study he had found that the consumers belonging to the age group of 16 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 least influenced by the special deals like free samples, discounts, coupons and price activity and advertisement.

Ghimire, Shree Bista (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 basically 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 consumers 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. As a matter of fact, loyalty on branding itself is an outcome of both sticking up to particular brand and an intention to wait for that in case of unavailability along with positive attitude toward the brand?

Ghimire has treated brand loyalty as a general attributes or ubiquitous across products rather than product specific. But 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 anything rather than branding policy not with loyalty on branding.

2.13 Basic Features of this Study

This study has been carried out in Kathmandu valley. As a matter of fact, no study has been carried out so far specially or mainly to find out brand loyalty on low involvement consumer product. This study entitled "Brand loyalty on low involvement consumer product" is therefore important in Nepal

The basic features of this study can be concluded in following points.

1. This is basically a quantitative research.
2. All study is based on primary data
3. The research basically deals with loyalty on five categories of low involvement consumer products viz. soap, Shampoo, Mineral water, Toothpaste and Hair oil.
4. Brand loyalty on different low involvement consumer products are analyzed in terms of sex, age and income. Ages of the respondents are categorized in four groups viz. 15-20, 20-25, 25-30 and 30 and above. Similarly monthly household income is categorized in five group viz. bellow 5000, 5000-10000, 10000-15000, 15000-20000 and 20000 and above.
5. Frequency and percentage are presented in both table and chart.
6. Findings of the study is validated by testing hypothesis on non parametric test (chi-square)
7. Causes of Brand-switching on the products are calculated and tabulated and analyzed which may be very useful for marketers.

2.14 Overview of Previous Studies

Many researchers have been done in the sector of impacts of branding quality, advertisement effectiveness, pricing decisions, customer satisfaction etc. to the customer. In Nepalese context-

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 and consumer non-durable goods.

Kayastha, Umesh (2005) has also mentioned in his study on Brand loyalty on Low Involvement Products that consumers of Kathmandu valley give high importance to brand. Most of the consumers of Kathmandu Valley were found

undividedly loyal in specific brand. His study also shows that greater percentage of consumer switch the brand due to advertisement and most of respondent are influenced by incentives for their brand choice also.

Maharjan, Sajana (2008) has also mentioned in her study on Advertising Effectiveness that noodles advertising were effective. To label as an effective advertisement both communication and sales effect must be effective. She also recommends to Noodles Company that sales as well as communication effectiveness should be focused.

CHAPTER - III

RESEARCH METHODOLOGY

3.1 Introduction

Industrial activities are gradually increasing in Nepal. Number of units of industries producing different types of consumer durable products and consumer non-durable products are increasing year by year. Similarly, the quantity of such products being imported from abroad is also on increasing. Almost all of these products are marketed with different brands. Most of the manufactures of marketers/sellers are spending a good deal of money for the promotion of their brands. In other words, promotional activities are also increasing in the country. All these show that marketing in Nepal is developing fast and entering into an era of cut-throat competition. This process of growth is much accelerated by the present governments growing emphasis on privatization and free market economy.

In the context of Nepalese consumer market, this study is carried out mainly to find out loyalty on branding of the Nepalese consumers. Beside this basic objective this study has also aimed to identify the factors associated with brand loyalty and examining the brand awareness of the Nepalese consumers. Studying brand loyalty is very much necessary to keep pace with the increasing competition in the market. In the competitive modern business world, research on consumer behavior is considered the most essential activity to be conducted on to become a successful marketer.

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. The research methodology employed in the present study is based on primary data as descended below.

Research methodology is the main body of the study; it is 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.

3.2. Research Design

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

This study is and exploratory study. This study mainly aims to find out loyalty on branding of the Nepalese consumers. Therefore the survey research design is adopted for the study. The Nepalese ultimate consumers are extensively surveyed so as to procure data and information about the consumer's personality, purchasing pattern of different brands of the products selected for the study, and their attitude, responses and reaction relating to the brands. The data and information collected form the survey of the consumer are rearranged, tabulated, analyzed and interpreted according to the need to 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 Kathmandu Valley.

3.4 Population and Sampling

All consumers of related products in Kathmandu valley are population of the study. It is almost impossible to include the whole population in the study. So,

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

3.5 Method of Data Collection

Structured questionnaire is 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 are tabulated according to the nature of data. Chi-square test of independence is 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

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 and 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 the entire questionnaire distributed. With the help of SPSS program software all response of consumer are precede, categorized in their respective disciplines. This chapter analyzes consumer response to brand loyalty in terms of their demographic profile.

4.1 Sex and Brand loyalty

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

4.1.1 Sex and Brand Loyalty: Soap

The number of respondent of this product is 200. According to their response Dettol, Liril, Lux, Humam, Lifeboy, Niva, Cammay, Mayalu, Pears, Tulasi, Glory, Delux 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 4.1
Sex and Brand Loyalty on Soap

Brand Loyalty	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
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 2011

Figure 4.1
Brand Loyalty on Soap

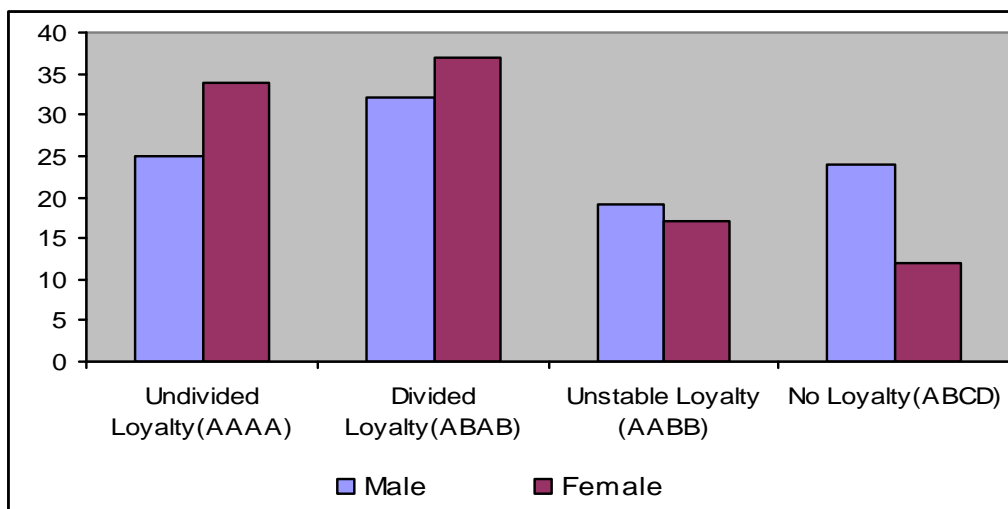


Table and chart presented above reveals that most of the respondents (34.5%) are divided brand loyalty followed by undivided brand loyalty (29.5%). The number of people who are unstable brand loyal (18%) and non loyal (18%) is found to be equal. In terms of sex, females are found to be more loyal in 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 be divided brand loyal. Additionally 19 percent male respondent and 17 percent female respondents are found to be unstable in terms of brand loyalty. And remaining 24 percent male and 12 percent female respondent are found to be non loyal in any specific brand of soap.

4.1.1 Sex and Brand Loyalty on Soap Chi-square Test

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

Table 4.2

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

Source : Annex 1

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

4.1.2 Sex and Brand Loyalty: Shampoo

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

Table 4.3
Sex and Brand Loyalty on Shampoo

Brand Loyalty	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
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 2011

Figure 4.2
Brand Loyalty on Shampoo

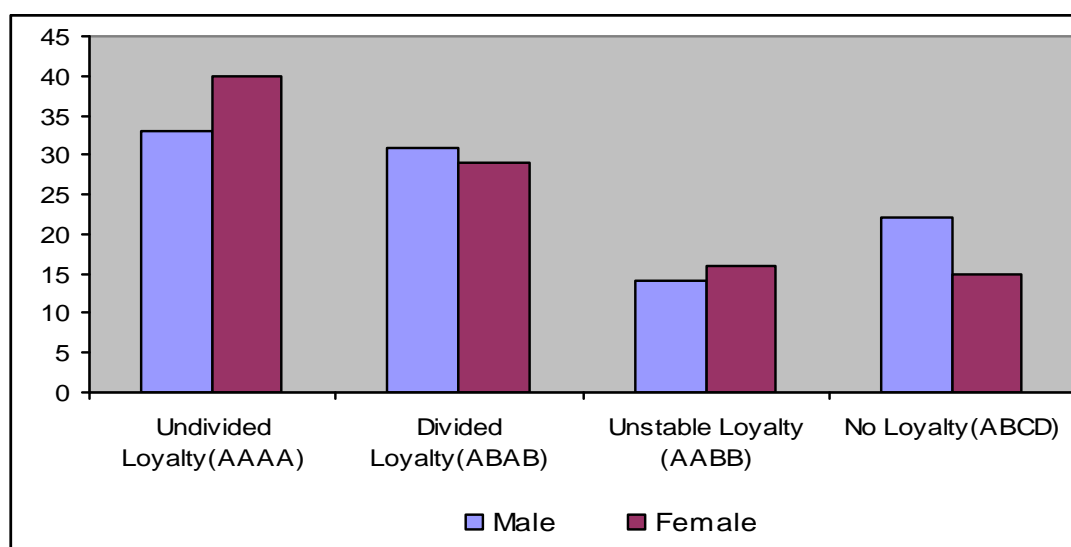


Table and chart presented above shows the sex and brand loyalty on shampoo. Among the 200 respondents 36.5 percent respondents are found strongly loyal on specific brand of shampoo. They have brought same brands AAAA in their last four purchases, they are said to be true loyal buyers. Divided brand loyalty 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 shampoo whereas 31 percent male and 29 percent female are found to be divided brand loyal. 14 percent male respondent and 16 percent female respondents are found to be unstable in their purchasing decision. And remaining 22 percent male and 15 percent female respondent are found to be non loyal in any specific brand of shampoo.

4.1.2 Sex and Brand Loyalty on Shampoo Chi-square Test

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

Table 4.4

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	4.196

Source : Annex 1

Since chi square (x^2) test statistic (4.196) is less than chi square (x^2) tabulated value (7.815) value: hence this shows that males and females are found to be equally brand loyal in the case of Shampoo. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.1.3 Sex and Brand Loyalty: Mineral Water

The number of respondent of this product is 200. According to their response H2O, thirst-pi, Yes, Bisleri, Aqua,-100, la etc. are the different brands of minerals waters available in Nepalese market. The frequency and percentage

distribution of the response of consumer according to their purchase pattern and preference relating to different brands of Mineral water are displayed in the following table.

Table 4.5
Sex and Brand Loyalty: Mineral Water

Brand Loyalty	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
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 2011

Figure 4.3
Brand Loyalty: Mineral Water

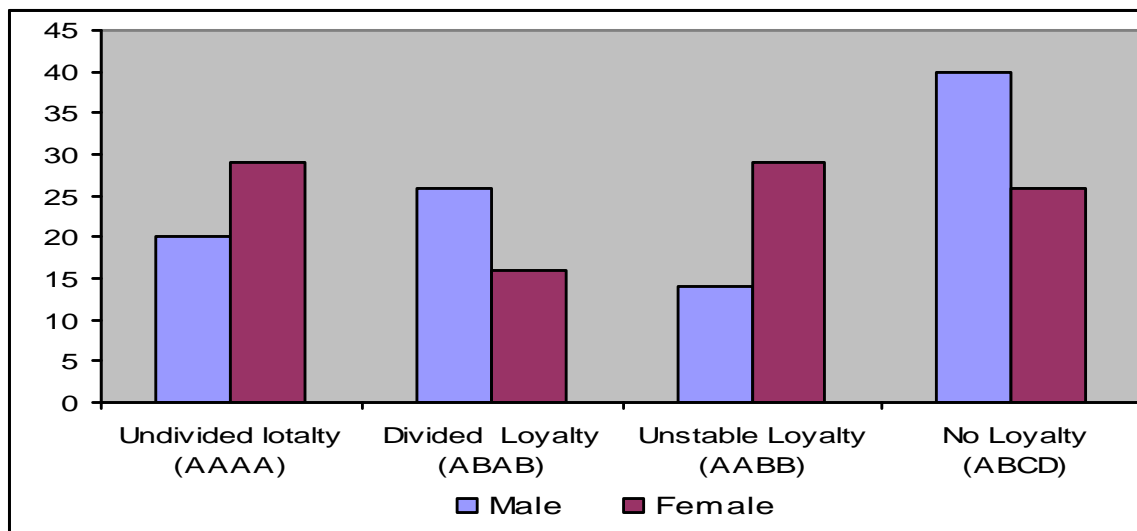


Table displays that the majority of the respondents (33%) fall in to the purchase pattern of group ABCD i.e. they are not loyal on specific brand of mineral water as their purchasing pattern do not match with their preference. 24.5 percent respondents are found undivided brand loyal and 21 percent are 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 mineral water.

4.1.3 Brand Loyalty on Mineral water Chi square Test

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

Table 4.6

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	14.236

Source : Annex 1

Since chi square (x^2) test statistic (14.236) is more than chi square (x^2) tabulated value (7.815) value; hence this shows that males and females are found to be not equally brand loyal in case of Mineral water. There is significant difference between male and females. Therefore, the null hypothesis has been rejected.

4.1.4 Sex and Brand Loyalty: Toothpaste

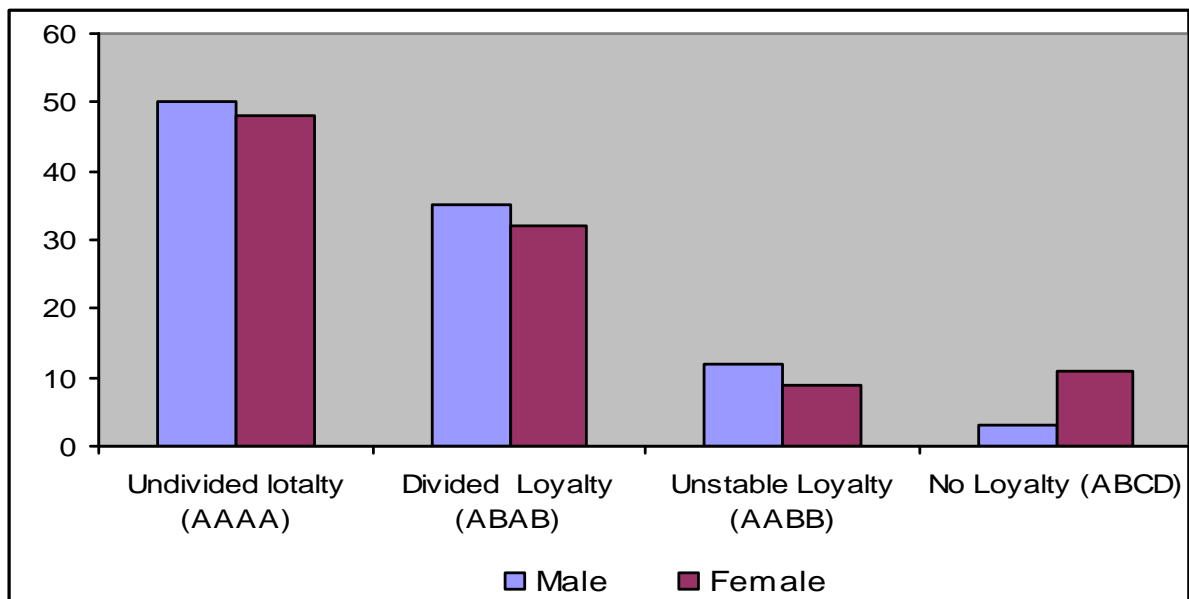
The response of consumer according to their purchase pattern and preference relating to different brands of toothpaste are presented in the following table.

Table 4.7
Sex and Brand Loyalty on Toothpaste

Brand Loyalty	Male		Female		Total	
	Frequency	%	Frequenc y	%	Frequenc y	%
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 2011

Figure 4.4
Brand Loyalty on Toothpaste



Given Table and chart reveals that majority (49%) respondents are strongly brand loyal in case of shampoo 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 their 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 be divided brand loyal. Additionally 12 percent male respondent and 9 percent female respondents are found to be unstable in terms of brand loyalty. And remaining 3 percent male and 11 percent female respondent are found to be non loyal in any specific brand of toothpaste.

4.1.4 Brand Loyalty on Toothpaste Chi Square Test

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

Table 4.8

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	5.175

Source : Annex 1

Since chi square (x^2) test statistic (5.175) is less than chi square (x^2) tabulated value (7.815) value; hence this shows that males and females are found to be equally brand loyal in case of Toothpaste. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.1.5 Sex and Brand Loyalty: Hair Oil

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

Table 4.9
Sex and Brand Loyalty: Hair Oil

Brand Loyalty	Male		Female		Total	
	Frequency	%	Frequency	%	Frequency	%
Undivided loyalty (AAAA)	49	49	56	56	105	54.5
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 2011

Figure 4.5
Brand Loyalty: Hair Oil

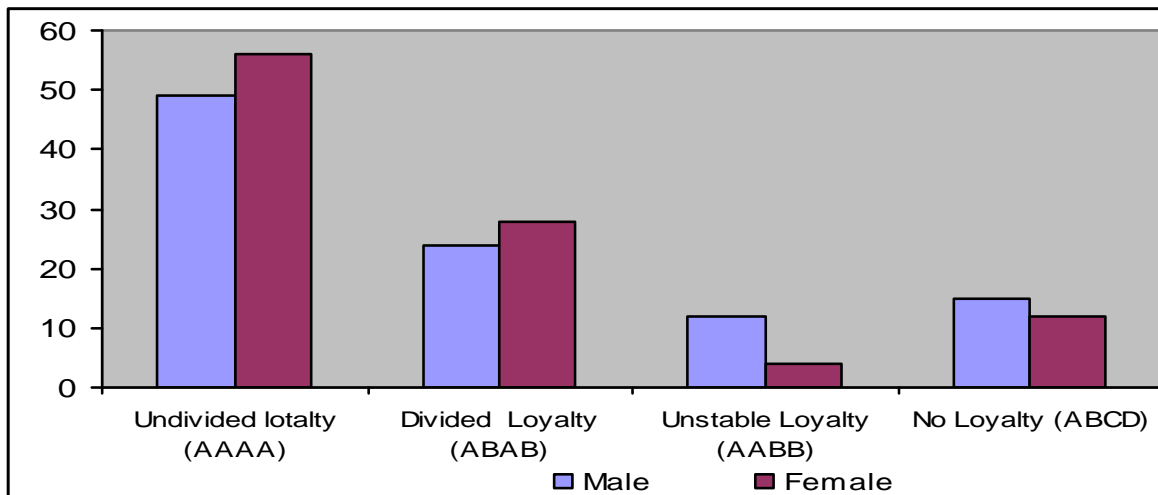


Table 4.10
Chi square calculation of Sex and Brand Loyalty

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

Source : Annex 1

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 case of Hair Oil. There is no significant difference between male and females. Therefore, the null hypothesis has been accepted.

4.2 Age and Brand Loyalty

Peoples' age may be one of the 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 group viz. 15-20, 20-25, 25-30 and 30 and above. In the survey respondents of the 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.

4.2.1 Age and Brand Loyalty: Soap

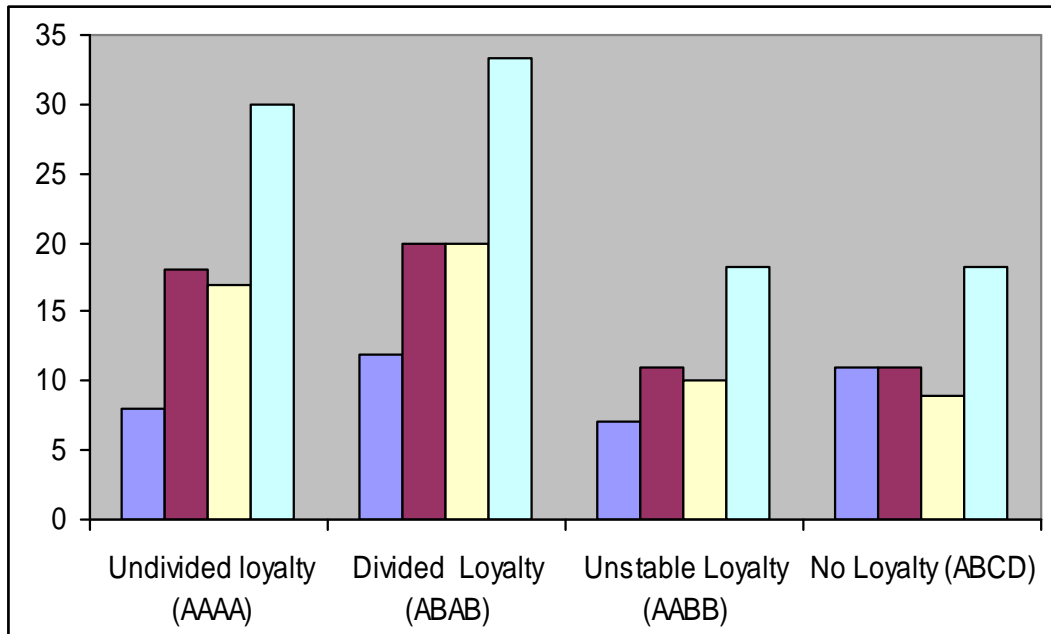
Following table presents the frequency and percentage distribution of respondents by age and different degree of brand loyalty on soap.

Table 4.11
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 2011

Figure 4.6
Age and Brand loyalty: 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 be 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 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 respondent of 20-25 age group, 16.1 percent respondents of 25-30 years age group and 10.9 percent respondents of 30 and above age group are non loyal in any specific brand.

4.2.1 (a) Age and Brand Loyalty on Soap Chi - Square Test

Ho: Age of the individual doesn't have significant influence on the brand loyalty.

Table 4.12

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

Source : Annex 1

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

4.2.2 Age and Brand Loyalty: Shampoo

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

Table 4.13

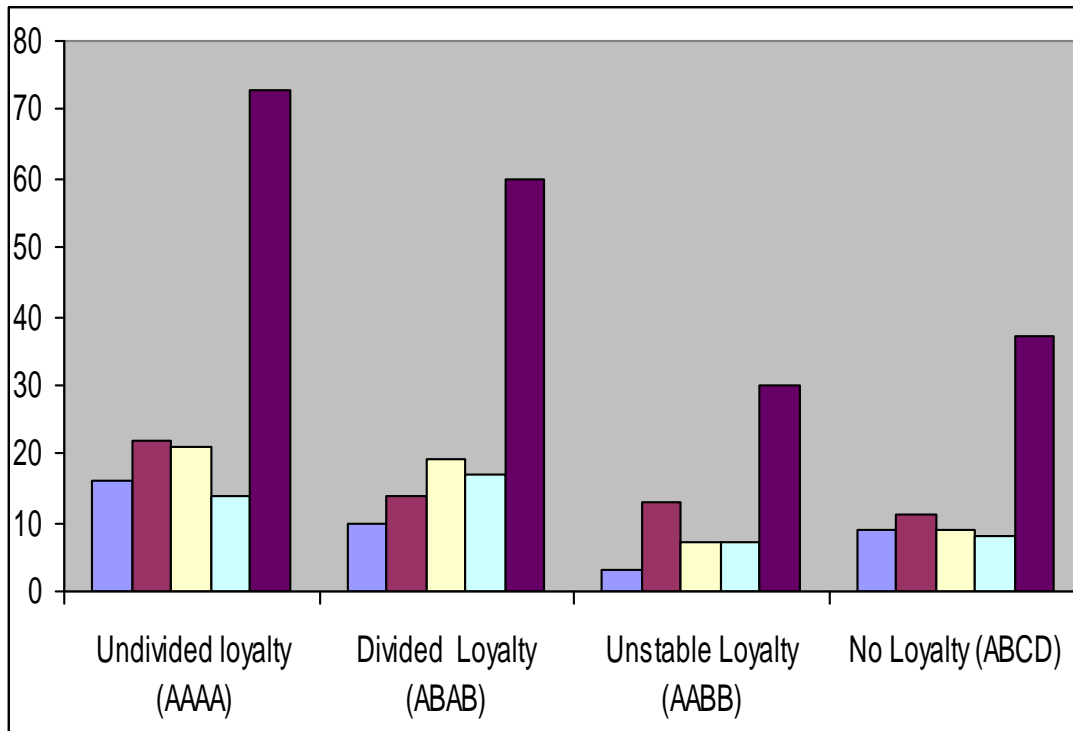
Age and Brand Loyalty on Shampoo

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30			
	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided loyalty (AAAA)	16	44.1	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	14.5	7	15.2	30	15
No Loyalty (ABCD)	9	23.7	11	18.3	9	19.1	8	17.4	37	18.5
Total	38	100	60	100	56	100	46	100	200	100

Source: Field Survey 2011

Figure 4.7

Age and Brand loyalty: Shampoo



The above table and chart reveals that 44.1 percent respondents of 15-20 age group, 36.7 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 shampoo. 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 be divided brand loyal. Similarly, 7.9 percent respondents of 15-20 age group, 21.7 percent respondents of 20-25 age group, 14.5 percent respondents of 25-30 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 respondent of 20-25 age group, 16.1 percent respondents of 25-30 years age group and 17.9 percent respondents of 30 and above age group are non loyal in any specific brand.

4.2.2 (a) Age and Brand Loyalty on Shampoo Chi - square Test

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

Table 4.14
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	14.62475

Source : Annex 1

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.

4.2.3 Age and Brand Loyalty: Mineral water

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

Table 4.15

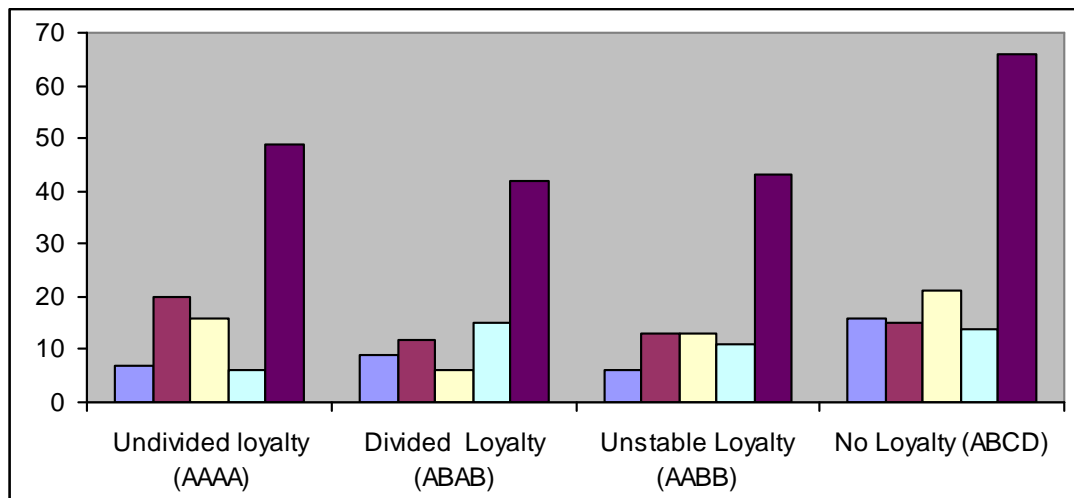
Age and Brand Loyalty on Mineral Water

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30			
	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided loyalty (AAAA)	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	34.6	42	21
Unstable Loyalty (AABB)	6	15.8	13	21.7	13	23.2	11	23.9	43	21.5
No Loyalty (ABCD)	16	44.1	15	25	21	37.5	14	30.4	66	33
Total	38	100	60	100	56	100	46	100	200	100

Source : Field Survey 2011

Figure 4.8

Age and Brand loyalty: Mineral water



The table and chart presented above reveals that majority of respondents in 15-20 and 25-30 years age group (44.1% and 37.5% respectively) are not loyal in any specific brand of mineral water whereas in age group 20-25 strongly loyal consumers hold the majority (33.3%). Similarly most of the respondents (34.6%) of 30 and above age group seem to be dividedly loyal on the specific

brand of mineral water. Among total 200 respondents, majority belongs to the non loyal group.

4.2.3 Age and Brand Loyalty on Mineral water Chi - Square Test

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

Table 4.16

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	14.62475

Source : Annex 1

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

4.2.4 Age and Brand Loyalty: Toothpaste

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

Table 4.17

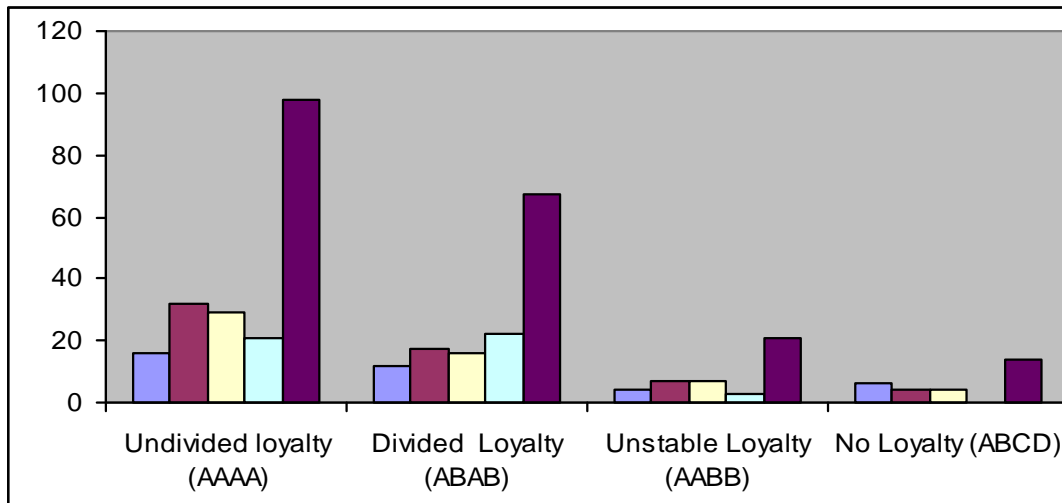
Age and Brand Loyalty on Toothpaste

Brand Loyalty	Age Group								Total	
	15-20		20-25		25-30		Above 30			
	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided loyalty (AAAA)	16	44.1	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	14.5	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 2011

Figure 4.9

Age and Brand loyalty: Toothpaste



The above table and chart reveals that 44.1 percent respondents of 15-20 age group, 53.3 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 Toothpaste. 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 be divided brand loyal. Similarly, 10.5 percent respondents of 15-20 age group, 11.7 percent respondents of 20-25 age group, 14.5 percent respondents of 25-30 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 respondent of 20-25 age group, 7.1 percent respondents of 25-30 years age group and 0 percent respondents of 30 and above age group are non loyal in any specific brand.

4.2.4 Age and Brand Loyalty on Toothpaste Chi - square Test

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

Table 4.18**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 Square test statistic	12.75237

Source : Annex 1

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

4.2.5 Age and Brand Loyalty: Hair Oil

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

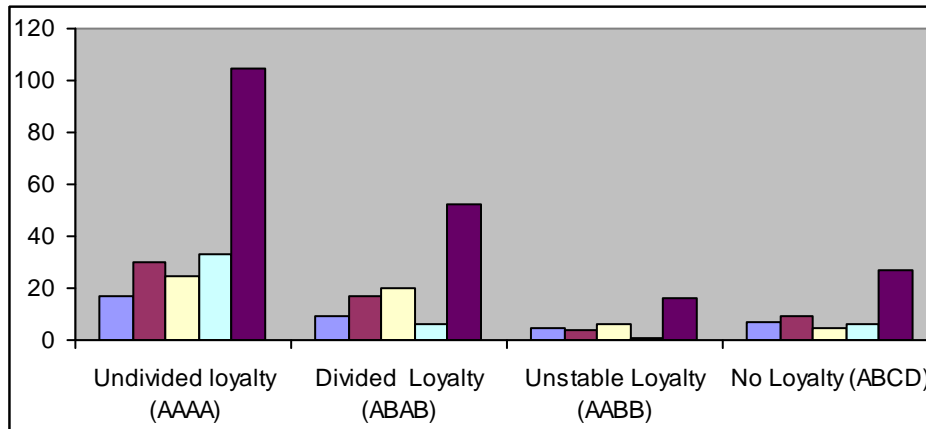
Table 4.19**Age and Brand Loyalty on Hair Oil**

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	54.5
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	4.2	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 2011

Figure 4.10

Age and Brand loyalty: Hair Oil



The above table and chart reveals that 44.7 percent respondents of 15-20 age group, 50 percent respondents of 20-25 age group, 44.6 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 Toothpaste. 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 be 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 age group and 4.2 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, 6.7 percent respondent of 20-25 age group, 8.9 percent respondents of 25-30 years age 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 (54.5%) seems to be strongly loyal followed by divided loyal (26%), non loyal (13.5%) and unstable loyal (8%) respectively.

4.2.5 Age and Brand Loyalty on Hair oil Chi - square Test

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

Table 4.20

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 Square test statistic	15.22536

Source : Annex 1

Since chi square (x^2) test statistic (15.22536) is less than chi square (x^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 Income and Brand Loyalty

Income is considered to be 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.

4.3.1 Income and Brand Loyalty: Soap

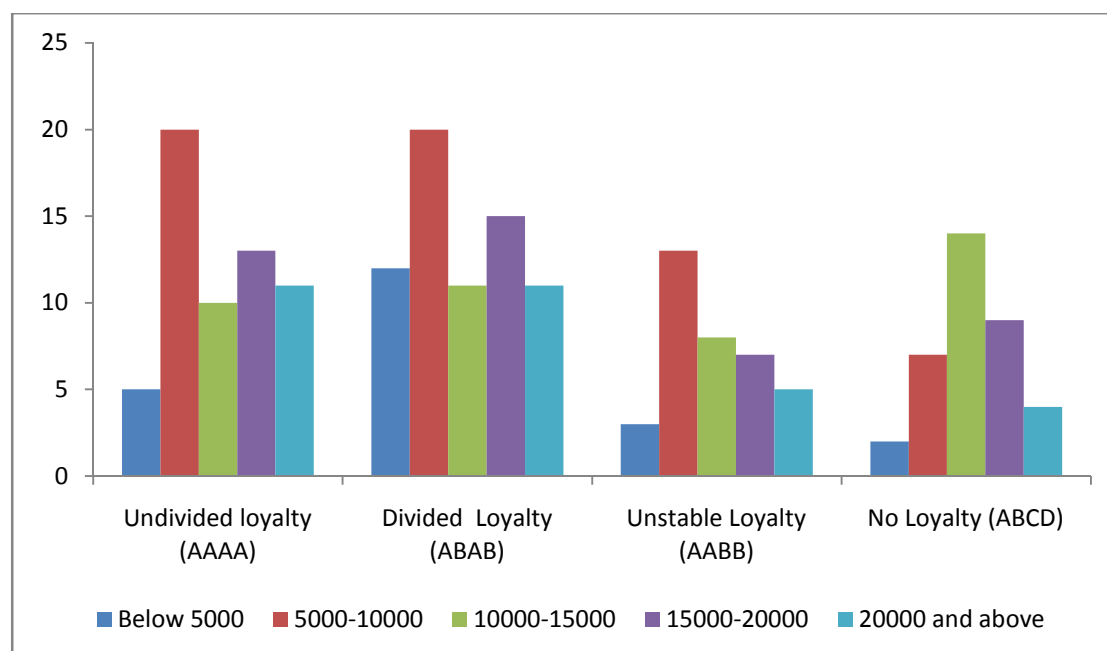
Under this topic brand loyalty of respondents on specific brand of toilet soap are analyzed with the help of frequency table and bar chart according to their monthly household income.

Table 4.21
Income and Brand Loyalty on Soap

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		10000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided loyalty (AAAA)	5	24.7	20	33.3	10	23.3	13	29.4	11	35.5	59	29.5
Divided Loyalty (ABAB)	12	54.5	20	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	34.6	9	20.5	4	14.9	36	18
Total	22	100	60	100	43	100	44	100	31	100	200	100

Source: Field Survey 2011

Figure 4.11
Income and Brand Loyalty on Soap



In the above table and chart we can see that among 22 respondents having below 5000 monthly income, 24.7 percent are strongly loyal, 54.5 percent are

divided loyal, 13.5 percent are unstable loyal and 9.7 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 percentage of undivided, divided, unstable and non loyal respondents are 23.3, 25.6, 18.6, and 34.6 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 14.9 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 14.9 percent are non loyal and purchasing any specific brand of soap.

4.3.1 (a) Income And Brand Loyalty on Soap Chi-Square Test

There is no effect on income on the brand loyalty.

Table 4.22

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	21.02606
Chi Square test statistic	14.15205

Source : Annex 1

Since chi square (x^2) test statistic (14.15205) is less than chi square (x^2) tabulated value (21.02606) value; hence this shows that there is no relation between age and brand loyalty. Therefore null hypothesis is accepted.

4.3.2 Income and Brand loyalty: Shampoo

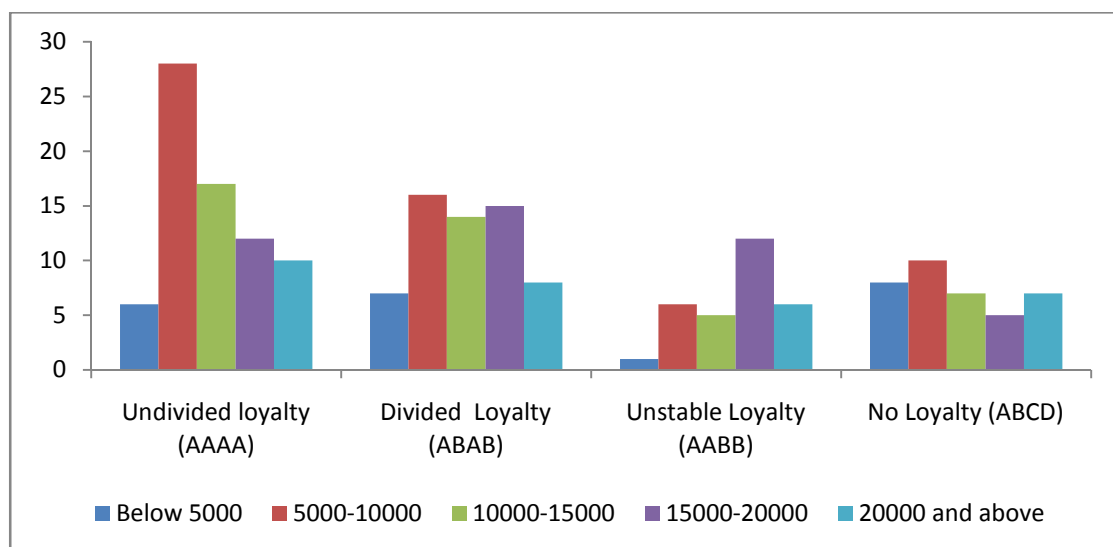
Under this topic brand loyalty of respondents on specific brand of shampoo are analyzed with the help of frequency table and bar chart according to their monthly household income.

Table 4.23
Income and Brand loyalty on Shampoo

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		10000-15000		15000-20000		20000 and above			
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Undivided loyalty (AAAA)	6	27.3	28	46.7	17	39.5	12	27.3	10	34.3	73	36.5
Divided Loyalty (ABAB)	7	31.8	16	26.7	14	34.6	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	24.6	37	18.5
Total	22	100	60	100	43	100	44	100	31	100	200	100

Source : Field Survey 2011

Figure 4.12
Income and Brand loyalty on Shampoo



The table presented above reveals that majority of respondents (36.4%) in below 5000 income group are non loyal in any specific product of shampoo. But opposite to this group, in the income groups 5000-10000, 10000-15000 and 20000 and above, strongly loyal respondents held the majority. In the income group 15000-20000, most of the respondents belong to dividedly loyal group.

4.3.2 (a) Income and Brand Loyalty on Shampoo Chi Square Test

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

Table 4.24

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	21.02606
Chi Square test statistic	17.48795

Source : Annex 1

Since chi square (χ^2) test statistic (17.48795) is less than chi square (χ^2) tabulated value (21.0260) value; the null hypothesis is accepted. Hence there is no significant difference in any income group on brand loyalty.

4.3.3 Income and Brand Loyalty: Mineral water

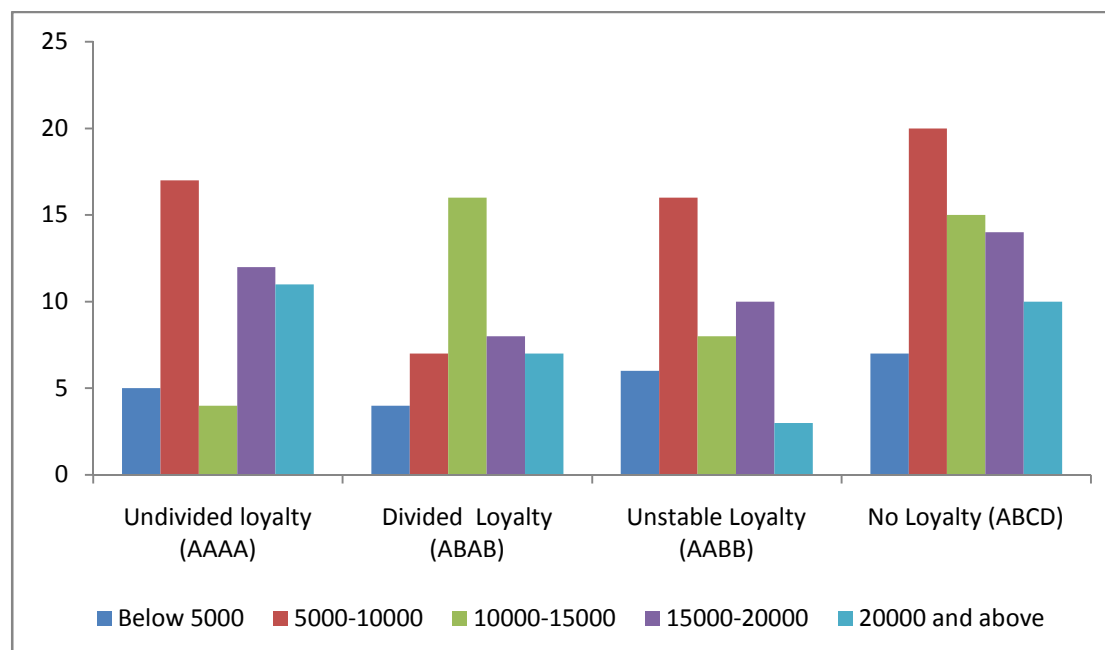
In case of product mineral water, majority of respondents in all income group except in the group 20000 and above are non loyal in any brand. In the income group (20000 and above) strongly loyal respondents constructs the majority (35.5%).

Table 4.25
Income and Brand Loyalty: Mineral water

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		10000-15000		15000-20000		20000 and above			
	No	%	No	%	No.	%	No	%	No	%	No	%
Undivided loyalty (AAAA)	5	24.7	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	24.6	42	21
Unstable Loyalty (AABB)	6	27.3	16	26.7	8	18.6	10	24.7	3	9.7	43	21.5
No Loyalty (ABCD)	7	31.8	20	33.3	15	34.9	14	31.8	10	34.3	66	33
Total	22	100	60	100	43	100	44	100	31	100	200	100

Source : Field Survey 2011

Figure 4.13
Income and Brand loyalty on Mineral Water



4.3.3 (a) Income and Brand Loyalty on Mineral water Chi square Test

There is no effect on income on the brand loyalty.

Table 4.26

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	21.02606
Chi Square test statistic	17.68551

Source : Annex 1

Since chi square (χ^2) test statistic (17.68551) is less than chi square (χ^2) tabulated value (21.026) value, the null hypothesis is accepted. Hence there is no significant difference in any income group on brand loyalty.

4.3.4 Income and Brand Loyalty: Toothpaste

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

Table 4.27

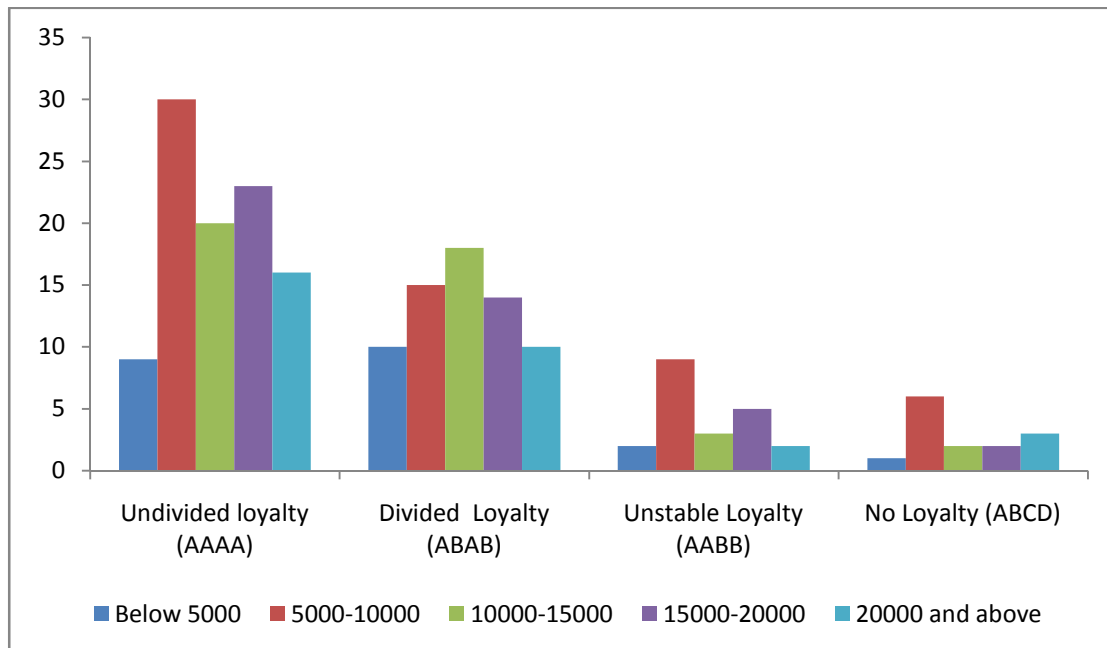
Income and Brand Loyalty: Toothpaste

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		10000-15000		15000-20000		20000 and above			
	No	%	No	%	No.	%	No	%	No	%	No	%
Undivided loyalty (AAAA)	9	44.9	30	50	20	46.5	23	54.3	16	51.6	98	49
Divided Loyalty (ABAB)	10	45.5	15	25	18	41.9	14	31.8	10	34.6	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	100	200	100

Source: Field Survey 2011

Figure 4.14

Income and Brand loyalty on Toothpaste



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 toothpaste. 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 percentage of undivided, divided, unstable and non loyal respondents are 46.5, 41.9, 7.0 and 4.7 respectively. Similarly among 44 respondents of 15000-20000 income categories, 54.3 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, 34.3 percent are dividedly loyal, 6.5 percent are unstable loyal and 9.7 percent are non loyal and purchasing any specific brand of toothpaste.

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

There is no effect on income on the brand loyalty.

Table 4.28

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	21.02606
Chi Square test statistic	7.854536

Source : Annex 1

Since chi square (χ^2) test statistic (7.854536) is less than chi square (χ^2) tabulated value (21.0260) value, the null hypothesis is accepted. Hence there is no significant difference in any income group on brand loyalty.

4.3.5 Income and Brand Loyalty: Hair Oil

There are varieties brand of hair oil available in the market in different retail price. This topic attempts to analyze the use of hair oil by respondents according to their monthly household income.

Table 4.29

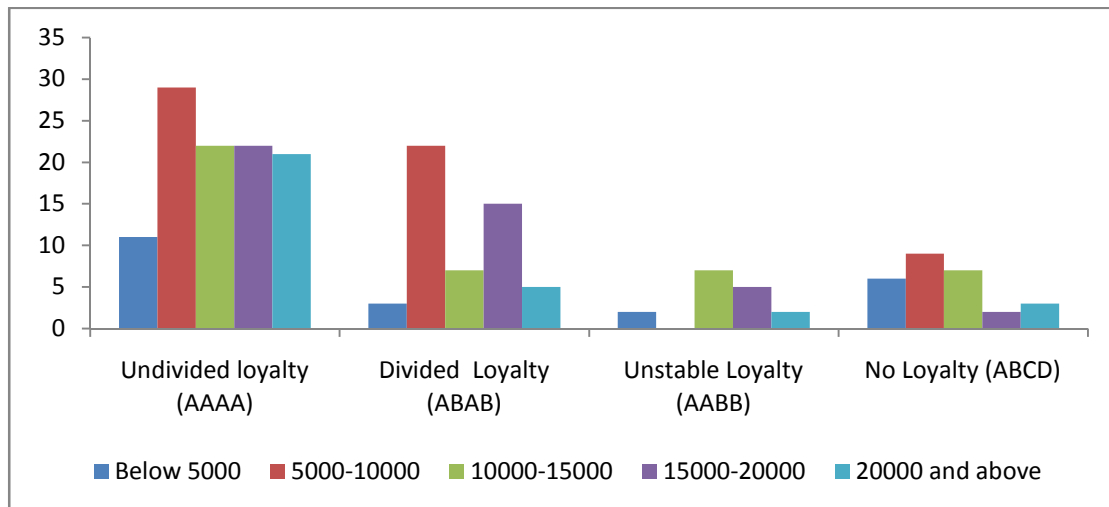
Income and Brand Loyalty: Hair Oil

Brand Loyalty	Monthly Household Income										Total	
	Below 5000		5000-10000		10000-15000		15000-20000		20000 and above			
	No	%	No	%	No.	%	No	%	No	%	No	%
Undivided loyalty (AAAA)	11	50	29	48.3	22	51.2	22	50	21	67.7	105	54.5
Divided Loyalty (ABAB)	3	13.6	22	36.37	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	100	200	100

Source: Field Survey 2011

Figure 4.15

Income and Brand loyalty on Toothpaste



The table presented above shows that majority respondent of all defined income group falls in strongly loyal category. 50 percent respondent of below 5000 income group, 48.3% respondents of 5000-10000 income group, 51.2 percent 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 group.

4.3.5 (a) Income and Brand Loyalty on Hair Oil - Chi square Test

There is no effect on income on the brand loyalty.

Table 4.30 : 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	21.02606
Chi Square test statistic	26.33106

Source : Annex 1

Since chi square (χ^2) test statistic (26.33106) is less than chi square (χ^2) tabulated value (21.0260) value, the null hypothesis is accepted. Hence there is no significant difference in any income group on brand loyalty. That means level of income effects the brand loyalty on hair oil.

4.4 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 cause 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?

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 prepared in the table 4.31.

Table 4.31 Factors Causing Brand Switching

Name of Product	Factors	Brand Loyal	%	Non Brand Loyal	%	Total	%
soap	Price off	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	4.5	27	13.5
	others	39	19.5	6	3	45	24.5
		164	82	36	18	200	100
shampoo	Price off	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
mineral water	Price off	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	24.5
		134	67	66	33	200	100
Toothpaste	Price off	73	36.5	25	14.5	98	49
	Advertising	54	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
Hair Oil	Price off	79	39.5	26	13	105	54.5
	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
		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 shampoo are affected by advertisement to switch the brand. Advertising has effected dominantly for brand switching in the product mineral water too. 33.5 percent (22% brand loyal and 11.5% non loyal) respondents are found to be affected by advertisement campaign to switch the brand of mineral water. But in the case of toothpaste and hair oil, 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 14.5% non loyal respondents) responded that they are highly impressed by the price activities to leave on brand and switch to other brand of toothpaste. Similarly 54.5 percent respondents (39.5% brand loyal and 13% non loyal) are found to be affected by price activities to switch their favorite brand of hair oil. 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 hair oil are inspired by advertisement to leave on 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 shampoo and 29.5 percent (20% brand loyal and 9.5% non loyal) respondents of mineral water are affected by price activities (price off) for brand switching. In the same way 13.5 percent (11% loyal and 4.5% non loyal) respondents of soap, 26.5 percent (19.5% loyal and 7% non loyal) respondents of shampoo, 14.5 percent (9.5% loyal and 5% non loyal) respondents of mineral water, 10.5 percent (9% loyal and 1.5% non loyal) respondents of toothpaste and 8 percent (7% loyal and 1% non loyal) respondents of hair oil responded that they were motivated to switch the brand because of a desire to use new product. And rest of the respondents have others reason for brand switching.

4.5 Effects of Incentives in Brand Choice

Table 4.32
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

Source: field survey 2011

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, 31 percent of respondent replied that the effect is high, 21.5 percent of respondents 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 incentives 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.

4.6 Major Findings

The following major findings are deduced from the study.

1. In the case of shampoo, male and female are found to have equally loyal. Test show that there is no difference in brand loyalty between male and female.
2. In case of mineral water greater percentage of female are found to have loyal and most of male are found to have no loyalty. Test shows that there are significant difference between male and female.

3. 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.
4. In case of hair oil male and female respondent are found highly loyal. Among them female are more than and test statistics shows that there is no difference in brand loyalty between male and female.
5. Under age group 15-20, greater percentage of respondent are found to have divided loyalty and then found to have no loyalty in case of soap. There is no relation between age and brand loyalty. Greater percentage of respondents is found to have divided loyal among them.
6. Most of respondent are found to have undividedly loyal in case of shampoo. This indicates that, they are conscious in the case of shampoo. Test statistics shows that there is no relation between age and brand loyalty.
7. In the case of Mineral water 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.
8. In the case of toothpaste most of respondents is fall undividedly loyal categories. Most of respond of age group 20-25 and 25-30, are found strongly loyal. Test statistics indicates that there is no relation between age and brand loyalty.
9. In the case of hair oil most of respondents are found to have undividedly brand loyal. Among them greater percentage of age group 30 and above, are found more loyal then other group. The test statistics shows that there is no relation between age and brand loyalty.
10. Under income group 2000 and above greater percentage of respondent are found to have undividedly loyal in the case of shop. Test statistics show that there is no relation between income and brand loyalty.
11. In the case of shampoo greater percentage of respondent of income group are found to have undividedly brand loyal. In this case most of

respondent are fall in to undividedly brand loyal. And test statistics show that there is no relation between income and brand loyalty.

12. In the case of mineral water most of the respondents are found to have no loyal. But among them greater percentage of respondents of income group 20000 and above are found undividedly loyal in the case of Mineral water. This indicated that there is no relation between age and brand loyalty.
13. In the case of toothpaste most of respondents or greater percentage of respondents are found loyal consumer categories. Among them greater percentage of income group 10 to 30 and above are found more loyal then other.
14. In the case of hair oil more respondents are found to have undivided loyal. And followed by divided loyal and unstable loyal. This indicated that there is relation between income and brand loyalty. Test statistics indicates that greater income group has brand loyal in case of hair oil.
15. Advertising Campaign is found to be the dominant factor for brand switching in products Soap, Shampoo and Mineral water.
16. In the case of the products Toothpaste and Hair Oil, majority of the people are affected by price activities (price off) for brand switching.
17. It is found that incentives like price off, free goods etc. highly effects people to purchase the brand.

CHAPTER - V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Modern marketing begins and ends with customers; we are in the age of marketing- it touches everyone, all the time- Highly competitive.

The concept of Marketing is newly introduced in Nepal. In the past marketing for Nepalese context was more selling rather than the complete package. In the modern age the new companies has sensed the necessity of marketing and realized the power of marketing. Promotion mix of marketing has been advanced with the development of media and communication. But still a lot has to be done in the field.

The basic characteristics of Nepalese market are:

- ❖ Low consumer awareness
- ❖ Highly price sensitive
- ❖ Dominated by middlemen
- ❖ Push selling
- ❖ Illegal and unauthorized market
- ❖ Weak transportation system
- ❖ Lack of professionalism
- ❖ Less customer orientation
- ❖ Weak strategic control/Plan
- ❖ Small market dependency

In Nepal mass marketing is generally used by the public enterprises. Only geographical and demographic variables are used for market segmentation. Most of the times, psychographic and behavioral variables are neglected during market segmentation. This is because of the lack of market research.

Marketing research started in Nepal from 1980 by Nepal CRS Company in association with USAID on awareness, attitude and usage (AAU studies) rate of contraceptives by Nepalese people. In 1982, Surya Nepal conducted market research to better understand the needs and problems of smokers. They used life style and personality as a variable for market segmentation.

-) Surya- high class and executives
-) Shikhar- youth and teenagers
-) Khukuri- workers

The research was conducted by Indian Market Research Bureau (IMRB), who has already opened permanent branch in Kathmandu.

Looking at these scenarios, the researches of the psychographic and behavioral aspect of the people has become more important. Not much has been done regarding the consumers point of view about the brand of the product. With the increment in the literate ratio and awareness of the market, mainly because of the development of the media and communication to give information about the product, the consumers are more likely to be brand loyal. So, sufficient research has to be done to find out the level of brand loyalty of general consumers for different products.

Further, in the case of shampoo the consumers are found to have undivided loyalty towards the brand irrespective of the sex, age group or income level. In the case of mineral water the respondents are found to be non loyal except those having income level more than Rs.20, 000. In the case of toothpaste most of the respondents are found to have undivided loyalty. In the case of hair oil females are found to be more brand loyal than males. All the age groups have undivided brand loyalty. Brand loyalty is found to be different between consumers having low income level and the consumers having high income level. The one having high income level is found to be more brand loyal.

5.2 Conclusion

Following conclusion are deducted from the study

1. Consumers of Kathmandu valley give high importance to brand. They purchase the products on the basis of brands.
2. Most of consumers have good knowledge about all the brands available in the market.
3. Brand loyalty varies also product to product and loyalty towards brand is relatively higher in this product that is more frequently needed as compared to those needed or used less frequently.
4. Brand loyalty varies consumer to consumer. Some consumers are more brands loyal than other and vice versa.
5. No relation between consumers age and brand loyalty was established.
6. Only in case of mineral water, male and female are varies in loyalty.
7. In case of hair oil, higher income group is more loyal on brand.
8. Most of respondent are influenced by incentive for their brand choice.
9. Most of consumers of Kathmandu valley are found undividedly loyal in specific brand of chosen products categories except mineral water.
10. Greater percentages of consumer switch the brand in cause of advertising.

5.3 Recommendations

Following recommendations are made on the basis findings of the study.

1. Particular attention should be given in branding the product, Brand is necessary in almost all type of product.
2. 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.

3. 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.
4. 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:

1. 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 can not accurately resemble the population.
2. 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.
3. The questionnaire use in study should be as short and simple as possible.
4. Effective statistical tools should be used to analyze and interpret collected data.

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ANNEX - 1

COMPUTATION OF CHI SQUARE

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 $\alpha = 0.05$

$$df = (r-1)(c-1)$$

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

Calculation of Expected frequency:- $\frac{(\text{Row Total}) \times (\text{Column Total})}{\text{Grand Total}}$

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

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	0.68644
32	34.5	-2.5	6.25	0.18116
19	18	1	1	0.05556
24	18	6	36	2
34	29.5	4.5	20.25	0.68644
37	34.5	2.5	6.25	0.18116
17	18	-1	1	0.05556
12	18	-6	36	2
				5.84631

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

Observed Frequency	Expected Frequency	(O-E)	(O-E) ²	(O-E) ² /E
33	36.5	-3.5	12.25	0.33562
31	30	1	1	0.03333
14	15	-1	1	0.06667
22	18.5	3.5	12.25	0.66216
40	36.5	3.5	12.25	0.33562
29	30	-1	1	0.03333
16	15	1	1	0.06667
15	18.5	-3.5	12.25	0.66216
				2.19557

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

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	-5	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	0.067164
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 Hair Oil

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	0.153846
12	8	4	16	2
15	13.5	1.5	2.25	0.166667
56	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	0.092366
7	8.8	-1.8	3.24	0.368182
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 shampoo)

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	16.8	-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	0.029412
				6.97469

2.C. Computation of Chi Square (Age and Brand Loyalty on Mineral Water)

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	0.337838
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
4	15.2	-1.2	1.44	0.094737
				14.62475

2.D. Computation of Chi Square (Age and Brand Loyalty on Toothpaste)

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	19.4	2.6	6.76	0.229932
17	20.1	-3.1	9.61	0.478109
7	6.3	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

2.E. Computation of Chi Square (Age and Brand Loyalty on Hair Oil)

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	9.1	0.9	0.81	0.1
25	29.4	-4.4	19.36	0.658503
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 (Income 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	0.346154
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
9	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 (Income and Brand Loyalty on Shampoo)

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	0.093798
5	6.5	-1.5	2.25	0.346154
7	8	-1	1	0.154
12	16.1	-4.1	16.81	1.044099
15	13.2	1.8	3.24	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	5.7	1.3	1.69	0.296491
				17.48795

3.C. Computation of Chi square (Income and Brand Loyalty on Mineral water)

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	0.14507
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 (Income and Brand Loyalty on Toothpaste)

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	20.1	-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	0.57346
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	1.96	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	15.2	0.8	0.64	0.042105
10	10.4	-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 (Income and Brand Loyalty on Hair Oil)

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	-2.7	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	10.96	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	1.355215
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

Dear respondents,

This questionnaire is a part of study to assess the general brand loyalty in Nepal.

This study consists of five products at four different purchases.

There is no right or wrong answers. As you through the questionnaire, please pay attention to the patterns of purchase which is shown below. This study is purely academic purpose and I am simple interest in your opinions. I assure you that strict confidentiality will be maintained about our response and it will not be used for any other purpose.

My recent experiences regarding purchase of :

	undivided AAAA	Divided ABAB	Unstable loyalty AABB	No loyalty ABCD
Soap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shampoo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mineral water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hair Oil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tooth paste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ABCD are the Brand of products: For example

A stands for a Brand Life Buoy for Soap, Clinic Plus for Shampoo, Aqua for Mineral water, Clean All Clear for hair Oil, Close-up for Toothpaste

Undivided: Same brand for four purchases

Undivided: Randomly purchased

Unstable : Repeating habit for different brands with change in perception

No loyalty: Different brands in Different purchased

Age group	15-20	20-25	25-30	30 and above	
Income group	Below 5000	5000-10000	10000-15000	15000-20000	20000 and above

Gender:

Name:

Signature

Thank you for participating in this study.