

# **CHAPTER - I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Nepal is a developing country in South Asia. It is the landlocked country situated between large countries China in North and India on East, South and West. The country has occupied 147181 square kilometers of land and total population to be approximately 28 millions. Majority of population here are dependable on agriculture. However, the country is gradually shifting its economy from agricultural to industrial sector for sustaining its economic life. This has resulted in increased industrial activities in the recent years. Today's market is full of competition and consumers have many choices to look at. Marketing plays a major role on success of a product.

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.

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.

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.

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. It has been conducted to measure the loyal consumers on branding. So, this study focuses mainly on the brand 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:

- Mineral water
- Toothpaste
- Soap
- 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.
- **Soap:** Soap is a very common product packed in plastic or paper packages, which is used by almost anybody. This has become one of the necessities for everyday living. This is used for the purpose of bathing and personal hygiene.
- **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.

## **1.2 Statement of the Problem**

Population in Nepal is dramatically increasing. 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 major issue 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?
- Are the real number of consumers, their belief and attitudes towards the brand are known exactly or not?
- How many competitive brands are available in the market?

## **1.3 Objectives of the Study**

Since our main purpose is to find out weather loyalty on branding exits 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 or percentage of brand loyal consumers in Kathmandu Valley.

4. To recommend important measures that would help to develop marketing strategies and to assist in conducting further researches on brand loyalty in the future.

#### **1.4 Significance of the Study**

In the era of cutthroat competition, successful marketing of products depend on understanding of consumer's tastes, 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."

#### **1.5 Limitations of the Study**

This study is simply a partial fulfillment of MBS degree and has to be finished within a short span of time. 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. Therefore, the finding achieved from this research may not be applicable for the entire town or city.
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.
4. The data analysis have been done in limited three factors; sex, age and income.

## **1.6 Research Methodology**

Research Design is the specification of procedures for collecting and analyzing the data necessary to help identify an opportunity such that the difference between the cost of obtaining various levels of accuracy and the expected value of the information associated with each level of accuracy is maximized.

### **1.6.1 Research Design**

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

This study is an exploratory study. This study mainly aims to find out loyalty on branding of the 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 from the survey of the consumer are rearranged, tabulated, analyzed and interpreted according to the need to the study for attaining the stated objectives.

### **1.6.2 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.

### **1.6.3 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.

### **1.6.4 Method of Data Collection**

Structured questionnaire is used to collect the primary data from the respondents.

### **1.6.5 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. Computer aided program, SPSS software is implemented for processing of collected data.

## **1.7 Research Hypothesis**

Testing hypothesis is one of the important applications of statistical inference. For testing of hypothesis, an assumption is made about the population parameter. To test whether the assumption or hypothesis is right or not, a sample is selected from the population, sample statistic is obtained, observe the difference between the sample mean and the population hypothesized value, and, test whether the difference is significant or insignificant. Smaller the difference, the sample mean is close to the

hypothesized value, and larger the difference the hypothesized value has low chance to be correct. For this study purposes following hypotheses are made:

H<sub>0</sub> = Null Hypothesis

H<sub>01</sub>: There is no significant difference in brand loyalty between male and female.

H<sub>02</sub>: The Age of the individual does not have significant influence on the brand loyalty.

H<sub>03</sub>: There is no effect of income on the brand loyalty.

## **1.8 Organization of the Study**

This thesis has been divided into five chapters. They are a) Introduction b) Review of Literature c) Research Methodology d) Data Presentation and Analysis e) Summary, Findings, 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 the 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, findings, conclusions and recommendations.

Besides these chapters, bibliography and annexes have also been included in this thesis.

## **CHAPTER - II**

### **REVIEW OF LITERATURE**

This chapter mainly deals with literature related to the topic. On the ground of the research topic, this chapter shows a competent exploration of the background to the work and comprehensive review of recent and relevant literature. While conducting studies for this chapter we can know how far research has been done in particular field and what are still remain to explain. In this regard some basic academic course books on marketing management and consumer behavior, some of the major research based journals and related studies are reviewed.

Most of the books and journals are written by foreigners. To know in context of Nepal some Master's Degree Thesis has been reviewed which are related to some extent with this topic "A Case Study on Brand Loyalty on Low Involvement Consumer Product". In addition, independent studies carried out by well-known experts are also taken in consideration.

#### **Importance of Review of Literature**

The importance of review of literature can be stated as follows:

1. It can reveal investigations similar to own, and it can show how other researchers handled methodological and design issues.
2. It can describe methods of dealing with problem situations that may be similar to difficulties that are facing.
3. It can reveal to sources of data that may not have known existed.
4. It can introduce to important research personalities whose work and collateral writings that may not have known.
5. It can help to see own study in historical and associational perspective and in relation to earlier approaches to the same problem.
6. It can provide new ideas and approaches that may not have occurred to mind.

7. It can help to evaluate own research efforts by comparing them with the similar efforts of others.
8. It can increase confidence in selected topic if anyone finds that others have an interest in this topic and have found value in investing time, effort, and resources into its study.

This thesis has categorized literature review into two groups:

- ) Conceptual review
- ) Review of related studies

## **2.1 Conceptual Review**

### **2.1.1 Marketing**

Britannica encyclopedia lightened marketing and its practices as activities or practices that direct the flow of goods and services from producers to consumers. It further describe that in advanced industrial economies, marketing considerations play a major role in determining corporate policy which focus on both with increasing sales through advertising and other promotional techniques, as well as on credit policies, product development, customer support, distribution, and corporate communications. According to them, Marketers may look for outlets through which to sell the company's products, including retail stores, direct marketing, and wholesaling. They may make psychological and demographic studies of a potential market, experiment with various marketing strategies, and conduct informal interviews with target audiences. Marketing is used both to increase sales of an existing product and to introduce new products.

“Marketing encompasses all the activities aimed at satisfying the needs or wants of the customers through exchange relationships to achieve organizational objectives in a dynamic environment.” (Govind Ram Agrawal, Marketing Management in Nepal, 2002:2)

“Marketing practices affect the relationship between members of upper tiers (wholesalers, distributors and manufacturers) and the retail tier in ways that influence business practices.” (Kotler & Armstrong, Principles of Marketing, 1997:12)

According to American Marketing Association, “The process of planning and executing the pricing, promotion, and distribution of goods, ideas, and services to create exchanges that satisfy individual and organizational goals is marketing. (American Marketing Association quoted in G.R.Agrawal, Marketing Management in Nepal, 2002:2)

According to E.Jerome and McCarthy “Marketing is the performance of activities that seeks to accomplish an organization’s objectives by anticipating customer or client needs and directing a flow of need of satisfying goods and services from customers or clients.” (E.Jerome & McCarthy quoted in G. R. Agrawal, Marketing Management in Nepal, 2002:2)

### **2.1.2 Importance of the Marketing**

“Marketing aims at stimulating demand for the firm, generating consumer enthusiasm for the goods and services, delivering the standard of living, demanded by the people and furnishing the employment for society.” (Gauri R. Sharma, Fundamentals of Marketing and Their Practices, 2006:14-17)

So, marketing is important to consumers, to firm as well as to the society. It is important to consumer as it deliver the standard of living, providing various information, improving the quality of life and enhancing the beliefs and life styles. It is important to the firm because it stimulates the demands of their products or services, constituting relation with different departments, coordinates resources, helps in environmental assessment and helps in various functional areas. Similarly marketing is importance to society too in providing ethical and useful offers, furnishing employment, reducing distribution costs of

goods and services and also useful in various service areas for different professionals.

It stimulates the demand of the products. Marketing practices consists of creating, promoting and delivering of the products. It is the systematic way of performing activities.

- ) Marketing process plans, implements and control marketing activities and help to achieve organizational objectives in term of profit, service, growth, survival and leadership.
- ) It is open system that facilitates exchange relationship between the buyer and seller. The buyer exchange value in terms of money and seller exchanges value in terms of products.
- ) Activities of marketing are related to the systematic process, which facilitate exchange relationship regarding product, price, promotion and place.

### **2.1.3 The Market Concept**

“Marketing concept is a customer oriented philosophy that is implemented and integrated throughout an organization to serve customers better than competitors and achieved specific goals.” (Cravens & et all, Marketing Management, 1996:23-27).

There are five major concept of marketing practice. These concepts have been changing and developing over the years and still found in practice in organizations. They are:

1. The production concept
2. The product concept
3. The selling concept
4. The marketing concept
5. The societal marketing concept

### ***1. The Production Concept***

This concept was widely in practice between 1770 and 1820. The organizational following this concept is production oriented which aims at selling what can be produced. There resulted mass production, which in turn, called for mass selling and mass consumption. They concentrate on only production volume, reducing costs and widening distribution network. This concept is used to expand market share. But it leads to impersonal and poor quality services.

### ***2. The Product Concept***

This concept was widely in practice in between 1820 and 1930. The organization following this concept is quality oriented which aims at improving the product through innovation. They focus on making superior, well-made product at reasonable price and disregard customer preferences. This concept clarifies that marketing firms should produce products as against competing products and improve them over the time.

### ***3. The Selling Concept***

This concept was developed due to marketing challenges like rising prices causes' consumer resistance, investment in decline, scarcity of investment etc which reflected from the great depression immediately after the Second World War. This concept was popular during 1930 to 1950. The organization following this concept is selling oriented which aims at holding customer anyhow and stimulates aggressive sales through different promotional tools.

### ***4. The Marketing Concept***

This concept era starts since 1950s. This concept but it is widely used now days. The organization accepting this concept is customer oriented. They focus all their activities to achieve their objectives through customer satisfaction through implementation of integrated marketing activities in a definite market

segment. Unlike selling concept, this concept tries to maximize profit rather than sales. Here, product quality, warranty and services are highly emphasized.

### ***5. The Societal Marketing Concept***

It is also called modern marketing concept and it developed side by side with the development of marketing concept. This concept aims at satisfying human and social needs. It holds that organization should be socially responsible and achieve their objective in ways that protect the interests of the consumer and safeguard the well-being of society. This concept is directly affected by ethical behavior of society, reflective of price effects, quality effect, media effect, socio- culture and religion effect, employment effect and the effect of environmental sensitivity.

#### **2.1.4 The Marketing Mix**

“Marketing mix is the set of controllable and tactical marketing tools that the firm uses to pursue its marketing objectives in the target market.” (Philip Kotler, Marketing Management, 1999:36-40).

These marketing tools are four groups of variables known as “four Ps”. They are the elements of marketing mix and interrelated with each other. They are named as **P**roduct, **P**lace, **P**rice and **P**romotion. Each element has its own Mix.

#### ***1. Product Mix***

A product is any offering to the target market to satisfy customer needs and wants. Product mix consists of product design, product variety, Quality, size, colour, branding and trademarks, packaging, labeling, innovation, services and warranties product information etc. It contains all information about particular product and on the basis of company SWOT analysis the company can successfully launches its product strategies in different stages of product life cycle like in introduction, growth, maturity and decline stage.

## **2. Price Mix**

Price is the money that customer pay for the product. Price mix decision includes three Cs. They are cost, competitors and customers. The firm needs to balance all Cs to run it smoothly. Price mix consists of setting lists price, nature of costs, expected margins, discount and allowances and term of sales i.e. Credit term, payment periods.

## **3. Place Mix**

Place includes the various activities undertaken to make the product accessible or distribution of the product to the target market and customers. It in lure all information about available channels for distribution, degree of channel control, warehouses, transportation modes, inventory management system etc.

## **4. Promotion Mix**

Promotion includes the activities undertaken to communicate and promote the products to the target market. Its component includes advertising, sales promotion, public relations of the product to recognize it in the target market, personal selling and direct marketing.

Additionally, Dr Gauri Raj Sharma has emphasized on three more factors; **Process**, **People**, and **Physical** resources Which Now days in modern large scale services companies have also started to study.

## **5. Process Mix**

Process mix includes entire decision s relating to operating management ideas. They are control of costs, system improvements, level of customer services etc. This mix concentrates mostly on customer retention and quality control standard.

## **6. People Mix**

People mix includes the activities undertaken to satisfy service personnel within the firm and customers with who profit can be achieved. So this Mix emphasizes on right recruitment, motivation, training, long term relationship etc.

## **7. Physical Resources**

This mix emphasizes on internal resources of the firm with which it can make good working environment and customer attracting and retention atmosphere.

### **2.1.5 The Marketing Management**

Marketing management is the management of marketing mix. It is getting the marketing jobs done through people by planning implementing, and controlling the marketing efforts to achieve marketing objectives efficiency and effectively. It coordinates physical, human financial and information resources available to marketing. It also creates environment in which marketing people can best perform jobs.

According to Philip Kotler, Marketing management is the conscious effort to achieve desired exchange outcome with target markets (to achieve goals). Philip Kotler has proposed the following steps for effective marketing management. (Philip Kotler, op. cit. pp.695-706)

- a. Convince the senior management team of the need to become customer focused.
- b. Appoint a senior marketing officer and marketing task force.
- c. Get outside help and guidance from the consultants.
- d. Change the company's reward measurement system. Building satisfied loyal customers rather than cost efficiency should be rewarded.

- e. Hire strong marketing talent.
- f. Develop strong in – house marketing training programme for employees in all the departments.
- g. Install a modern marketing planning system.
- h. Establish an annual marketing excellence recognition programme.
- i. Consider reorganizing from a product-centered to a market centered company.
- j. Shift from a department focus to process out-come focus.

### **2.1.6 Elements of Marketing Management**

The objectives of marketing are profit, survival, growth and image. The means of achieving these objectives are:

1. Marketing planning
2. Marketing implementation
3. Marketing evaluation and control

#### ***1. Marketing Planning***

It is the process of deciding on objectives of the organization and careful, deliberate, systematic taking of decision which accomplishes the stated objective for long period of time. It is the process of setting marketing goals and choosing future marketing actions to achieve these goals. (D.K Gautam, Business Policy and Strategic Management, 2002:13-173)

According to Philip Kotler, “Marketing planning is a process of developing and maintaining a viable fit between the firms’s marketing objectives and resources, and its changing market opportunities.” (Philip Kotler, op. cit. pp.695-706)

### *Benefits of Marketing Planning*

It is concerned with appraisal of external and internal environments thus help to assess internal strength and weakness as well as external opportunities and threats. This is called as SWOT analysis.

- ) It helps to establish marketing goals.
- ) It guides the choice among the broad direction in which company seek to move and concern.
- ) It helps to select the market action to achieve goals, designing product, price, and place and promotion element of marketing mix.
- ) It helps committing resources to marketing activities and helps to identify and select best alternatives of company.
- ) It serves as standard of performance for controlling marketing efforts.

### ***2. Marketing Implementation***

After marketing plan or strategy has been formulated, marketing implementation is a key part. Marketing implementation is also the sum total of the activities choices required for the execution of a marketing plan. It is the process by which strategies and policies are put into action through the development programs.

According to George A.Steiner and John B.Miner, “The implementation of policies and strategies is concerned with the design and management of systems to achieve the best integration of people, structure, processes and resources, in searching organizational objectives.”

According to the Philip Kotler, “Marketing implementation is the process that turns marketing plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan’s stated objectives.” (Philip Kotler, op. cit. pp.695-706)

Marketing implementation needs skill, sequencing, participation, resource availability, motivation and leadership.

### ***3. Marketing Evaluation and Control***

After implementation of marketing strategies, there is need of continuous monitoring and control of marketing activities to overcome obstacles and mistakes. Marketing control is the measurement and correction of marketing performance to achieve planned goals.

The process of marketing evaluation and control consists of four interrelated activities. They are:

#### ***A. Establish Performance Target and Standards***

Performance standards and targets are set by marketing manager in terms of tangible and intangible standards. Tangible standards includes monetary standards, quantitative standards, time standards, capital standards, program standards and intangible standards includes employee morale, competence of managers, reputation of enterprises and good public relations.

#### ***B. Measurement of Actual Performance***

Actual performance is measured to find out what actually happened during a specified period of time. Information flow is essential to measure actual performance. Internal reports are used to measure performance.

#### ***C. Finding Deviations***

This is the difference between actual performance and standard performance. Deviation must be analyzed in the view of tolerance limits. The magnitude, nature, causes and incidence of deviation is analysed. If positive deviation occur i.e. is actual performance is over the standard performance, it is regarded as healthy symptoms of organizational operation. But whatever the positive or

negative, all the deviations must be carefully and systematically recorded as well as analyzed.

#### *D. Corrective Actions*

After identifying causes of deviations, it is required to undertake suitable corrective actions to bring performance back on the standard path. Corrective action may be revision of planning, modification on process of operation, change in delegation of authority, change in organizational structure, Change in existing techniques, direction and facilities etc.

The methods of marketing control are mentioned as below.

#### *A. Annual Plan Control*

The purpose of annual plan control is to ensure that the company achieves the sales, profit and other goals established in its annual plan. The tools used are:

- ) Sales analysis
- ) Market share analysis
- ) Marketing expenses to sales analysis
- ) Financial ratio analysis
- ) Market based scorecard analysis.

#### *B. Profitability Control*

This method controls relative profitability of products, territories, customer groups, channels, segments, order sizes etc. this information is helpful to determine whether any products or marketing activities should be expanded, reduced or eliminated. The tools used are:

- ) Activity- based accounting
- ) Profit and loss activity for each activity.

### *C. Efficiency Control*

This controls the impact of resource cost. Efficiency control method helps to control all the function of marketing department and increase its efficiency.

The following key indicators are monitored:

- ) Sales force efficiency
- ) Advertising efficiency
- ) Sales promotion efficiency
- ) Distribution efficiency

### *D. Strategic Control*

This controls environmental adaptation of marketing strategy. The tools used are:

- ) Marketing effectiveness review
- ) Marketing audit
- ) Marketing excellence review

## **2.1.7 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.

### **2.1.8 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.

### **2.1.9 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.

#### **2.1.10 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.

#### **2.1.11 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, Marketing Management, 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.

### **2.1.12 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:

#### **2.1.12.1 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.

#### **2.1.12.2 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.

### **2.1.12.3 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. (<http://www.hindubusinessline.com>)

### **2.1.12.4 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?

### **2.1.12.5 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.

#### **2.1.12.6 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.

#### **2.1.13 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 & Pessimer, 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)

#### **2.1.14 Brand Loyalty Correlation**

Brand loyalty correlation means the various factors that are associated or related with the differential degrees of brand loyalty. Brand loyalty correlation explains why brand loyalty varies across the product and consumers. Similarly, brand loyalty correlations identify the characteristics of brand loyal consumers and distinguish them from the 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 relation 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)

#### **2.1.15 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.

### **2.1.15.1 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)

### **2.1.15.2 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.

<b>Last Purchase</b>	<b>Next Purchase</b>		
	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)

### **2.1.15.3 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)

#### **2.1.15.4 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)

#### **2.1.15.5 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.

#### **2.1.16 Measurement of Brand Loyalty**

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

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

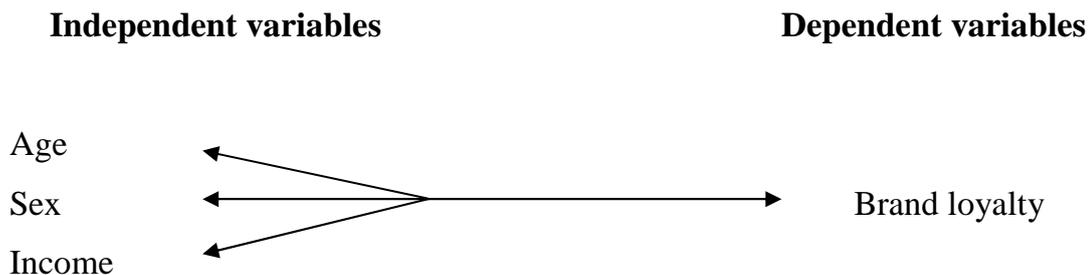
These measurements can be demonstrated as:

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

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

### 2.1.17 Consideration Variables of Brand Loyalty

The present study will include the following variables:



#### *1. Age*

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

#### *2. Sex*

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

### **3. Income**

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

#### **2.2 Review of Related Studies**

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.

Anuam 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 towards 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.

### **2.3 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.

Below 10000, 10000-15000, 15000-20000, 20000-25000 and 25000 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.

#### **2.4 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 (2006) 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**

Research Design is the specification of procedures for collecting and analyzing the data necessary to help identify an opportunity such that the difference between the cost of obtaining various levels of accuracy and the expected value of the information associated with each level of accuracy is maximized.

##### *Specification of procedure:*

By specification we mean defining the procedure in clear and concise form.

The specification of procedure may involve the following:

1. Involve decisions on what information to generate
2. Clarified data collection method
3. Defines the measurement approach
4. Defines the object to be measured
5. Clearly identifies the way in which the data are to be analyzed.

Thus, research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variances. The plan is the overall scheme, which includes an outline of what the researcher will do from writing the hypothesis and their writing implications to the final analysis of data. The structure of research is more specific. It is the outline of the scheme and the paradigm of the operations of the variables. Strategy includes the methods to be used to gather and analyze the data.

A research design basically focuses on:

1. The sample design, which deals with the method of selecting the subjects to be observed in a given study.

2. Observational design deals with the conditions under which observations are to be made.
3. Statistical design deals with the question of how many subjects to be observed and how many observations are to be analyzed.

Purpose of research design is to help to the whole study and help in finding out deficiency in expectation of the starting of work. Basically research design fulfills two purposes:

1. Provides answers to research questions; and
2. Controls variances

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 identity 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.

### **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 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.

### **3.4 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.

### **3.5 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. Computer aided program, SPSS software 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, Camay, Pears, Tulasi, 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 4.1 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	
	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	25	25	34	34	59	29.5
<b>Divided Loyalty (ABAB)</b>	32	32	37	37	69	34.5
<b>Unstable Loyalty (AABB)</b>	19	19	17	17	36	18
<b>No Loyalty (ABCD)</b>	24	24	12	12	36	18
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**Figure 4.1**  
**Brand Loyalty on Soap**

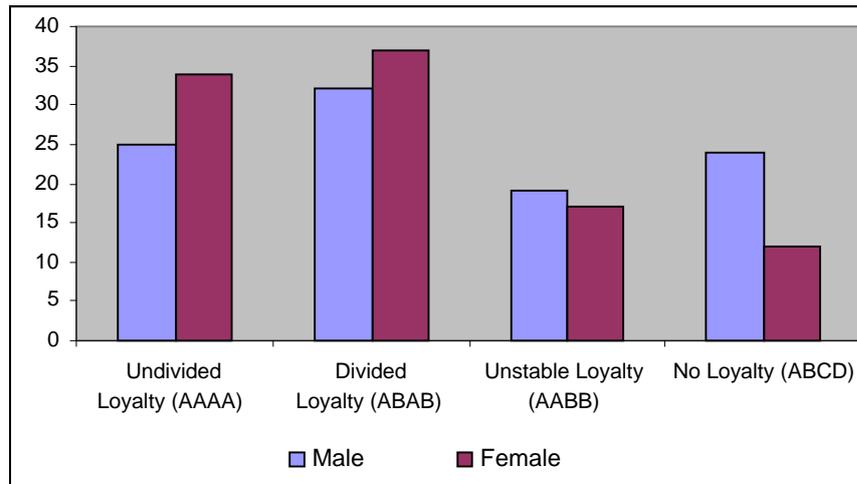


Table and chart presented above reveals that most of the respondents (34.5%) are divided brand loyalty followed by undivided brand loyalty (29.5%). The number of people who are unstable brand loyal (18%) and non loyal (18%) is found to be equal. In terms of sex, females are found to be more loyal in 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.

Sex and Brand Loyalty on Soap Chi-Square Test

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

**Table 4.2**  
**Chi-Square Calculation of Sex and Brand Loyalty**

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

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 female. 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	%
<b>Undivided Loyalty (AAAA)</b>	33	33	40	40	73	36.5
<b>Divided Loyalty (ABAB)</b>	31	31	29	29	60	30
<b>Unstable Loyalty (AABB)</b>	14	14	16	16	30	15
<b>No Loyalty (ABCD)</b>	22	22	15	15	37	18.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**Figure 4.2**  
**Brand Loyalty on Shampoo**

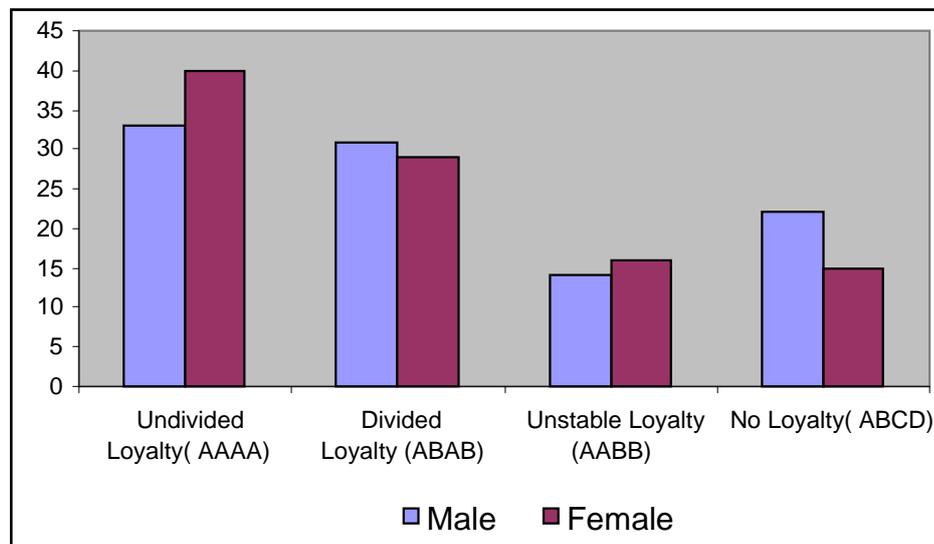


Table and chart presented above shows the sex and brand loyalty on shampoo. Among the 200 respondents 36.5 percent respondents are found strongly loyal on specific brand of shampoo. They have brought same brands AAAA in their last four purchases, they are said to be true loyal buyers. Divided brand loyalty 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.

Sex and Brand Loyalty on Shampoo Chi-Square Test

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

**Table 4.4**  
**Chi-Square Calculation of Sex and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	2
<b>Degree of freedom</b>	3
<b>Tabulated value</b>	7.815
<b>Chi square test statistic</b>	4.196

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 H<sub>2</sub>O, Thirst-pi, Yes, Bisleri, Aqua Hundred, Laa 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
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**Figure 4.3**  
**Brand Loyalty on Mineral Water**

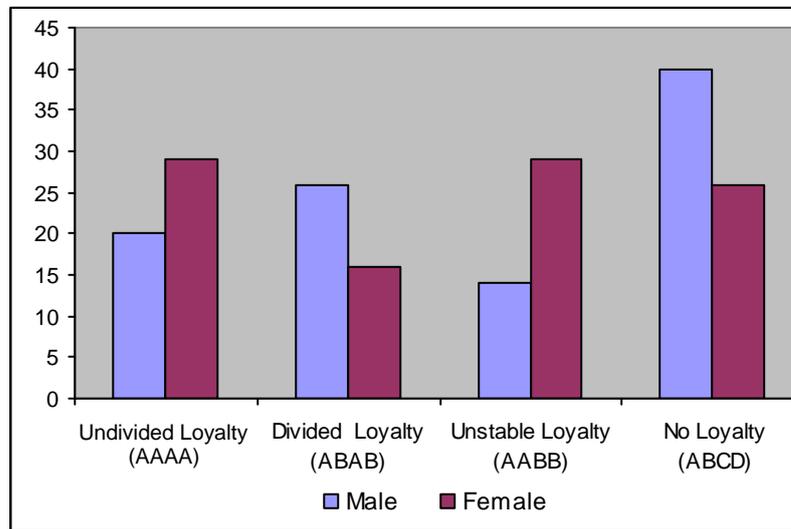


Table displays that the majority of the respondents (33%) fall in to the purchase pattern of group ABCD i.e. they are not loyal on specific brand of mineral water as their purchasing pattern do not match with their preference. 24.5 percent respondents are found undivided brand loyal and 21 percent are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

Sex and Brand Loyalty on Mineral Water Chi-Square Test

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

**Table 4.6**  
**Chi-Square Calculation of Sex and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	2
<b>Degree of freedom</b>	3
<b>Tabulated value</b>	7.815
<b>Chi-square test statistic</b>	14.236

Since chi-square ( $\chi^2$ ) test statistic (14.236) is more than chi-square ( $\chi^2$ ) 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.

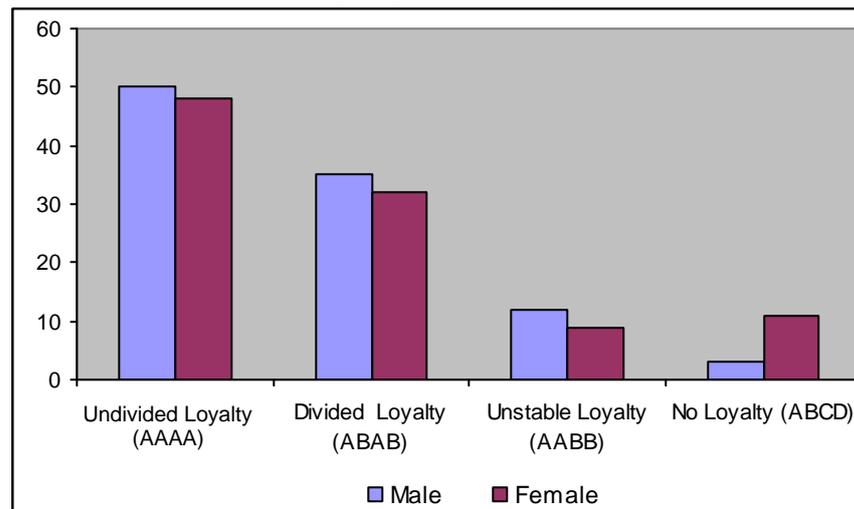
**Table 4.7**  
**Sex and Brand Loyalty on Toothpaste**

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

Source: Field Survey 2012

**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.

Sex and 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**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	2
<b>Degree of freedom</b>	3
<b>Tabulated value</b>	7.815
<b>Chi-square test statistic</b>	5.175

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**

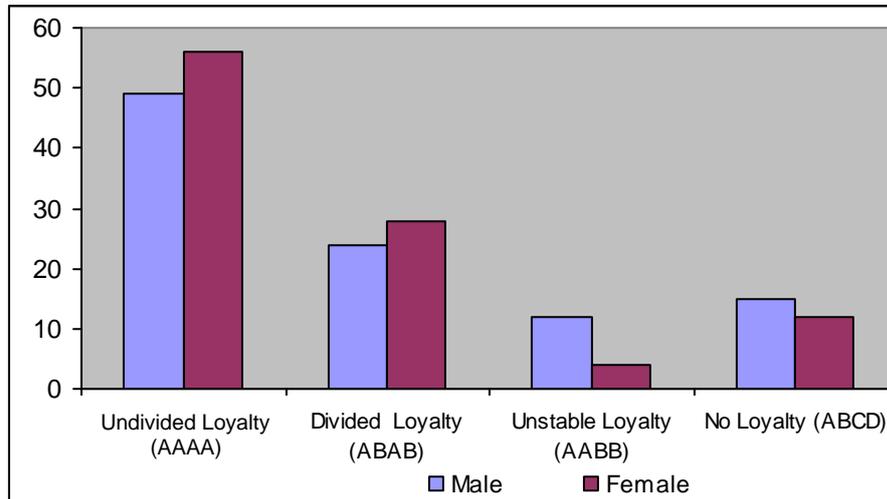
The frequency and percentage distribution of consumers' response according to their purchase pattern and preference relating to different brands of Hair oil are given in the following table.

**Table 4.9**  
**Sex and Brand Loyalty: Hair Oil**

Brand Loyalty	Male		Female		Total	
	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	49	49	56	56	105	54.5
<b>Divided Loyalty (ABAB)</b>	24	24	28	28	52	26
<b>Unstable Loyalty (AABB)</b>	12	12	4	4	16	8
<b>No Loyalty (ABCD)</b>	15	15	12	12	27	13.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**Figure 4.5**  
**Brand Loyalty on Hair Oil**



Sex and Brand Loyalty on Hair Oil Chi-Square Test

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

**Table 4.10**  
**Chi-Square Calculation of Sex and Brand Loyalty**

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

Since chi-square ( $\chi^2$ ) test statistic (5.108) is less than chi-square ( $\chi^2$ ) 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

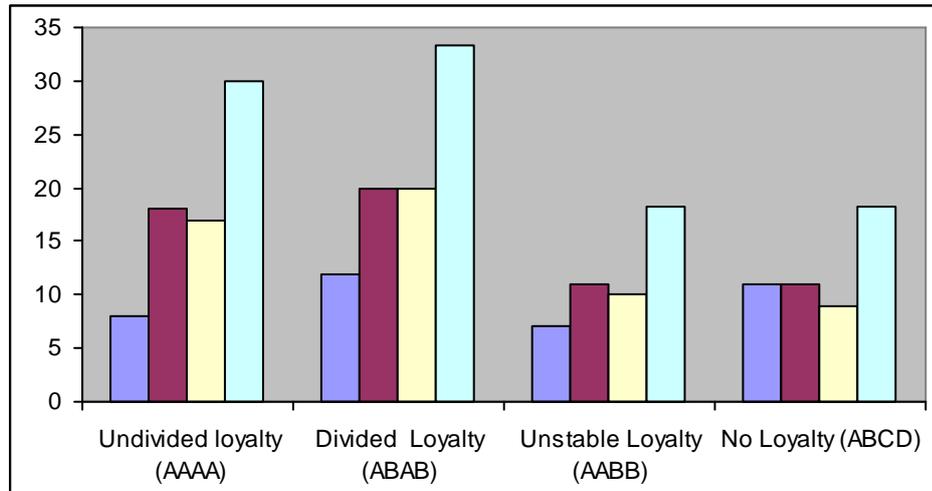
Following table presents the frequency and percentage distribution of respondents by age and different degree of brand loyalty on soap.

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

Source: Field Survey 2012

**Figure 4.6**  
**Age and Brand Loyalty on Soap**



The above table and chart reveals that 21.1 percent respondents of 15-20 age group, 30 percent respondents of 20-25 age group, 30.4 percent respondents of 25-30 years age group and 34.8 percent respondents of 30 and above age group are found to be undividedly loyal on the specific brand of soap. In the same way 31.6 percent respondents of 15-20 age group, 33.3 percent respondents of 20-25 age group, 35.7 percent respondents of 25-30 years age group and 37 percent respondents of 30 and above age group are found to 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.

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**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	4
<b>Degree of freedom</b>	9
<b>Tabulated value</b>	16.9186
<b>Chi-square test statistic</b>	5.988969

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

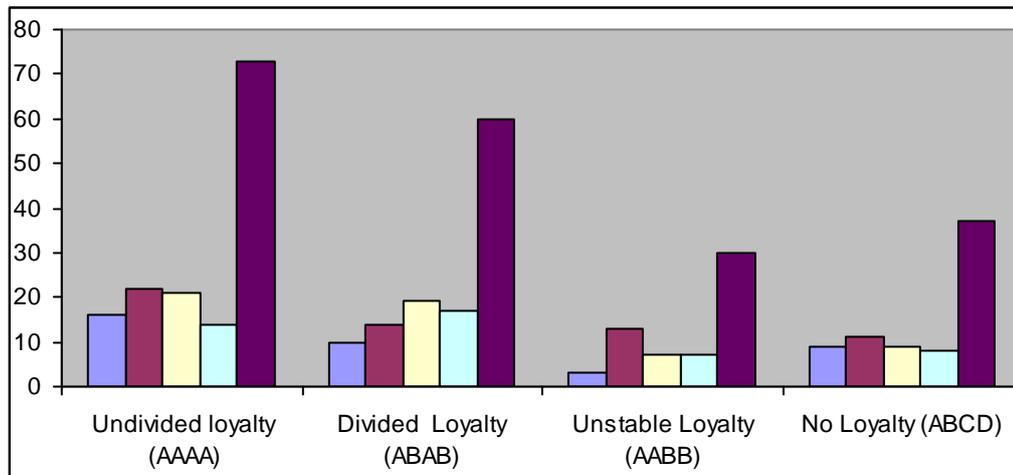
The response of different age groups respondents according to their purchase pattern and preference relating to different brands of Shampoo are given in the following table.

**Table 4.13**  
**Age and Brand Loyalty on Shampoo**

<b>Brand Loyalty</b>	<b>Age Group</b>								<b>Total</b>	
	<i>15-20</i>		<i>20-25</i>		<i>25-30</i>		<i>Above 30</i>		<i>No.</i>	<i>%</i>
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>		
<b>Undivided Loyalty (AAAA)</b>	16	44.1	22	36.7	21	37.5	14	30.4	73	36.5
<b>Divided Loyalty (ABAB)</b>	10	26.3	14	23.3	19	33.9	17	37	60	30
<b>Unstable Loyalty (AABB)</b>	3	7.9	13	21.7	7	14.5	7	15.2	30	15
<b>No Loyalty (ABCD)</b>	9	23.7	11	18.3	9	19.1	8	17.4	37	18.5
<b>Total</b>	<b>38</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>56</b>	<b>100</b>	<b>46</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**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.

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**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	4
<b>Degree of freedom</b>	9
<b>Tabulated value</b>	16.9186
<b>Chi-square test statistic</b>	14.62475

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.

**4.2.3 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.

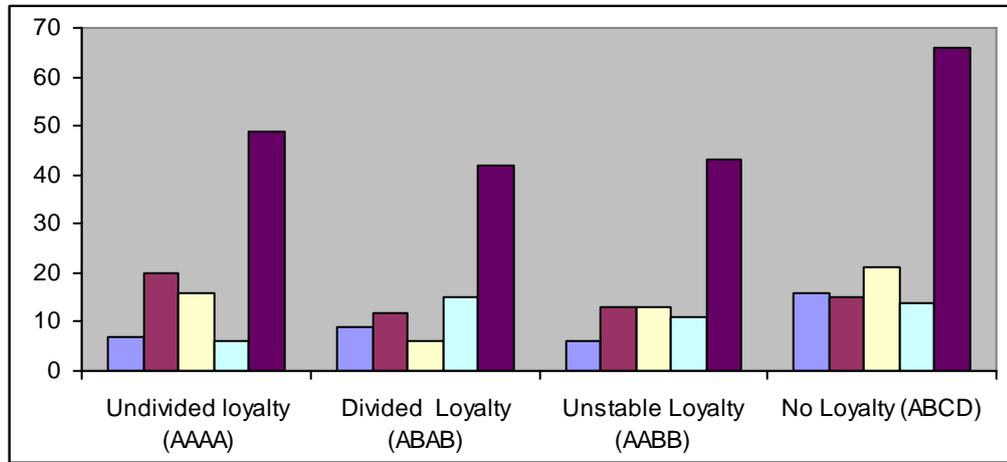
**Table 4.15**

**Age and Brand Loyalty on Mineral Water**

<b>Brand Loyalty</b>	<b>Age Group</b>								<b>Total</b>	
	<b>15-20</b>		<b>20-25</b>		<b>25-30</b>		<b>Above 30</b>			
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
<b>Undivided Loyalty (AAAA)</b>	7	18.4	20	33.3	16	28.6	6	13	49	24.5
<b>Divided Loyalty (ABAB)</b>	9	23.7	12	20	6	10.7	15	34.6	42	21
<b>Unstable Loyalty (AABB)</b>	6	15.8	13	21.7	13	23.2	11	23.9	43	21.5
<b>No Loyalty (ABCD)</b>	16	44.1	15	25	21	37.5	14	30.4	66	33
<b>Total</b>	<b>38</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>56</b>	<b>100</b>	<b>46</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source : Field Survey 2012

**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.

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

Since chi-square ( $\chi^2$ ) test statistic (14.62475) is less than chi-square ( $\chi^2$ ) 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

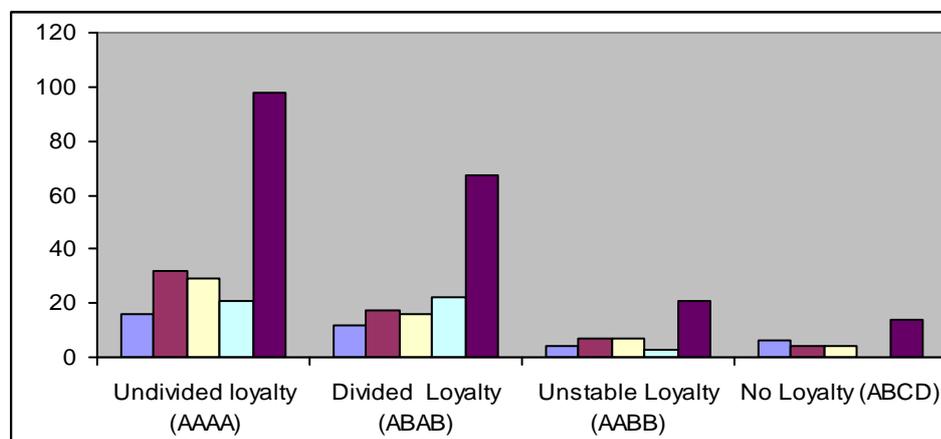
The response of different age groups respondents according to their purchase pattern and preference relating to different brands of Toothpaste are given in the following table.

**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.	%
<b>Undivided Loyalty (AAAA)</b>	16	44.1	32	53.3	29	51.8	21	45.7	98	49
<b>Divided Loyalty (ABAB)</b>	12	31.6	17	28.3	16	28.6	22	47.8	67	33.5
<b>Unstable Loyalty (AABB)</b>	4	10.5	7	11.7	7	14.5	3	6.5	21	10.5
<b>No Loyalty (ABCD)</b>	6	15.8	4	6.7	4	7.1	0	0	14	7
<b>Total</b>	<b>38</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>56</b>	<b>100</b>	<b>46</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**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.

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**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	4
<b>Degree of freedom</b>	9
<b>Tabulated value</b>	16.9186
<b>Chi-square test statistic</b>	12.75237

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

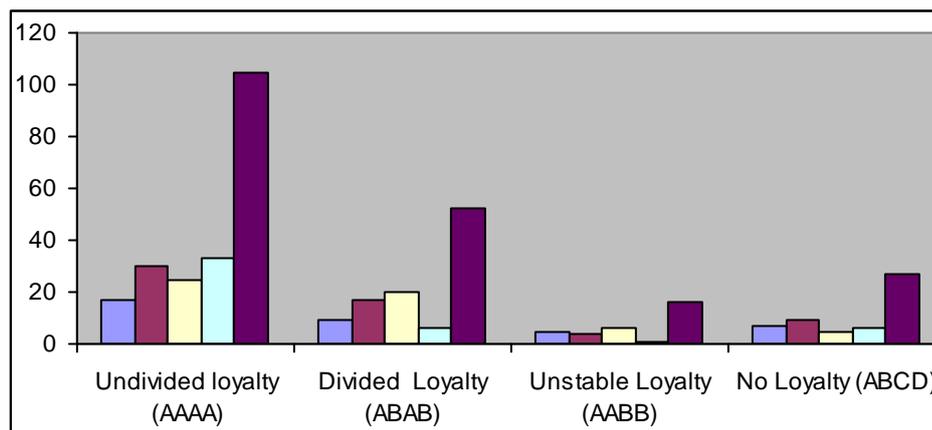
The response of different age groups respondents according to their purchase pattern and preference relating to different brands of Hair oil are given in the following table.

**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.	%
<b>Undivided loyalty (AAAA)</b>	17	44.7	30	50	25	44.6	33	71.7	105	54.5
<b>Divided Loyalty (ABAB)</b>	9	23.7	17	28.3	20	35.7	6	13	52	26
<b>Unstable Loyalty (AABB)</b>	5	13.2	4	6.7	6	10.7	1	4.2	16	8
<b>No Loyalty (ABCD)</b>	7	18.4	9	15	5	8.9	6	13	27	13.5
<b>Total</b>	<b>38</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>56</b>	<b>100</b>	<b>46</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

**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 13percent 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.

Age and Brand Loyalty on Hair Oil Chi-Square Test

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

**Table 4.20**  
**Chi-Square Calculation of Age and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	4
<b>Degree of freedom</b>	9
<b>Tabulated value</b>	16.9186
<b>Chi-square test statistic</b>	15.22536

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	
	<i>Below 10000</i>		<i>10000-15000</i>		<i>15000-20000</i>		<i>20000-25000</i>		<i>25000 and above</i>			
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	5	24.7	20	33.3	10	23.3	13	29.4	11	35.5	59	29.5
<b>Divided Loyalty (ABAB)</b>	12	54.5	50	33.3	11	25.6	15	34.1	11	35.5	69	34.5
<b>Unstable Loyalty (AABB)</b>	3	13.6	13	21.7	8	18.6	7	15.9	5	16.1	36	18
<b>No Loyalty (ABCD)</b>	2	9.1	7	11.7	14	34.6	9	20.5	4	14.9	36	18
<b>Total</b>	<b>22</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>44</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

In the above table and chart we can see that among 22 respondents having Below 10000 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 10000-15000, 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 15000-20000, 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 20000-25000 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 25000 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.

Income and Brand Loyalty on Soap Chi-Square Test

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

**Table 4.22**

**Chi-Square Calculation of Income and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	5
<b>Degree of freedom</b>	12
<b>Tabulated value</b>	21.02606
<b>Chi-square test statistic</b>	14.15205

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	
	<i>Below 10000</i>		<i>10000-15000</i>		<i>15000-20000</i>		<i>20000-25000</i>		<i>25000 and above</i>			
	<i>No.</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No.</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	6	27.3	28	46.7	17	39.5	12	27.3	10	34.3	73	36.5
<b>Divided Loyalty (ABAB)</b>	7	31.8	16	26.7	14	34.6	15	34.1	8	25.8	60	30
<b>Unstable Loyalty (AABB)</b>	1	4.5	6	10	5	11.6	12	27.3	6	19.4	30	15
<b>No Loyalty (ABCD)</b>	8	36.4	10	16.7	7	16.3	5	11.4	7	24.6	37	18.5
<b>Total</b>	<b>22</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>44</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source : Field Survey 2012

The table presented above reveals that majority of respondents (36.4%) in Below 10000 income group are non loyal in any specific product of shampoo. But opposite to this group, in the income groups 10000-15000, 15000-20000 and 25000 and above, strongly loyal respondents held the majority. In the income group 20000-25000, most of the respondents belong to dividedly loyal group.

Income and Brand Loyalty on Shampoo Chi-Square Test

H<sub>0</sub>: There is no effect on income on the brand loyalty.

**Table 4.24**

**Chi-Square Calculation of Income and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	5
<b>Degree of freedom</b>	12
<b>Tabulated value</b>	21.02606
<b>Chi-square test statistic</b>	17.48795

Since chi-square ( $\chi^2$ ) test statistic (17.48795) is less than chi-square ( $\chi^2$ ) 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 25000 and above are non loyal in any brand. In the income group (25000 and above) strongly loyal respondents constructs the majority (35.5%).

**Table 4.25**

**Income and Brand Loyalty: Mineral water**

<b>Brand Loyalty</b>	<b>Monthly Household Income</b>										<b>Total</b>	
	<i>Below 10000</i>		<i>10000-15000</i>		<i>15000-20000</i>		<i>20000-25000</i>		<i>25000 and above</i>			
	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	5	24.7	17	28.3	4	9.3	12	27.3	11	35.5	49	24.5
<b>Divided Loyalty (ABAB)</b>	4	18.2	7	11.7	16	37.2	8	18.2	7	24.6	42	21
<b>Unstable Loyalty (AABB)</b>	6	27.3	16	26.7	8	18.6	10	24.7	3	9.7	43	21.5
<b>No Loyalty (ABCD)</b>	7	31.8	20	33.3	15	34.9	14	31.8	10	34.3	66	33
<b>Total</b>	<b>22</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>44</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source : Field Survey 2012

Income and Brand Loyalty on Mineral Water Chi-Square Test

H<sub>0</sub>: There is no effect on income on the brand loyalty.

**Table 4.26**

**Chi-square calculation of Income and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	5
<b>Degree of freedom</b>	12
<b>Tabulated value</b>	21.02606
<b>Chi-square test statistic</b>	17.68551

Since chi-square ( $\chi^2$ ) test statistic (17.68551) is less than chi-square ( $\chi^2$ ) 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**

<b>Brand Loyalty</b>	<b>Monthly Household Income</b>										<b>Total</b>	
	<i>Below 10000</i>		<i>10000-15000</i>		<i>15000-20000</i>		<i>20000-25000</i>		<i>25000 and above</i>			
	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No.</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>
<b>Undivided Loyalty (AAAA)</b>	9	44.9	30	50	20	46.5	23	54.3	16	51.6	98	49
<b>Divided Loyalty (ABAB)</b>	10	45.5	15	25	18	41.9	14	31.8	10	34.6	67	33.5
<b>Unstable Loyalty (AABB)</b>	2	9.1	9	15	3	7	5	11.4	2	6.5	21	10.5
<b>No Loyalty (ABCD)</b>	1	4.5	6	10	2	4.7	2	4.5	3	9.7	14	7
<b>Total</b>	<b>22</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>44</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

In the above table and chart we can see that among 22 respondents having Below 10000 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 10000-15000, 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 15000-20000, 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 20000-25000 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 25000 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.

Income and Brand Loyalty on Toothpaste Chi-Square Test

H<sub>0</sub>: There is no effect on income on the brand loyalty.

**Table 4.28**

**Chi-square calculation of Income and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	5
<b>Degree of freedom</b>	12
<b>Tabulated value</b>	21.02606
<b>Chi-square test statistic</b>	7.854536

Since chi-square ( $\chi^2$ ) test statistic (7.854536) is less than chi-square ( $\chi^2$ ) 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	
	<i>Below 10000</i>		<i>10000-15000</i>		<i>15000-20000</i>		<i>20000-25000</i>		<i>25000 and above</i>			
	No	%	No	%	No.	%	No	%	No	%	No	%
<b>Undivided Loyalty (AAAA)</b>	11	50	29	48.3	22	51.2	22	50	21	67.7	105	54.5
<b>Divided Loyalty (ABAB)</b>	3	13.6	22	36.37	7	16.3	15	34.1	5	16.1	52	26
<b>Unstable Loyalty (AABB)</b>	2	9.1	0	0	7	16.3	5	11.4	2	6.5	16	8
<b>No Loyalty (ABCD)</b>	6	27.3	9	15	7	16.3	2	4.5	3	9.7	27	13.5
<b>Total</b>	<b>22</b>	<b>100</b>	<b>60</b>	<b>100</b>	<b>43</b>	<b>100</b>	<b>44</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>200</b>	<b>100</b>

Source: Field Survey 2012

The table presented above shows that majority respondent of all defined income group falls in strongly loyal category. 50 percent respondent of Below 10000 income group, 48.3% respondents of 10000-15000 income group, 51.2 percent respondents of 15000-20000 income group, 50 percent respondents of 20000-25000 income group and 67.7 percent respondents of 25000 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 10000 income group whereas strongly loyal respondents are highest in 25000 and above group.

Income and Brand Loyalty on Hair Oil Chi-Square Test

H<sub>0</sub>: There is no effect on income on the brand loyalty.

**Table 4.30**

**Chi-square calculation of Income and Brand Loyalty**

<b>Level of significance</b>	0.05
<b>Number of row</b>	4
<b>Number of column</b>	5
<b>Degree of freedom</b>	12
<b>Tabulated value</b>	21.02606
<b>Chi-square test statistic</b>	26.33106

Since chi-square ( $\chi^2$ ) test statistic (26.33106) is less than chi-square ( $\chi^2$ ) 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**

<b>Name of Product</b>	<b>Factors</b>	<b>Brand Loyal</b>	<b>%</b>	<b>Non Brand Loyal</b>	<b>%</b>	<b>Total</b>	<b>%</b>
<b>Soap</b>	<i>Price off</i>	47	23.5	8	4	55	27.5
	<i>Advertising</i>	56	28	17	8.5	73	36.5
	<i>Desire to test new product</i>	22	11	5	4.5	27	13.5
	<i>Others</i>	39	19.5	6	3	45	24.5
		164	82	36	18	200	100
<b>Shampoo</b>	<i>Price off</i>	39	19.5	14	7	53	26.5
	<i>Advertising</i>	62	31	16	8	78	39
	<i>Desire to test new product</i>	26	13	3	1.5	29	14.5
	<i>Others</i>	36	18	4	2	40	20
		163	81.5	37	18.5	200	100
<b>Mineral water</b>	<i>Price off</i>	40	20	19	9.5	59	29.5
	<i>Advertising</i>	44	22	23	11.5	67	33.5
	<i>Desire to test new product</i>	19	9.5	10	5	29	14.5
	<i>Others</i>	31	15.5	14	7	45	24.5
		134	67	66	33	200	100
<b>Toothpaste</b>	<i>Price off</i>	73	36.5	25	14.5	98	49
	<i>Advertising</i>	54	27	13	6.5	67	33.5
	<i>Desire to test new product</i>	18	9	3	1.5	21	10.5
	<i>Others</i>	12	6	2	1	14	7
		157	78.5	43	21.5	200	100
<b>Hair Oil</b>	<i>Price off</i>	79	39.5	26	13	105	54.5
	<i>Advertising</i>	46	23	6	3	52	26
	<i>Desire to test new product</i>	14	7	2	1	16	8
	<i>Others</i>	19	9.5	8	4	27	13.5
		158	79	42	21	200	100

Source: Field Survey 2012

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**

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

*Source: Field Survey 2012*

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.

## **CHAPTER - V**

### **SUMMARY, FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

This chapter entails the summarization of the entire research. Moreover, the abstract of the research can be pertained in the paragraphs below which give overall brief of research done. Following the summary paragraphs, conclusions are written which concludes the research findings done and finally recommendations are made for actions, if required. Recommendations can also be taken as references for upcoming activities to avoid similar findings achieved.

#### **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).

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.25, 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 brands loyal.

## **5.2 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 25000 and above greater percentage of respondent are found to have undividedly loyal in the case of soap. 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 25000 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.

### **5.3 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.

## **5.4 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 used 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-SQUIRE

Chi-square ( $\chi^2$ ) test is calculated in the following steps.

Step I: Formulation of hypothesis

$H_0$ : Null hypothesis

$H_1$ : Alternative hypothesis

Step II: Set  $\alpha = 0.05$

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

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

### 1. Sex and Brand Loyalty

#### 1.A. Computation of Chi-Square ( $\chi^2$ ), Sex and Brand Loyalty on Soap

Observed Frequency	Expected Frequency	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /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(  $\chi^2$ ), Sex and Brand Loyalty on Shampoo**

Observed Frequency	Expected Frequency	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /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(  $\chi^2$ ), Sex and Brand Loyalty on Mineral Water**

Observed Frequency	Expected Frequency	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /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(  $\chi^2$ ), Sex and Brand Loyalty on Toothpaste**

Observed Frequency	Expected Frequency	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /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(  $\chi^2$ ), Sex and Brand Loyalty on Hair Oil**

Observed Frequency	Expected Frequency	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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) <sup>2</sup>	(O-E) <sup>2</sup> /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

## ANNEX-II

### Questionnaire

Questionnaire for the research of Master's Degree of Business Studies of dissertation survey entitled "Brand Loyalty on Low Involvement Consumer Product "

Please tick ( ) in the answer for which you agree with.

Respondent profile

Age

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

Sex

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

Educational Qualification .....

Monthly household income

Below 10000	
10000-15000	
15000-20000	
20000-25000	
25000 and above	

- 1) What products you regularly use?
  - b. Toothpaste
  - c. Soap
  - d. Shampoo
  - e. Mineral water
  - f. Hair oil

1.1) For product: Soap

a) Which soap do you use for bathing purpose?

- i) Liril                      ii) Lux                      iii) Camay  
iv) Dettol                    v) Mayalu                  vi) Others

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

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

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

- i) Wait for the favorite  
ii) Buy the alternative one

1.2 For product: Shampoo

a) Which Shampoo do you use for bathing purpose?

- i) Clinic Plus              ii) Dabur Vatika              iii) Sunsilk  
iv) Garnier                  v) Head & Shoulders      vi) Others

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

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

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

- i) Wait for the favorite  
ii) Buy the alternative one

1.3 For product: Mineral Water

a) Which mineral water do you drink?

- i) Aqua Hundred              ii) Bisleri                      iii) Thirst - Pi  
iv) H<sub>2</sub>O                          v) Laa                          vi) Others.....

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

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

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

- i) Wait for the favorite  
ii) Buy the alternative one

1.4 For product: Toothpaste

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

- i) Pepsodent      ii) Close-up      iii) Brighter  
iv) Colgate      v) Dabur Lal      vi) Others

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

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

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

- i) Wait for the favorite  
ii) Buy the alternative one

1.5 For product: Hair Oil

a) Which hair oil do you use?

- i) Dabur Amala      ii) Hair and Care      iii) Local Mustard Oil  
iv) Clinic All Clear      v) Parachute Coconut      vi) Others

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

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

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

- i) Wait for the favorite  
ii) Buy the alternative one

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

I. Soap

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

II. Shampoo

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

III. Mineral water

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

IV. Toothpaste

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

V. Hair oil

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

3) To what extent does the incentives (price off, Free goods ...etc.) affect your brand choice?

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

A hearty thanks for your generous response.

Have a good day!!!