

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

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

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

According to Prof. Kotler and Armstrong, "Marketing is a social and managerial process whereby individuals and groups obtain what they need and

want through creating offering and exchanging products and value with others.”

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

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

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

Nowadays, most of the consumers buy products with the help of brand rather than by inspecting the products. It means, successful marketing of a product means successful marketing of the brand of that product. Prof. Kotler defines “a product is anything that can be offered to market to satisfy a want or need.” After producing a product, identification of the product should be given; for this brand is used to identify the product. Branding constitutes an important part of a product.

So, building brand requires a great deal of time, money, promotion, packaging, etc. Prof. Kotler further says, “a brand is a name or mark intended to identify the product of one seller or group of sellers and differentiate the product from competing products.” So, a brand is not only a name given to a product but also a technique by which the quality or the product of various producers are differentiated. So, every manufacturer or marketer is trying it’s best to make the consumers develop a positive attitude towards the brand of their product and buy that brand repeatedly.

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

A consumer’s buyer behavior is influenced by four major factors; cultural, social, personal and psychological factors. These factors cause consumers to develop product and brand preferences. Although many of these factors cannot be directly controlled by marketers, understanding of their impact is essential, as market mix strategies can be developed to appeal to the preferences of the target market. While purchasing any product, a consumer goes through a decision process. This process consists up to five stages; problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. The length of this decision process will vary ranging from shorter routine response behavior to limited problem solving and a more comprehensive extensive problem solving. A consumer may not act isolated in the purchase but may be influenced by any of several people in various roles.

Brand loyalty is the consumer’s conscious or unconscious decision expressed through intention or behavior to repurchase a brand regularly. It occurs because the consumer perceives that the brand offers the right product features, image

or level of quality at the right price. Consumer behavior is habitual because habits are safe and familiar. In order to create brand loyalty, marketers must break consumer habits, help them acquire new habits and reinforce these habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future. 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 other countries. Today, so many brands of even a specific product category are being sold in the Nepalese market. Every producer or marketer is trying their best to prove their product to be the best. This can be observed from the promotional efforts like TV, Advertising, Radio Advertising, Newspaper advertising, Posters, Hoarding boards, personal selling and other promotional tools etc. calling up to buy their product. After all, every producer or marketer wants to develop a market share highly loyal to his product or brand. These circumstances prevalent in Nepalese market signify the need of understanding brand loyalty behavior of the consumer.

Only few researches have been conducted so far in Nepal to find out how consumers behave with different brands of product available in the market.

## **1.2 Significance of the Study**

In the era of cut-throat competition successful marketing of products rely on the demand and understanding of consumer's taste, preferences and loyalty. The significance and importance of this study is conducted mainly to find out

the loyalty of consumers of Kathmandu on brand. It can be dealt in the following points:-

1. The manufacturers and marketers of Kathmandu will be highly benefitted by this study. They can use the findings of the study as the guideline for making marketing strategies for their products so that they can achieve success.
2. This study will help to know the consumer behavior on their products. Hence, manufacturers and marketers can decide the advertisement policy, consumer' response to the price and consumers' perception about their products.
3. This study will help in segmenting the market for the manufacturers in Kathmandu
4. This study will support manufacturers and marketers in an effective way to understand the level of competition
5. This study can be helpful in planning marketing mix for the marketers
6. Similarly, this study will be valuable reference to the scholars and researchers who are interested in conducting further researches about "Brand Loyalty"

Nowadays a brand has become so strong that hardly anything goes unbranded. Even a commodity worth Re.1 has a package with distinctive symbols of manufacturers. Successful marketing requires proper branding, labeling and

packaging. Therefore producing a product is not sufficient for successful marketing. In fact, if we observe today's consumers behavior closely, we can find that most of products are bought by brand rather than inspection. This is the reason that every marketer and manufacturers' are trying their best to develop brand loyalty towards their particular brand of products.

It is quite reasonable that brand and loyalty be defined separately. So, as to understand and relate these terms are the context of our study. Brand has certain image in the market. Brand may be taken as an easy way for consumers to identify a product or service. They, in fact, insure purchasers that they (the buyers) are getting comparable quality when they reorder for the same next time. Therefore, it is obvious that consumers are made to believe by means of branding that they should prefer a particular brand to others available in the market.

In the case of loyalty, it may be said that loyalty refers to the specific preference over the products available in the market. It is also behavioral response of the consumer expressed over time by some decision-making unit with special reference to one or more alternative brands. So brand loyalty leads to strong brand preference and repeat purchase behavior. Such brand preference gives extra benefits to companies even to the extent of high price charging because consumers do not mind to pay even more for their preferred brand. Hence, it is a fact that brand loyalty is created in the mind if the consumer has some strong positive attitudes towards a brand making him buy it repeatedly. When this action of buying same brand repeatedly happens, brand loyalty occurs among the consumers. So, we can say brand encourages repetitive purchase of products. This promotes brand loyalty among customers. Organizations can achieve stable market share. They get protrusion from competition and greater control in planning the marketing mix. They decrease importance of price.

This study is therefore conducted mainly to measure the loyal consumers on branding. Therefore, this study focuses mainly on the brand and loyalty of consumers.

### **1.3 Statement of the Problem**

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

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

1. Are the consumers belief and known towards the brand loyal?
2. In what competitive market do they buy these products?
3. In spite of availability of different brands in the market, do the consumers respond and stick up to any particular brand or do they repeatedly switch to different brands.

## **1.4 Objectives of the Study**

Since our main purpose is to study whether brand loyalty exists in Nepalese T.V. market or not, this study includes the following specific objectives:

1. To analyze consumer's brand consciousness in Kathmandu District
2. To identify the relationship of brand loyalty with demographic variables like age, sex and income
3. To study and evaluate the major causes of being brand loyal
4. To recommend for actual course of actions for the people, marketers and all concerned on the basis of study findings
5. To develop marketing strategies and conducting further researches on loyalty on branding in the future

## **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. Therefore, it is natural to have several limitations, which can weaken the objectives of this study. Some of the limitations are as follows:

1. Only branded T.V. goods are included in this study. Conclusion derived may not be necessarily applicable to other products



2. Sample size of this study is all together 200 respondents selected for participation randomly
3. This study is totally based on the views and responses received from consumers of Kathmandu only. The findings of the study may not be applicable for other products and other parts of the country
4. In this research most data is primarily in nature and secondary data also used for cross- check purpose.

## **1.6 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 larger the difference the hypothesized value has low chances to be correct. For this study purpose following hypotheses are made:-

Null Hypothesis =  $H_0$

$H_{01}$ : There is no significant difference in brand loyalty between male and female

$H_{02}$ : The Age of the individual does not have significant influence on the Brand Loyalty

$H_{03}$ : There is no effect of income on the brand loyalty

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

#### **2.1 General Review**

A literature review is a body of text that aims to review the critical points of current knowledge and or methodological approaches on a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work.

Most often associated with academic-oriented literature, such as thesis, a literature review usually precedes a research proposal and results section. Its ultimate goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area.

A well-structured literature review is characterized by a logical flow of ideas; current and relevant references with consistent, appropriate referencing style; proper use of terminology; and an unbiased and comprehensive view of the previous research on the topic.

Study of consumer behaviour has prevailed as an effective measure helping to develop the successful marketing strategy. The consumer and the society have been the centre point around which all the marketing activities revolve. The various advantages made in marketing have established the consumers as the sovereign power in the marketing world. So, in order to be successful, products must be produced according to the needs and demand of the consumers and interest of the society. In the modern business world, understanding of consumer choices, purchasing decision making process, brand preference,

factors affecting decision making process and understanding of consumer behaviour is most necessary to become a successful marketer.

Brand loyalty is a temporary aspect of consumer behaviour (James F. Engel, 1982:598). Brand loyalty analyses whether or not a consumer is loyal to a specific brand or set of brands in a certain time period. Study on brand loyalty began when research on consumer behaviour became popular around the late 50's and 60's. Most of the products today are sold by brands today in the developed countries like U.S.A., Germany, U.K., Japan. Even vegetable products are sold by brands. Today no one denies indispensability of understanding brand loyalty behavior for successful marketing of the products. This growing need and importance of behavioural study of consumer gave birth to brand loyalty as a separate subject of study.

Brand loyalty, though may seem simple at a glance, is not a simple concept. Schiffman and Kanuk say, "Just as there are different approaches to the definition and measurement of information processing, so there are different views as the definition of brand loyalty" (Leion G. Schiffman, 1990:258). Different scholars, experts, behavioural scientists and researches have defined brand loyalty in different ways and have utilized different approaches and criteria to measure brand loyalty. Some have defined brand loyalty in terms of consumer behaviour, some have defined in terms of both consumer behaviour and consumer attitude.

Now, many researches on brand loyalty have been carried out. But, as stated above, they are not based on the same definition nor have they employed the same approaches or criteria to measure brand loyalty. Different researches are based on different definitions and have used different measures of brand loyalty. Therefore, it seems very much necessary to pay particular attention on

definition of the term and approaches to measurement while reviewing the researches.

One of the earliest studies defined brand loyalty according to the sequence of purchasing a specific brand (James F. Engel and Roger D. Blackwell, p.556). The key insight of this definition is that the purchasing pattern of a specific brand determines loyalty to the brand. This definition classifies brand loyalty in four categories :-

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

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

1. Undivided Loyalty – if the purchase sequence is AAAAA
2. Divided Loyalty if the purchase sequence is AB, AB, AB
3. Unstable Loyalty if the purchase sequence is AAAABBB,
4. No Loyalty if the purchase sequence is ABCDEFG

Thus, it is obvious that according to this definition brand choice sequence is the criteria that measures brand loyalty.

## **2.2 Conceptual Framework**

### **2.2.1 Brand Loyalty: Perpetual Background**

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

- |                      |                    |
|----------------------|--------------------|
| 1. Undivided loyalty | 2. Divided loyalty |
| 3. Unstable loyalty  | 4. No loyalty      |

### **2.2.2 Variables are taken into Consideration**

The present study will include the following variables:

Independent variables

1. Age
2. Sex
3. Income

Dependent variables

Brand loyalty

#### **1. Age**

The Age of the consumer 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. Females are more shopping and bargaining-prone and like to visit several shops to compare price, quality and service, whereas males 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 products, whereas people with lower income are more price conscious. Therefore, they prefer the products that are cheap and durable.

### **2.3 Brand Choice**

In the brand choice, there are many product categories that are represented by numerous brands. To cope with the multiplicity of relatively similar brands consumers do attempt to simplify their decision making by categorizing the available brands in the evoked set. Evoked set is defined as the set of products that the buyer actually considers when marketing a special brand choice. All the brands in evoked set are evaluated positively and the consumer makes a purchase choice as his evoked set. (Chem L. Narayan et.al. 1975:715)

### **2.3.1 Brand choice sequences**

The first study of brand loyalty was published by George Brown in 1952. The study was conducted on a panel of 120 households. Survey was conducted on the household's purchases of frequently purchased high involvement products like television (TV). Household making five or more purchases was placed one of the four brands. Loyalty categories depending on the sequences of brand purchased using the definition of brand choice sequences. Brown noted that percentage of households demonstrating some degree or loyalty varied on the products involved. He also added that the percentage of households were undivided percent across products (George Brown, P.556)

### **2.3.2 Proportion of purchase**

Expressing loyalty as some percentage of purchases in popular way of defining brand loyalty. Ross Cunningham (1956) defined brand loyalty according to the proportion of purchases in a household that is devoted to the brand it purchased most frequently. Cunningham conducted his study on a sample of 66 families using histories of 6 common grocery products and headache tablets. He found out that in each product category more than 50 percent of these families concentrated at least 43 per cent of their purchase on the brand most often bought. His result showed certain amount of brand concentration in the family purchase.

### **2.3.3 Repeat purchase probabilities**

Many recent researches on brand loyalty have used the repeat purchase probabilities of brand as measured of brand loyalty. The probability ranging from zero to one was used to determine its degree of loyalty based on the repeat purchase probabilities.

### **2.3.4 Brand preference over time**

Brand loyalty has also been defined as preference statements over time rather than actual purchase or brands. Lester Tuest, in 1941 asked 513 students to indicate the brands. They preferred in 16 product categories in 1953. He obtained brand preference for the same 16 product categories for 165 members of the original sample. The percentage of respondents whose past and present preferences matched was above 30 percent. (Lester Tuest, 1999:260)

## **2.4 Brand switching**

Brand switching of consumer is a major worry for all marketers. Consumers switch brands due to many reasons. Dissatisfaction, boredom, new innovations and sales promotional offers promote brand switching behaviour of the consumers. It means consumers habits are continuously shifting from one brand to another. In this sense, it is opposite to brand loyalty, a brand loyal consumer sticks up to a specific brand or a set of brands. A buyer who is habitual to brand switching is loyal to no brand. The understanding of why consumers are involved in brand switching behaviour is very important for complete market understanding of brand loyal behaviour. That is why



consumers to a great extent are not brand loyal. There are many causes for brand switching behaviour.

It is not unusual to switch brands simply because of variety seeking. Consumers switch brands because they are dissatisfied with a product, because they are more concerned with price than with brand names. A consumer being loyal to a brand for a long time may switch to other brands because of being dissatisfied or being bored with the brand that he has been using for a long time. Similarly, if the consumer is more conscious than the brand then even a slight price cut in the competitive brands may make him move over towards those brands.

But research studies on brand switching reveal that brand switching is not very much stronger as it is generally thought in words. Brand switching is not very much threatening to manufacturers. A recent study on consumer purchase habits reported that brands with larger market shares have proportionately larger groups of loyal buyers. (S.P. Raj, P.260)

It follows that intra-personal factors such as dissatisfaction, boredom, price consciousness and aspiration for testing new brand causes brand switching. Similarly, also some external factors like special price deals, coupons, free sample and comparative advertisement may cause brand switching. But what the researches showed that, “such a brand switch cannot be converted into brand loyalty.” (Ibid, P.26). The consumers do not keep on sticking to the brand which they are switched to. Together with the end of such special deals as a price cut, free sample, coupon, etc, consumers return back to their previous brands.

## 2.5 Brand loyalty Correlation

Brand loyalty correlation means the various factors that are related or associated with differential degree of brand loyalty. Brand loyalty correlation explains why brand loyalty varies across products and consumers. Many researches have been conducted to find out such co-relations of brand loyalty. Engell and Blackwell after analyzing the findings of around 34 researches conducted by various scholars and experts have made the following conclusions:

- a) There is limited evidence that the loyalty behaviour of an informal group leader affects the behaviour of other group members.
- b) When extended definitions of brand loyalty are used some socio-economic, demographic and psychological variables are related to brand loyalty. However, those relationships tend to be product specific rather than ubiquitous across product categories.
- c) Socio-economic, demographic and psychological variables generally do not distinguish brand loyal consumers from other consumers when traditional definitions of brand loyalty are used.
- d) Market structures variables including the extensiveness of distribution and the market share of the leading brand exert a positive influence on brand loyalty.
- e) There is limited evidence that perceived risk is positively related to brand loyalty.
- f) Store loyalty is commonly associated to brand loyalty
- g) There is some evidence that brand loyalty is inversely related to the number of stores shopped
- h) The relationship between amount purchased and brand loyalty is uncertain because of contradictory finding

- i) The relationship between inter purchases time and brand loyalty is uncertain due to contradictory finding
- j) The effect of a number of alternative brands, special deals and price activity are uncertain due to contradictory findings. (Engel and Blackwell, PP. 577-78)

Thus, what comes out from the conclusion made by Engel and Blackwell is that even though the researches have found out some factors such as socio-economic, demography, store loyalty, number of stores shopped, market share of leading brands as the co-relates of brand loyalty, yet the researchers findings are contradictory concerning other factors such as amount purchased, inter purchases to time, number of alternative brands etc. It seems that the researchers have not yet reached any concrete result about what are correlates and non correlates of brand loyalty.

It is necessary to develop the most scientific and widely accepted research instrument to find out what are correlates and non correlates of brand loyalty. Brand loyalty is a wider concept. What factors are correlated with it is a serious question. There maybe hundreds of factors correlated to it. The main cause of the contradiction among research findings is “absence of widely accepted research tradition” (Ibid, P.578) say Engel and Blackwell. Researchers so far have used different definition of brand loyalty. Some have used the traditional definitions which measures brand loyalty on the basis of the consumer purchases whereas others have used extended definitions of brand loyalty which measure brand loyalty on the basis of both the consumer purchases and consumer preferences. Due to the use of different definitions and approaches the researches, findings, concerning to brand loyalty correlates have resulted to confusion and contradiction. Hence, it is not only difficult but also impossible to state exactly what are the correlates and non-correlates of brand loyalty.

Brand Loyalty correlates are the important aspects of study on brand loyalty. Brand Loyalty correlates tells why brand loyalty varies across products and consumers. Similarly, brand loyalty correlates are of high importance for the markets. Therefore, there must not be any contradiction or confusion about the correlates. Correlates must be defined and stated precisely to the markets and could use them as the efficacious guidelines for making strategies. And, this can be better done by improving the weaknesses of the past events and by developing the most scientific and widely accepted research tradition.

## **2.6 Brand loyalty models**

### **2.6.1 Zero order models (Bernoulli Model)**

This is the earliest model of brand loyalty in this model, the consumer is assumed to have a constraint probability of purchasing the brand under study. The probability is determined from aggregate brand choice data and is assumed to be independent of all external influences, prior purchases or consumer characteristics. (James F. Engel ET. Al. P.581)

This function is determined from aggregated brand choice between brands A and B, where B is the composite of all other brands. This model suggests that there is no feedback from past purchase events. The response function is free to change over time. It, however, suggests that the number of brands available at a store, especially price deals and out of stock situation of the brand influence the probability function. This shows that the brand becomes available in more stores, the probability of buying brand A is expected to increase for many customers who purchase brand A, all other factors remaining constant.

### **2.6.2 Dynamic Bernoulli Model**

Ronald A. Howard has modified the original Bernoulli model where the probability  $P$  is allowed to vary between individuals and to change from one purchase situation to another for the same buyer. However, this model also assumes a zero order process where the past purchase event has no effect on the present and future purchase probabilities. This factor has made this model of limited use.

### **2.6.3 Probability diffusion model**

The probability diffusion model proposed by David B. Montgomery is also a zero order model, which does not consider purchase events feedback in this model. An individual's response probability is assumed to be non-stationery and different individuals may have different response probabilities. This model is based on the following assumptions: (Harper W. Boyd ET. Al. p.67-70)

- i) The brand choice behaviour is described as a dichotomous selection i.e. selection between two brands A and B.
- ii) Each respondent is assumed to have a number of hypothetical elements: some are associated with response A and the remainder with response B.

### **2.6.4 New Trier Model**

The New Trier Model describes the brand choice behaviour of a consumer purchasing a particular brand for the first time. This is also zero order model

developed by Aaker. This model assumes that there is a trial period after the initial purchase during which the probability of purchasing the brand for that family remains constant. After, a number of trial purchases, the consumer is assumed to reach a decision which given a new probability of purchasing the brand. The probabilities of purchasing the new brand after the trial period differ among individuals. Thus, this model is similar to probability diffusion model in many respects and has limited use.

These models offered little insights into the dynamics of brand loyalty and have been abandoned in favour of more realistic model the market model. (James F. Engel P.583-584)

### 2.6.5 Markor's First Order Model

Markor's model considers the influence of past purchases on the probability of current purchases. Markor's first order model takes into account the effect of last purchase on the current purchase (Harper W. Boyd P 59-63)

To illustrate, consider a product category with three brands A,B and C. Based on the past purchase data of a sample consumers, the conditional probabilities of moving from one site to another in any two consecutive time period can be estimated as shown in the following hypothetical table.

<b>Last Purchase</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Total</b>
A	0.7 (70%)	0.1 (10%)	0.2 (20%)	1 (100%)
B	0.3 (30%)	0.6 (60%)	0.0 (20%)	1 (100%)
C	0.4 (40%)	0.1 (10%)	0.5 (50%)	1 (100%)

The table can be interpreted as follows:

If a consumer purchases a brand A during a certain period, the during the next period there is a 70% chance that he/she will buy brand A, 10% chance for buying brand B and 20% chance of buying brand C. Similar probability or chances can be calculated for original buyers of brands, B and C.

A study measured brand loyalty in three different ways; brand market share. The number of same brand purchases in a six month period and the average number of brands bought per buyer. Findings suggest that consumers buy from a mix of brands within their acceptable range. Thus, the greater the number of acceptable brands in a specific product category, the less likely loyal to one specific brand conversely; products having few competitors, as well as those purchased with great frequency are likely to have greater brand loyalty.

## **2.7 Researches on consumer behavior under Tribhuvan University Thesis**

The T.U has completed some researches on consumer behaviour. Similarly, researches and studies conducted by other institutions and professionals cannot be ruled out as well. Four of the researches conducted by the student of T.U. are reviewed below.

- 1) Mr. Yogesh Pant had carried out a research titled, “**study on brand loyalty**” in 1992. The major objective of this study was to examine the brand and identify correlates of brand loyalty especially on low involvement products.

- 2) Mr. Jagat Timilsina had conducted a research on ‘**A study on buyer behaviour**’ in 1999. The study basically concentrated to find out brand patterns and purchase, freedom of clothing apparels.
- 3) Shree Basta Ghimire’s “**A study on branding policy of durable consumer goods,**” though his study is basically related with brand policy. He found that in brand loyalty Nepalese consumers were moderate; in the findings of his study he states that 34% consumers were found highly loyal. His findings related to brand loyalty seems confusing. According to his findings, brand loyalty differentiates from consumer behaviour like sticking to a particular brand and waiting for the favourite brand. As a matter of fact, brand loyalty itself is an outcome of both sticking up to a particular brand with the intention to wait for that in case of unavailability along with a positive attitude towards the same brand.
- 4) Damodar Nepal’s, “**A study on brand loyalty of the Nepalese consumers**”, is basically related with branding which is necessary for the product benefits, quality of the product, localization of the product, effective advertisement at the right time. Brand loyalty is absolutely a great asset of the company for achievement of brand loyalty of the marketing strategy of the company to product price, place and promotion should be sound and well fitted. Brand loyalty is positively initiated with consumer’s income, its consumers are least influenced by special deals like discounts, free coupons, prize activities and advertisement.



So after reviewing the above researches conducted by the Tribhuvan University is constantly going to add an extra milestone in Nepalese research activities. The study is an attempt to reveal the brand loyalty of the Nepalese consumer.

## **2.8 Research Gap**

In this study, I have taken new journals and articles from different journalists who are related to brand loyalty that helps to know about brand loyalty and its effect on manufactures, marketers and consumers, relationship among them and shows a glance of actual position of brand loyalty in Nepal. Further, the study has involved 5 different TV Brands such as LG, Samsung, Sony, Daewoo, Hitachi and data are different from those of previous in term of time and space. So, it has been believed that this study will be different and comprehensive as compared to previous study.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

Consumers are the sovereign power of the modern marketing world. Industrial activities are gradually increasing in Nepal. The products manufacturer wants to sell but the ones that consumers want to buy. Every successful product in the modern marketing world is an embodiment of the consumer's needs, wants, prestige, preference, satisfaction, aspiration and mental horizon or understanding the consumer in total is the secret of success today. Most of the manufacturers or marketers or sellers are spending a good deal of money for the promotion of their brands. That is to say, promotional activities are also increasing fast in the country. All these show that markets in Nepal are growing fast and entering into an era of cutthroat competition.

Knowledge of brand loyalty market is easier to understand the consumer brand loyalty, exposes the consumer's preference, attitudes and purchasing pattern relating to different brands of the product available in the market. These factors like preference, attitude and purchasing pattern as to a great extent, directly and indirectly related with the consumer's satisfaction, social status, earning, aspiration and ambition.

Research methodology is a way to systematically solve the researcher's problem. It facilitates the researchers work and provides reliability and validity. In other words, it is a systematic product of knowledge. C. K. Kothari defined research as a scientific systematic research for pertinent information on a specific topic (Kothari 1998:1). Redman and Moray define research as a systematized effort to gain new knowledge (Redman and Moray 1923:10). This

passage discusses the procedure employed in the study including data collection and analysis. Further, it deals with variables used in the study; the necessary relevant data have been successfully collected from the consumer's personality purchasing pattern of different brands of the product like television (TV). A research work should be much more effective, accurate and useful and it should follow scientific methods. The research methodology employed in the present study is described here as follows :-

### **3.1 Research Design**

This study is exploratory in nature. This study mainly aims to find out the “effect of brand loyalty of Nepalese consumer in Television (TV) purchasing decision” with reference to Kathmandu valley. For this study, the survey research design has been adopted. The data and information collected from the survey of the consumer are rearranged, tabulated, analysed and interpreted according to the needs of the study for attaining stated objectives. The Nepalese ultimate consumers are extensively surveyed so as to procure data and information about the consumers, personality, purchasing pattern of the different brands of the products selected for the study and their attitudes, responses and reactions relating to the same brands.

### **3.2 Nature and sources of data**

The data used in this study are primary in nature. These primary data required for the study are collected from the Nepalese consumers of the products like Television selected for this study are the sources of data used in the present study.

### **3.3 Population**

All the Nepalese ultimate consumers of the products (TV), selected for this study (i.e. LG, Samsung, Sony, Daewoo and Hitachi) are considered as the population of this study. Data on the exact number of such customers are not available.

### **3.4 Sampling**

The above stated population for the stuffy is very large. It is almost impossible to include the whole population in the study. So, out of this population only 120 consumers are surveyed in other words, from the whole population a sample of only 120 consumers are taken for this study. The sampling method used for the study is judgemental (i.e. non random) sampling. Sampling in this study is a very small size of the sample in comparison to the population.

Even though the sample size is very small in comparison to the population, sufficient efforts have been made to make the sample present to the whole population included in the sample are therefore, from the different professionals, age groups, education groups and equally of sex, male and female. In this survey, all respondents should be requested to give responsibility to fill the questionnaire for the study.

### **3.5 Data collection procedure**

A well-structured questionnaire is the main instrument used for collection of data required for this study.

The questionnaire was most carefully designed as well as pre-tested so that it could best serve the purpose of this study. The questionnaire contained multiple choice questions. 120 questionnaires were distributed. All of them are collected. The questionnaires were filled upon the researchers own presence the response became cent percent. Maximum attention has been given while filling up the questionnaires. The respondents were supported by oral explanation or inability to understand any content in the questionnaire.

### **3.6 Data processing and Analysis**

All the questionnaires were distributed and collected by the researcher himself so; there was not any delay in collection of the questionnaires, which were distributed to the consumers. Every questionnaire was thoroughly checked after the collection and was found correct in the style of filling. The same response of the collected questionnaires were put into one place under the respective headings and the total responses were presented in one master table with the help of the data of the master table, necessary adjustments have been made for attaining the objectives of the study.

All the analysis is made on the basis of the data as presented in the master table. Data is analysed both descriptively and statistically. For statistical analysis required tools such as simple mean, weight mean, ration and percentage are adopted.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

This chapter incorporates data presentation and analysis. The data and information collected from the consumers are presented, analysed and interpreted in this chapter for attaining the stated objectives of the study. What is found after the analysis and interpretation is given at the end of this chapter.

#### **4.1. Presentation and Analysis**

The data and information collected from the consumers are presented, interpreted and analysed according to the research questions, formulated for the study. Research questions formulated for the study have been answered by means of the very analysis and interpretation. Therefore, each research question is reviewed first before the collected data are presented, interpreted and analysed to get the answer of the question.

##### **4.1.1 Research question No.1**

The first research question formulated for this study is “What is the effect of brand loyalty or Nepalese consumer in the TV purchasing decision.” Many questions were asked to the consumers to get the answer of consumer’s response to the various questions presented and analysed below.

The consumers surveyed for this study were given two scales: one to measure the importance of brand in consumer durable goods and the other to measure

the same in consumer non durable goods. Each scale included 5 points from 1 to 5. 1 was given for minimum and 5 for maximum. Consumers were asked to tick on the point they think correct or appropriate. Different consumers ticked on different points from 1 to 5. We have calculate weighted means of consumers responses concerning to the importance of brand in both types of consumer goods – durable and non durable.

**Table No. 1**

**Importance of Brand**

<b>Types of Goods</b>	<b>Weighted means of Important points</b>
Consumer durable goods	2.78
Consumer non durable goods	2.53

Source: Field Survey, 2009

Table No.1 reveals that the consumers have given on average 2.78 points for the consumer durable goods and 2.53 for the non durable goods. According to the scale given to the consumers with points approaching the maximum important points. Thus, it seems that brand has high importance for the Nepalese consumers and the importance of study on the “Effect of brand loyalty of Nepalese consumers in the television purchasing decision”.

**Table No. 2****Use of Brand in purchasing products**

S.No	Name of products	Means of purchase	No. of Respondents				Total	
			Male	%	Female	%	No.	%
1	LG TV	By brand	40	57.14	25	50	65	54.17
		By inspection	30	42.85	25	50	55	45.83
		Total	70	100	50	100	120	100
2	Samsung TV	By brand	30	37.5	25	62.5	55	45.83
		By inspection	50	62.5	15	37.5	65	54.17
		Total	80	100	40	100	120	100
3	Sony TV	By brand	35	46.77	35	77.78	70	58.33
		By inspection	40	53.33	10	22	50	41.66
		Total	75	100	45	100	120	100
4	Daewoo TV	By brand	25	33.33	20	44.44	45	37.5
		By inspection	50	66.97	25	55.55	75	62.5
		Total	75	120	45	100	120	100
5	Hitachi TV	By brand	15	23.08	25	45.45	40	33.33
		By inspection	50	76.92	30	54.54	80	66.77
		Total	65	100	55	100	120	100

Source: Field Survey, 2009

Table No. 2 shows how the Nepalese consumers buy a product like 'Television'. In the case of LG Television, 54.17% buys it by the brand name whereas 46% buys it on inspection. In the case of Samsung TV, 45.5% buy it



by the brand whereas 41.66% buy it by inspection. In case of Daewoo 37.5% buy it by brand whereas 62.5% buy it on inspection. Similarly 33.33% buy by brand whereas 66.77% buy by inspection.

Hence, it can be said that the majority of the Nepalese consumers buy Television by inspection rather than by brand but in the case of LG and Sony Television, some consumers are being brand loyal than compared to other Television brands, by research it appeared that the consumers attitude are more brand loyal towards LG and Sony Television. Thus one must not be confused in the term “by brand and by inspection.” Buying by brand means buying a product by examination or observation. For example, if a consumer who wants to buy a soap goes to a shop or store and asks the shopkeeper to give him a ‘Liril’ or ‘Lux’ or ‘Lifebuoy’, then it is called buying by brand. But if the same consumer goes to the store and asks the shopkeeper to give him a soap and does not specify which soap he wants to buy then it is called buying by inspection.

Buying by brand is directly selecting with brand awareness. A consumer who always buys by brand is supposed to have knowledge of different alternative brands available in the market and the difference between the brands uses and other alternative brands in the market.

The difference in consumer durable goods and non durable goods, the high importance of brand show the consumer’s strong interest to knowing brand of the products they use.

To be more specific about the brand awareness of the Nepalese consumer, we had asked them whether they buy the products selected for this study by brand or inspection. Their response to this question is depicted in the following :-

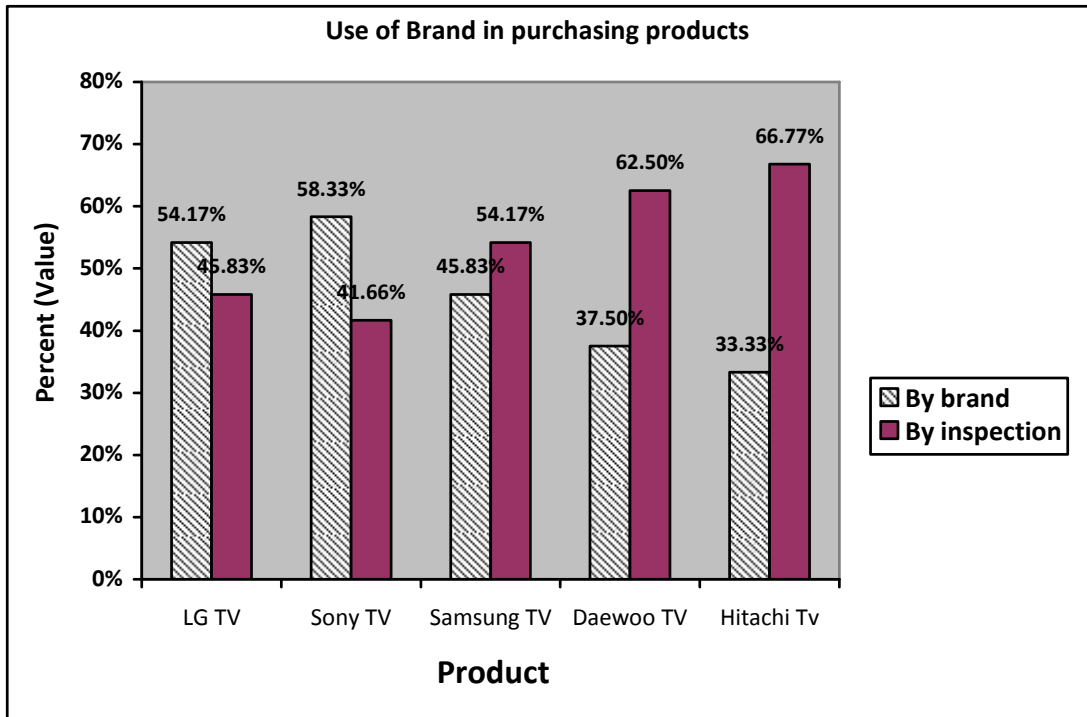


Figure No. 1

**Table No. 3**

**Most Favorite brand**

S.No	Most Favorite Brand	No. of Respondents				Total	
		Male	%	Female	%	No.	%
1	LG TV	22	34.92	18	31.57	40	33.33
2	Samsung TV	16	25.39	14	24.56	30	25
3	Sony TV	12	19.04	10	17.54	22	18.33
4	Daewoo	10	15.87	8	14.03	18	15
5	Hitachi	3	4.76	7	12.28	10	8.33
6	Total	63	100	57	100	120	100

Source: Field Survey, 2009

The above Table No.3 shows that the majority of customers fall in the purchase of Television with the most favourite brand being LG Television. The number of consumers falling in this group is 40 (i.e. 33.33%), 25% consumers fall in the purchase of television group which has the brand 'Samsung', 18.33% consumers fall in the purchase of television group which has the brand 'Sony', 15% consumers fall in the purchase of television group which has the brand 'Daewoo', similarly 8.33% consumers fall in the purchase of television group which has the brand 'Hitachi'.

Hence, 33.33% and 25% consumers falling in the purchase of television of LG and Samsung is the most favourite brand from the loyalty point of view.

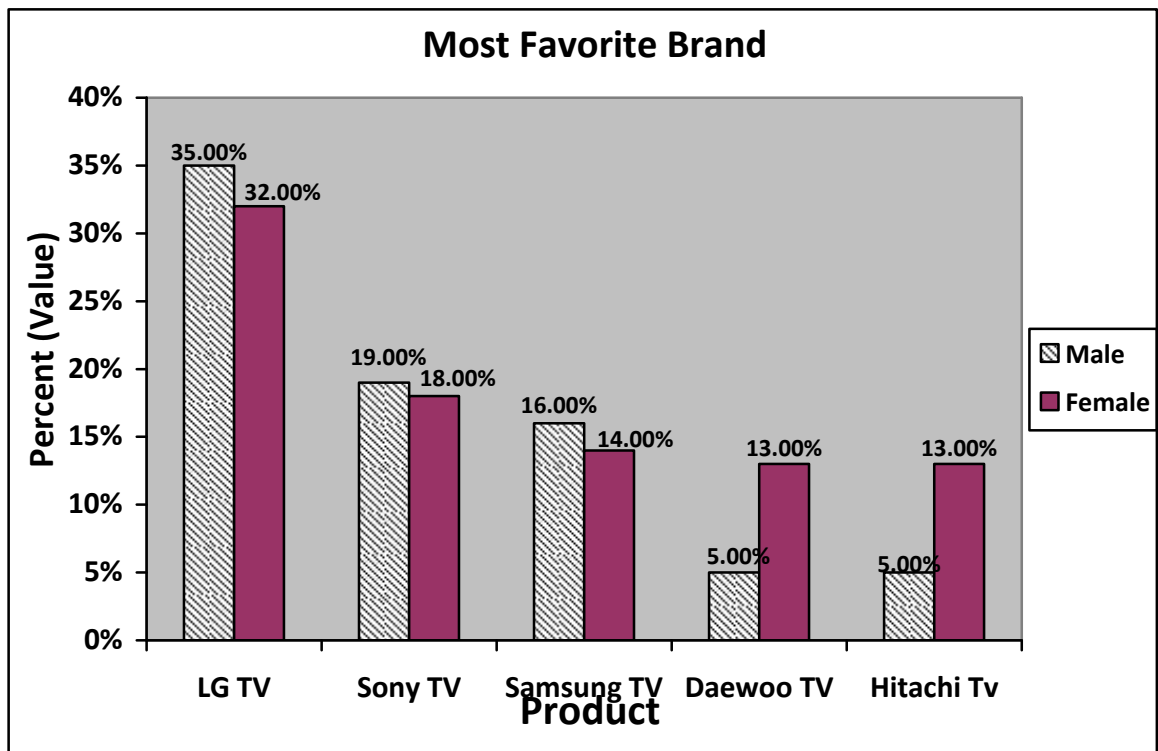


Figure No. 2

#### 4.1.2. Research question No.2

Brand loyalty of Nepalese consumers

As a matter of fact, the present study is conducted mainly to answer the question. Therefore, a good deal of effort has been made to get the answer of these questions.

There are many approaches to the measurement of brand loyalty; we have preference approach in this study. We have measured brand loyalty on the basis of their purchasing patterns and preference order to the different brands of T.V.'s. We have selected five brands of television for this study. Consumers were asked to name the brands they bought and similarly to find out the preferred brand, they were asked to name their most favourite brand of television available in the market.

**Table No. 4**

#### **Purchasing TV in life**

<b>S.No</b>	<b>Name of the product</b>	<b>Purchasing Time/Period</b>	<b>No. of Respondents</b>	<b>Total %</b>
1	LG TV	Sometimes & rarely	35	29.17
2	Samsung TV	Sometimes & rarely	33	27.5
3	Sony TV	Sometimes & rarely	25	20.83
4	Daewoo TV	Rarely	19	15.83
5	Hitachi	Rarely	8	6.67
	<b>Total</b>		<b>120</b>	<b>100</b>

Source: Field Survey, 2009

The above Table shows that the consumers are purchasing television only sometimes and rarely because the table shows that among the five brands of television, 29.17% of the respondents are purchasing LG television sometimes and rarely. Similarly 27.5% of the respondents are purchasing Samsung sometimes and rarely, 20.83% of the respondents are purchasing Sony television sometimes and rarely, in the television brand Daewoo, 15.85% of the respondents are purchasing sometimes and rarely and 6.67% of the respondents are purchasing Hitachi television sometimes and rarely.

Hence, the consumers are purchasing television only sometimes and rarely whereas non-branded respondents are purchasing only rarely. Therefore television is a high financial and social risk and takes more money and time because it is a high involvement product. That is why the respondents are in the habit of buying television rarely and sometimes according to their demand, desires and social status in the society.

**Table No. 5**

**Factors affecting while purchasing TV**

Name of Products	Factors	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No.	%	No.	%	No.	%
LG TV	Price	30	27.77	6	50	36	30
	Advertising	31	28.7	1	8.33	32	26.66
	A new brand	25	23.14	2	16.66	27	22.5
	None	22	33.14	3	25	25	20.83
	Total	108	100	12	100	120	100
Samsung	Price	20	19.04	5	33.33	25	20.83

TV							
	Advertising	30	28.57	2	6.66	32	26.66
	A new brand	30	28.57	6	40	36	30
	None	25	23.8	2	6.66	27	22.5
	Total	105	100	15	100	120	100
Sony TV	Price	31	28.18	4	40	35	29.16
	Advertising	32	9.09	1	10	33	27.5
	A new brand	41	37.27	3	30	44	36.66
	None	6	5.45	2	20	8	6.66
	Total	110	100	10	100	120	100
Daewoo TV	Price	32	29.35	1	9.09	33	27.5
	Advertising	30	27.52	5	45.45	35	29.16
	A new brand	40	36.69	4	36.36	44	36.66
	None	7	6.02	1	9.09	8	6.66
	Total	109	100	11	100	120	100
Hitachi TV	Price	20	18.69	5	38.46	25	20.83
	Advertising	40	37.38	2	15.38	42	35
	A new brand	45	42.05	5	38.46	50	4.66
	None	2	1.86	1	7.69	3	2.5
	Total	107	100	13	100	120	100

Source: Field Survey, 2009

The data presented in the table No.5 above is the consumer's response to the question that which one of the following factors made you purchase the television. The factors provided with the questions are :-

- i) Price i.e. price rise or price cut in one brand in comparison to the other
- ii) Strong advertisement campaign or other brand
- iii) A new brand to purchase
- iv) None of these

The above factors are affecting consumers while purchasing television, 30% of the total respondents are affected by price while purchasing LG Television, 26.66% of the total respondents are affected by advertising, 22.5% are affected by a new brand and 20.83% are affected by none of these factors while purchasing LG Television.

In the case of Samsung television, 20.83% of the total respondents are affected by price while purchasing LG Television, 26.66% of the total respondents are affected by advertising, 30% are affected by a new brand and 22.5% are affected by none of these factors.

In the case of Sony television, a new brand having 36.66% affects highest while purchasing it whereas 29.16% of price and 27.5% of advertising affect the least consumers in comparison to a new brand. In the case of Daewoo television, a new brand having 36.66% affects highest while purchasing it whereas 27.5% of price and 29.16% of advertising affect the least consumers in comparison to a new brand. Similarly, in the case of Hitachi television, a new brand having 41.66% affects highest while purchasing it whereas 20.83% of price and 35% of advertising affect the least consumers in comparison to a new brand.

Hence, in television purchasing decision consumers are affected mostly by a new brand than by other factors like advertising, price and others.

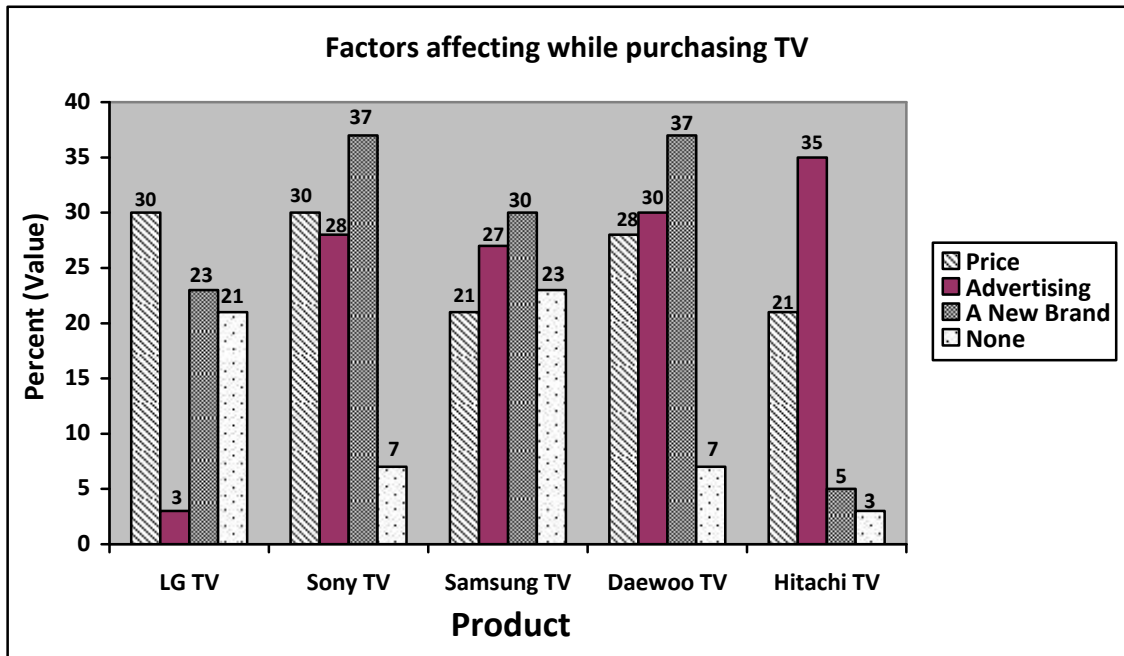


Figure No. 3

Table No. 6

**Degree of Loyalty**

Name of product	What do you do if your favorite brand is not available?	No. of brand loyal respondents				Total	
		Male	%	Female	%	No	%
LG TV	Wait for the favorite one	25	44.64	35	34.68	60	50
	Buy the alternative	16	28.57	14	21.87	30	25



	Do not buy	15	26.78	15	23.43	30	25
	Total	56	100	64	100	120	100
Samsung TV	Wait for the favorite one	30	46.15	30	54.54	60	50
	Buy the alternative	20	30.76	15	27.27	35	29.17
	Do not buy	15	23.07	10	18.18	25	20.83
	Total	65	100	55	100	120	100
Sony TV	Wait for the favorite one	25	45.45	25	38.46	50	41.67
	Buy the alternative	15	27.27	30	46.15	45	37.5
	Do not buy	15	27.27	10	15.38	25	20.83
	Total	56	100	64	100	120	100
Daewoo TV	Wait for the favorite one	15	23.07	20	36.36	35	29.17
	Buy the alternative	30	46.15	15	27.27	45	37.5
	Do not buy	20	30.76	20	36.36	40	33.33
	Total	65	100	55	100	120	100
Hitachi TV	Wait for the favorite one	18	24.65	20	42.55	38	31.67
	Buy the alternative	30	4.09	15	31.91	45	37.5
	Do not buy	25	34.24	12	25.53	37	30.83
	Total	73	100	47	100	120	100

Source: Field Survey, 2009

The above table reveals what do the respondents who were found brand loyal according to the preference, purchase approach do when their favourite brand or the brand which they are loyal to is not available in the market, 50%, 50%, 41.67%, 29.17% and 31.67% respondents respectively in the LG, Samsung,

Sony, Daewoo and Hitachi television said they would wait for the favourite brand.

The term 'wait for favorite' and 'buy the alternative' product selected for the study is of such nature that they are repeatedly purchased. So, waiting for favourite does not mean stopping the use of product forever or waiting for a very long time. 'Wait for favourite' is used here in the sense of waiting for the time period in which the consumer can avoid the use of product without any harm. On the other hand, if a consumer cannot wait in such a way and picks up whatever alternative is available, he is said to have bought alternatives. 25%, 29.17%, 37.55, and 37.5% respondents in the LG, Samsung, Sony, Daewoo and Hitachi television said they would buy the alternatives. Similarly, 25%, 20.83%, 20.83%, 33.33% and 30.83% respondents respectively in the LG, Samsung, Sony, Daewoo and Hitachi television said they would not buy the favourite brand. Hence, it is said that on percentage basis, the respondents are showing their activities towards their favourite brands if not available in the market. The majority of the respondents appear that they wait for the favorite one rather than buy alternative or not buy.

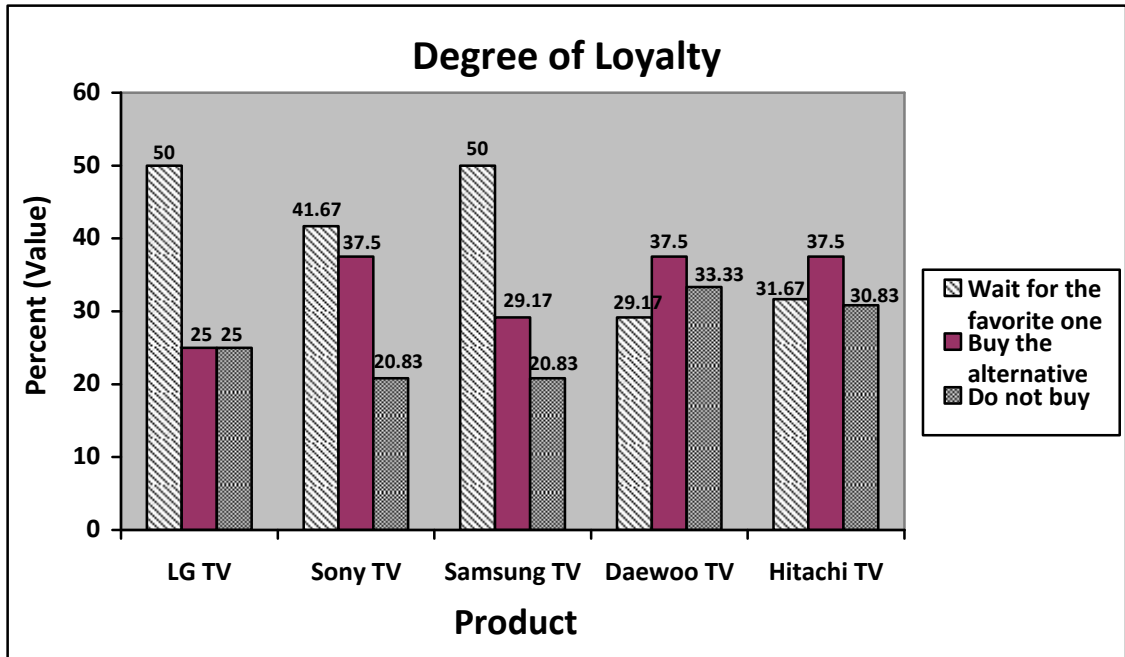


Figure No.4

#### 4.1.3 Research Question No. 3

The last question formulated for this study is “What are the correlates of brand loyalty?” Brand Loyalty correlates are the factors associated with brand loyalty. These factors distinguish a brand loyal consumer from a non-loyal one. It is very hard to state the exact number of correlates. No research conducted so far has been able to find out a definite number of correlates that are equally applicable to all categories of products. The factors included are the consumer’s personality characteristics such as sex, age, and status, shopping patterns characteristics such as store loyalty, market structure, characteristics such as special deals, seller’s influence and product display. Each of these factors is presented and analysed in the following pages to find out whether it correlates with brand loyalty.

**Table No.7****Ability to judge the brand**

Name of product	Ability to judge brand	No. of Respondents				Total	
		Male	%	Female	%	No	%
LG TV	Very High	25	39.06	15	26.78	40	33.33
	High	15	23.43	20	35.71	35	29.17
	Moderate	14	21.87	11	19.64	25	20.83
	Low	10	15.62	10	17.85	20	16.67
	Total	64	100	56	100	120	100
Samsung TV	Very High	13	19.11	12	23.07	25	20.83
	High	10	14.7	10	19.23	20	16.67
	Moderate	20	29.41	20	38.46	40	33.33
	Low	25	36.76	10	19.23	35	29.17
	Total	68	100	52	100	120	100
Sony TV	Very High	20	32.25	15	25.86	35	29.17
	High	16	25.8	17	29.31	33	27.5
	Moderate	22	35.48	22	37.93	44	36.67
	Low	4	6.45	4	6.89	8	6.67
	Total	62	100	58	100	120	100
Daewoo TV	Very High	18	28.57	15	26.31	33	27.5
	High	17	26.98	18	31.57	35	29.17
	Moderate	24	38.09	20	35.08	44	36.67
	Low	4	6.34	4	7.01	8	6.67
	Total	63	100	57	100	120	100

Hitachi TV	Very High	12	18.46	8	14.54	20	16.67
	High	20	30.76	20	36.36	40	33.33
	Moderate	25	38.46	20	36.36	45	37.5
	Low	8	12.3	7	12.72	15	12.5
	Total	65	100	55	100	120	100

Source: Field Survey, 2009

Table No.7 shows that the respondents decide their determination having ability to judge the brand before buying television, In case of LG Television 33.33% of the respondents are very high to their favorite brand whereas 29.17%, 20.83% and 16.67% are high, moderate and low respectively. Similarly, in case of Samsung Television 20.83% of the respondents are very high to their favorite brand whereas 16.67%, 33.33% and 29.17% are high, moderate and low respectively. In case of Sony Television 29.17% of the respondents are very high to their favorite brand whereas 25.7%, 36.67% and 6.67% are high, moderate and low respectively. In case of Daewoo Television 29.17% of the respondents are very high to their favorite brand whereas 27.7%, 36.67% and 6.67% are high, moderate and low respectively. Similarly in case of Hitachi Television 16.67% of the respondents are very high to their favorite brand whereas 33.33%, 37.5% and 12.5% are high, moderate and low respectively.

Hence the respondents show their confidence to judge the brands as very high, high, moderate and low. Therefore, the majority of the respondents show 'moderate' to judge their ability to purchase their favorite brand of television.

**Table No. 8****Brand before buying television**

Name of product	Decision	No. of brand loyal respondents				Total	
		Male	%	Female	%	No	%
LG TV	Yes	50	7.42	30	60	80	66.67
	No	20	28.57	20	40	40	33.33
	Total	70	100	50	100	120	100
Samsung TV	Yes	45	66.17	40	76.92	85	70.83
	No	23	19.16	12	23.07	35	29.16
	Total	68	100	52	100	120	100
Sony TV	Yes	35	58.33	35	58.33	70	58.33
	No	25	41.67	25	41.67	50	41.66
	Total	60	100	60	100	120	100
Daewoo TV	Yes	25	40.67	25	41.67	50	41.66
	No	35	58.33	35	58.33	70	58.33
	Total	60	100	60	100	120	100
Hitachi TV	Yes	20	30.76	15	27.27	35	29.16
	No	45	69.23	40	72.72	85	70.83
	Total	65	100	55	100	120	100

Source: Field Survey, 2009

The above table shows how the respondents are doing their activities before buying television. The table shows that 66.67% of the respondents falling to

‘Yes’ and remaining 33.33% falling to ‘No’ respondents before buying LG television brand. Similarly, 70.83% shows positive or ‘yes’ and 29.16% shows ‘No’ before buying Samsung television, 58.33% shows positive or ‘yes’ and 41.66% shows ‘No’ before buying Sony television, 41.6% shows positive or ‘yes’ and 58.33% shows ‘No’ before buying Daewoo television. Lastly, 29.16% shows positive or ‘yes’ and 70.83% shows ‘No’ before buying Hitachi television.

Hence, in the case of LG, Samsung and Sony television the majority of the respondents appear “Yes’ before purchasing the television brand. But remaining Daewoo and Hitachi the respondents are not interested to determine before purchasing the branded television.

**Table No. 9**

**Different alternative brands of TV available in the market**

<b>Availability of Brand</b>	<b>No. of brand loyal respondents</b>	<b>Percentage</b>
Yes	110	91.67
No	10	8.33
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Field Survey, 2009

The above table shows that the majority of the respondents know very well about the different alternatives or competing brands of television. The table depicts that more than 90% of the respondents knew the availability or brand or television in the market. Here 91.67% of the brand loyal respondents know the

different brands of television in the market whereas 8.33% of the respondents do not know the alternative brands of television in the market.

**Table No. 10**

**Alternative brands of TV in the market**

<b>Names of alternative brands</b>	<b>No. of brand loyal respondents</b>	<b>Percentage</b>
Konka	40	33.33
Changong	35	29.17
Sanyo	25	20.83
Panasonic	10	8.33
Philips	10	8.33
<b>Total</b>	<b>120</b>	<b>100</b>

Source: Field Survey, 2009

The above table shows that the majority of the respondents know very well about the different alternative or competing brands of television product. The table depicts that there are no consumers who do not know at least two alternative brands.

Knowing names of the alternative brand though may seem simple has many implications. It exhibits the consumer's response to the advertisement campaign launched by the different producers and sellers. Similarly, it also highlights the consumer's watchfulness in the changes taking place in the market.



From the above table it follows that the respondents have knowledge about some other brands available in the market. Here, 33.33%, 29.17%, 20.83%, 8.33% and 8.33% know Konka, Changong, Sanyo, Panasonic and Philips television in the market. That is why the consumers know the alternative brands of television in the market and according to their need, they purchase the television.

**Table No. 11**

**Favorite Brand of TV**

Name of the product	Causes	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Reasonable Price	15	25	15	25	30	25
	Good Design	15	25	15	25	30	25
	Good Function	30	50	30	50	60	50
	Total	60	100	60	100	120	100
Samsung TV	Reasonable Price	30	44.11	30	57.69	60	50
	Good Design	18	26.47	12	23.07	30	25
	Good Function	20	29.41	10	19.23	30	25
	Total	68	100	52	100	120	100
Sony TV	Reasonable Price	35	46.67	20	44.44	55	45.83
	Good Design	25	33.33	10	22.22	35	29.17
	Good Function	15	20	15	33.33	30	25

	Total	75	100	45	100	120	100
Daewoo TV	Reasonable Price	15	20	15	33.33	30	25
	Good Design	20	26.67	10	22.22	30	25
	Good Function	40	53.33	20	44.44	60	50
	Total	75	100	45	100	120	100
Hitachi TV	Reasonable Price	25	28.73	5	15.15	30	25
	Good Design	20	22.98	8	24.24	28	23.33
	Good Function	42	48.27	20	60.60	62	51.67
	Total	87	100	33	100	120	100

Source: Field Survey, 2009

The above table reveals that of the total 120 respondents 25% have both selected the reasonable price and good designing while selecting the most favorite brand of LG Television whereas 50% have selected the good function while purchasing the most favorite brand of LG Television. Similarly while the respondents selected the Samsung television, 50% have selected the reasonable price, 25% good design and 25% good function respectively.

In the case of Sony television 45.80% have selected reasonable price, 29.17% have selected good design and 25% have selected good function.

In the case of Daewoo television 25% have selected reasonable price, 25% have selected good design and 50% have selected good function. Similarly, 25% have selected reasonable price, 23.33% have selected good design and 51.67% have selected good function while purchasing Hitachi television.

Hence by the tabulation of the Primary data it is concluded that some respondents have selected the good function in their favorite brand while others have selected good design or reasonable price. Therefore the majority of the respondents have selected either seasonal price or good function in their most favorite brand.

**Table No. 12**

**Favorite brand of other member of the family and Brand Loyalty**

<b>Name of the product</b>	<b>Favorite brand of other family member</b>	<b>No. of loyal respondent</b>	<b>Percent</b>
LG TV	Same to the one which respondent is loyal to	18	75
	Differ from the one which respondent is loyal to	6	25
	Total	24	100
Samsung	Same to the one which respondent is loyal to	15	48.38
	Differ from the one which respondent is loyal to	16	51.61
	Total	31	100
Sony	Same to the one which respondent is loyal to	20	83.33
	Differ from the one which respondent is loyal to	4	16.67
	Total	24	100
Daewoo	Same to the one which respondent is loyal to	14	46.67
	Differ from the one which respondent is loyal to	16	53.33
	Total	30	100
Hitachi	Same to the one which respondent is loyal to	7	63.63

	Differ from the one which respondent is loyal to	4	36.36
	Total	11	100

Source: Field Survey, 2009

The above table shows whether or not the brand to which the respondent is loyal is the same to that of the other member of his family. In the LG television the relation between the favorite brand of other members of the family and that of the respondents seems not very close to that of the total brand respondents, the favorite brand of 75% is the same as the favorite brands of other members of the family. On the other hand, in Samsung television the percent of the respondents whose favorite brand is similar or same to the percent of those whose favorite brand differs from the favorite brand of other members of the family. But in the Sony television 83.33% of the respondents are loyal. In the Daewoo, 53.33% of the respondents differ from the one which respondents are loyal and in Hitachi television 63.63% of the respondents are the favorite brand of other members of the family.

Thus, it can be said that the favorite brand of the other members of the family has no relationship with brand loyalty.

**Table No. 13****Sex and Brand Loyalty**

Name of the product	Sex	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Male	8	66.67	8	66.67	16	66.67
	Female	4	33.33	4	33.33	8	33.33
	Total	12	100	12	100	24	100
Samsung TV	Male	7	46.67	8	50	15	48.38
	Female	8	53.33	8	50	16	51.61
	Total	15	100	16	100	31	100
Sony TV	Male	8	66.67	6	50	14	58.33
	Female	4	33.33	6	50	10	41.67
	Total	12	100	12	100	24	100
Daewoo TV	Male	8	50	6	42.85	14	46.67
	Female	8	50	8	57.14	16	53.33
	Total	16	100	14	100	30	100
Hitachi TV	Male	3	42.85	2	50	5	45.45
	Female	4	57.14	2	50	6	54.54
	Total	7	100	4	100	11	100

Source: Field Survey, 2009

So far as sex is concerned, the table reveals that the percent of brand loyalty male respondents is higher than females in the LG television and Sony television. In the LG and Sony television, 66.67% and 58.33% found brand loyalty of male members against that of females. In the Samsung television,

Daewoo and Hitachi television, the percent of female respondents found brand loyalty is 51.61%, 53.33% and 54.54% against the male respondents.

Thus, it can be said that males are more brand loyal than females in LG and Sony television. On the other hand, the females are more brand loyal than the males in the Samsung, Daewoo and Hitachi televisions.

**Table No. 14**

**Age and Brand loyalty**

Name of product	Age	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Below 25 yrs	15	25	15	25	30	25
	25 to 35 yrs	15	25	15	25	30	25
	36 and above	30	50	30	50	60	50
	Total	60	100	60	100	120	100
Samsung TV	Below 25 yrs	18	26.47	12	23.07	30	25
	25 to 35 yrs	20	29.41	10	19.23	30	25
	36 and above	30	44.11	30	57.69	60	50
	Total	68	100	52	100	120	100
Sony TV	Below 25 yrs	15	20	15	33.33	30	25
	25 to 35 yrs	25	33.33	10	22.22	35	29.17
	36 and above	35	46.67	20	44.44	55	45.83
	Total	75	100	45	100	120	100

Daewoo TV	Below 25 yrs	15	20	15	33.33	30	25
	25 to 35 yrs	20	26.67	10	22.22	30	25
	36 and above	40	53.33	20	44.44	60	50
	Total	75	100	45	100	120	100
Hitachi TV	Below 25 yrs	20	22.98	8	24.24	28	23.33
	25 to 35 yrs	25	28.73	5	15.15	30	25
	36 and above	42	48.27	20	60.60	62	51.67
	Total	87	100	33	100	120	100

Source: Field Survey, 2009

The table no.14 reveals that the percent of brand loyal respondents belonging to the age group 36 and above is extremely high. Inspection of television brands out of the total respondents belonging to this age group more than 45% are found brand loyal. In other words, at least 45% respondents belonging to this group are found brand loyal in all types of brands of television selected for this study.

**Table No. 15**

**Income and Brand loyalty**

Name of Product	Income group	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Below Rs.5000	20	22.98	8	24.24	28	23.33
	Rs.5,000-10,000	25	28.73	5	15.15	30	25
	Rs.10,000 and above	42	48.27	20	60.60	62	51.67

	Total	87	100	33	100	120	100
Samsung TV	Below Rs.5000	15	20	15	33.33	30	25
	Rs.5,000-10,000	20	26.67	10	22.22	30	25
	Rs.10,000 and above	40	53.33	20	44.44	60	50
	Total	75	100	45	100	120	100
Sony TV	Below Rs.5000	15	25	15	25	30	25
	Rs.5,000-10,000	15	25	15	25	30	25
	Rs.10,000 and above	30	50	30	50	60	50
	Total	60	100	60	100	120	100
Daewoo TV	Below Rs.5000	18	26.47	12	23.07	30	25
	Rs.5,000-10,000	20	29.41	10	19.23	30	25
	Rs.10,000 and above	30	44.11	30	57.69	60	50
	Total	68	100	52	100	120	100
Hitachi TV	Below Rs.5000	15	20	15	33.33	30	25
	Rs.5,000-10,000	25	33.33	10	22.22	35	29.17
	Rs.10,000 and above	35	46.67	20	44.44	55	45.83
	Total	75	100	45	100	120	100

Source: Field Survey, 2009

The total number of respondents has been divided into 3 groups. Table no.15 reveals the total number and percent of brand loyal and non loyal respondents belonging to each group in five types of television brands. As is clearly seen in



the table of the total respondents belonging to each group the percent of brand loyal respondents is higher in the high-income groups than the low-income group in five brands of television.

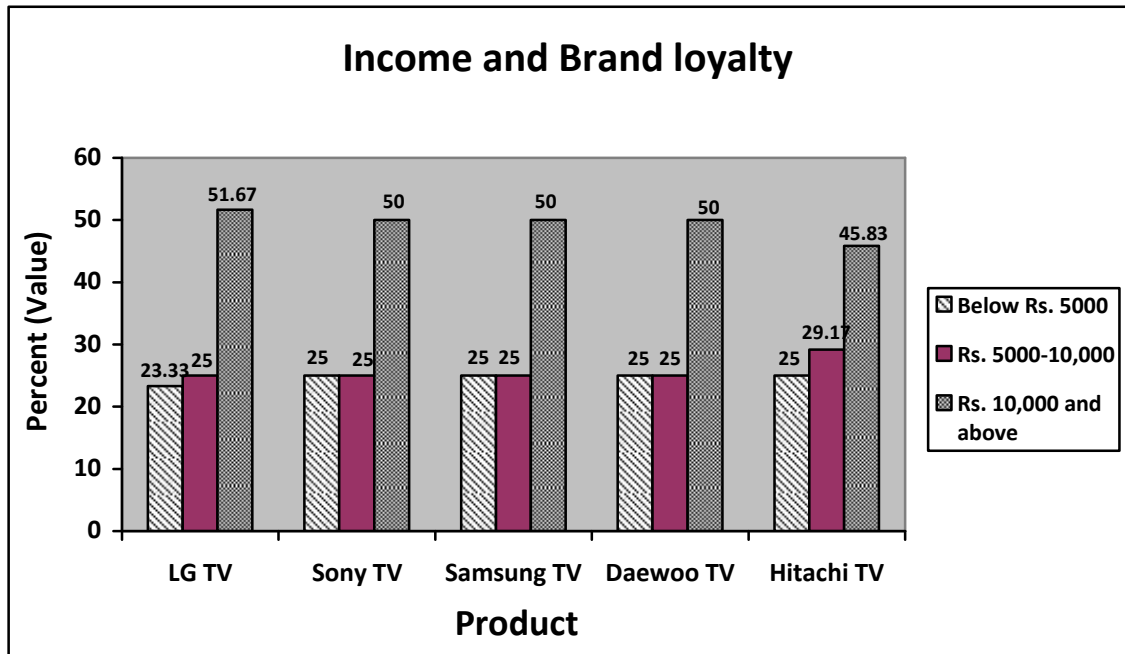


Figure No. 5

Table No. 16

### Education and Brand Loyalty

Name of product	Education level	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Certificate Level	20	22.98	8	24.24	28	23.33
	Bachelor's Level	25	28.73	5	15.15	30	25
	Master's Level	42	48.27	20	60.60	62	51.67

	Total	87	100	33	100	120	100
Samsung TV	Bachelor's Level	15	25	15	25	30	25
	Master's Level	30	50	30	50	60	50
	Total	6	100	60	100	120	100
Sony TV	Certificate Level	26.47	12	23.07	30	30	25
	Bachelor's Level	20	29.41	10	19.23	30	25
	Master's Level	30	44.11	30	57.69	60	50
	Total	68	100	52	100	120	100
Daewoo TV	Certificate Level	20	26.67	10	22.22	30	25
	Bachelor's Level	15	20	15	33.33	30	25
	Master's Level	40	53.33	20	44.44	60	50
	Total	75	100	45	100	120	100
Hitachi TV	Certificate Level	10	14.28	5	10	15	12.5
	Bachelor's Level	20	28.57	20	40	40	33.33
	Master's Level	40	57.14	25	50	65	54.17
	Total	70	100	50	100	120	100

Source: Field Survey, 2009

The above table shows the total number and percent of brand loyalty and non loyal respondents divided according to their education level. The table reveals that education of brand loyalty has some relation up to some extent especially in the high involvement product like television because it takes high financial risk, social risk and social class. Brand loyal respondents in the education level as masters and bachelor level is more brand loyal than certificate level in the five brands of television. On other words, at least 50% respondents belonging

to this education level are found brand loyal in all types of television brand selected for this study.

**Table No. 17**

**Family system and Brand Loyalty**

Name of product	Family Size	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Less than 3	20	22.98	8	24.24	28	23.33
	3 to 6	25	28.73	5	15.15	30	25
	7 or more	42	48.27	20	60.60	62	51.67
	Total	87	100	33	100	120	100
Samsung TV	Less than 3	20	23.52	10	28.57	30	25
	3 to 6	15	17.64	15	42.85	30	25
	7 or more	50	58.82	10	28.57	60	50
	Total	85	100	35	100	120	100
Sony TV	Less than 3	15	25	15	25	30	25
	3 to 6	15	25	15	25	30	25
	7 or more	30	50	30	50	60	50
	Total	60	100	60	100	120	100
Daewoo TV	Less than 3	15	20	15	33.33	30	25
	3 to 6	20	26.67	10	22.22	30	25
	7 or more	40	53.33	20	44.44	60	50
	Total	75	100	45	100	120	100
Hitachi TV	Less than 3	10	14.28	5	10	15	12.5
	3 to 6	20	28.57	20	40	40	33.33
	7 or more	40	57.14	25	50	65	54.17

	Total	70	100	50	100	120	100
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Source: Field Survey, 2009

Table no.17 reveals that the number and percent of brand loyal and non loyal respondents belong to this different family size. From the table it is clear that the percent of brand loyal consumers is significantly high in family size 7 or above than is less than 3 and 3 to 6 family size in all the brands of television. At least 50% of the total respondents found that brand loyalty in all the television brands belong in the family size 7 or more.

Thus it can be said that the percent of brand loyal consumer is the family size 7 or more is higher than less than 3 and 3 to 6 family size in the five television brands selected for this study.

**Table No.18**

**Sales Promotion and Brand Loyalty**

Name of product	Effect of Sales promotion on Brand Selection	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%
LG TV	Sales promotion affects Brand selection	50	7.42	30	60	80	66.67
	Sales promotion does not affect Brand selection	20	28.57	20	40	40	33.33
	Total	70	100	50	100	120	100
Samsung	Sales promotion affects	45	66.17	40	76.92	85	70.83

TV	Brand selection						
	Sales promotion does not affect Brand selection	23	19.16	12	23.07	35	29.16
	Total	68	100	52	100	120	100
Sony TV	Sales promotion affects Brand selection	45	69.23	40	72.72	85	70.83
	Sales promotion does not affect Brand selection	20	30.76	15	27.27	35	29.16
	Total	65	100	55	100	120	100
Daewoo TV	Sales promotion affects Brand selection	35	58.33	35	58.33	70	58.33
	Sales promotion does not affect Brand selection	25	41.67	25	41.67	50	41.66
	Total	60	100	60	100	120	100
Hitachi TV	Sales promotion affects Brand selection	35	58.33	35	58.33	70	58.33
	Sales promotion does not affect Brand selection	25	41.67	25	41.67	50	41.67
	Total	60	100	60	100	120	100

Source: Field Survey, 2009

The data presentation in the above table is consumer's response to the question 'if other competing brands or alternative brands offer you some special deals like coupons free samples, discount etc; would you leave the brand you wanted

to buy and switch to them?’ this question was provided with two options ‘Yes’ and ‘No’ as the answer for each of the products included in this study. The option ‘Yes’ is represented in the table by ‘sales promotion affects brand selection’ and the option ‘No’ by ‘sales promotion does not affect brand selection.’

The table depicts that out of the total respondents saying sales promotion affect the brand selection at least 58% are found brand loyal in all types of products like television selected for the study. Hence, it can definitely be said that one important characteristic of brand loyal consumers are affected by the deals like coupons, free samples , discount etc, which are used as a tool of sales promotion, increase in sales promotion can be the cause of brand loyalty. That is to say sales promotion here it’s better to say consumer promotion is the correlate of brand loyalty.

The data presented in the above table can also be used to measure the degree of loyalty. For this comparisons will have to be made on vertical line in place of horizontal line. The consumers who say sales promotion (i.e. special deals) affects brand selection or make them buy other brand in place of the one which they wanted to buy are considered more brand loyal than those who say the opposite.

**Table No. 19**

**Factors causing Brand Switching**

Name of product	Factors	No. of brand loyal respondents		No. of brand non loyal respondents		Total	
		No	%	No	%	No	%

LG TV	Dissatisfaction	18	21.17	0	28.57	28	23.3
	Boredom	12	14.11	8	22.85	20	16.67
	New Innovation	30	35.29	6	17.14	36	30
	Sales Promotion	20	23.52	4	11.42	24	20
	None	5	5.88	7	20	12	10
	Total	85	100	35	100	120	100
Samsung TV	Dissatisfaction	20	23.25	4	11.76	24	20
	Boredom	10	11.62	10	29.41	20	16.67
	New Innovation	32	37.2	40	11.76	36	30
	Sales Promotion	18	20.93	8	23.52	26	21.67
	None	6	6.97	8	23.52	14	11.67
	Total	85	100	34	100	120	100
Sony TV	Dissatisfaction	12	14.11	8	22.85	20	16.67
	Boredom	18	21.17	10	28.57	28	23.33
	New Innovation	20	23.52	4	11.42	24	20
	Sales Promotion	30	35.29	6	17.14	36	30
	None	5	5.88	7	20	12	10
	Total	85	100	35	100	120	100
Daewoo TV	Dissatisfaction	20	23.25	4	11.76	24	20
	Boredom	11	12.79	9	26.47	20	16.67
	New Innovation	31	36.04	5	14.7	36	30
	Sales Promotion	18	20.93	8	23.52	26	21.67
	None	6	6.97	8	23.52	14	11.67
	Total	86	100	34	100	120	100
Hitachi	Dissatisfaction	20	23.52	8	22.85	28	23.33

TV							
	Boredom	10	11.76	10	28.57	20	16.67
	New Innovation	30	35.29	6	17.14	36	30
	Sales Promotion	20	23.52	4	11.42	24	20
	None	5	5.88	7	20	12	10
	Total	85	100	35	100	120	100

Source: Field Survey, 2009

The data presented in the above table is the consumer's response to the question 'which one of the following factors makes you leave your favorite brand and switch to other alternatives?' The factors provided with the question are:

- (a) Dissatisfaction
- (b) Boredom
- (c) New Innovation
- (d) Sales Promotion and
- (e) None of these

One may naturally raise a question here as why the factor causing brand switching have been discussed in order to find out brand loyalty correlates? One must understand that there is a reverse relationship between brand loyalty and brand switching. This relationship has been clearly depicted in table no.19. When the percent of the brand loyal respondents is highest, the percent of non brand loyal respondents is lowest. And the factor which has been accepted by the highest percentage of brand loyal respondents of causing brand switching has been accepted by the highest percentage of non loyal respondents as the factor not causing brand switching.

For example, in the LG television of the total respondents who say dissatisfaction makes them switch brands, 21.17% are found brand loyal and 28.57% are found non loyal. Similarly, of the total respondents who say



boredom makes them switch brands, 14.11% are found brand loyal and 22.85% are found non loyal. The total respondents who say new innovation makes them switch brands, 35.29% are found brand loyal and 17.14% are found non loyal.

In the case of Samsung television of the total respondents who say new innovation makes them switch brands, 37.20% are found brand loyal and 11.76% are found non loyal.

In the Sony television of the total respondents who say sales promotion makes them switch brands, 35.29% are found brand loyal and 17.14% are found non loyal.

In the Daewoo television of the total respondents who say new innovation makes them switch brands, 36.04% are found brand loyal and 14.70% are found non loyal. In the Hitachi television of the total respondents who say new innovation makes them switch brands, 35.29% are found brand loyal and 17.14% are found non loyal.

Hence the majority of the factors that 'new innovation' makes the respondents switch the brand of television.

Moreover, the data presented in table no.19 can also be used to measure the degree of brand loyalty. The respondents who say none of these factors make them switch be considered highly brand loyal such as loyalty is 10% respondents out of 120 respondents who are not brand loyal in the LG television. Similarly in Samsung, Sony, Daewoo and Hitachi television 11.67%, 105, 11.67% and 10% out of 120 respondents who are not brand loyal in the respective brands of television.

So far we presented and analysed the consumers product wise response to different questions asked to them. Besides these we had also asked some questions, will an expectation be applicable equally for all the products selected for this study.

Irrespective of the types of the brand the respondents were asked, 'Do you already decide upon which brand to buy before going to the shop or store to buy it?' the response of the 91.67% respondents was 'yes' or 8.33% of the respondents was 'no'. As the respondents are found both loyal and non loyal the brand selection decision has been made already before the purchase cannot be treated as the correlate of brand loyalty.

The questionnaire used in the study also included a question to see the consumers' confidence on their ability to judge brand. Out of the total respondents 33.33% ticked, 'very high', in the LG television and 33.33% and 36.67% 'moderate' in the Samsung and Sony television. Similarly 36.67% and 37.5% ticked also 'moderate' in the Daewoo and Hitachi television.

Thus it can be said that the majority of brand loyal respondents have the confidence level moderate, high and very high.

## Factors causing brand switching

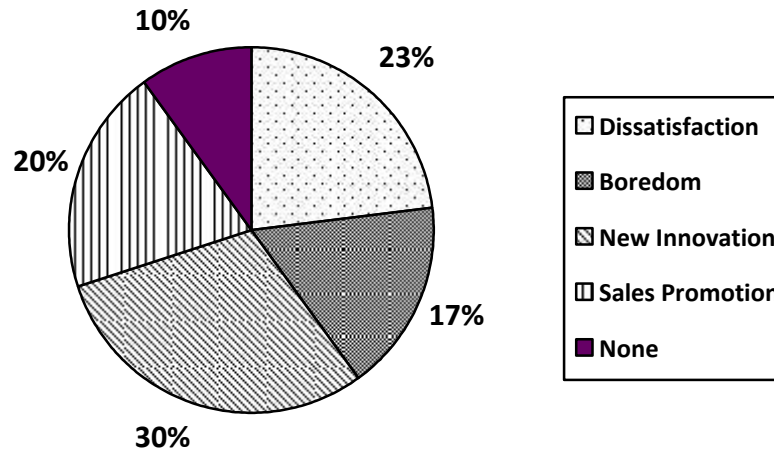


Figure No. 6

## 4.2 Major Findings

The following are the major findings:-

- Nepalese consumers give high importance to brand in the consumer durable goods. The weighted mean of the various important points given by the different respondents is 2.78 in the consumer durable goods and 2.53 in the consumer non durable goods.
- Consumers are not brand loyal except LG and Sony TV. The percentage of the consumers of LG and Sony TV brands are 54.17% and 58.33%.
- In each of the products selected for this study at least 92% Nepalese consumers are found to have knowledge of almost all alternative brands available in the market
- High income consumers are found more brand loyal than other income level of consumers. At least, 50% high income (10001 and above) level

consumers are brand loyal in all types of television selected for this study.

- e) Educated people are the brand loyal to television brands.
- f) The consumers belonging to 7 or more family size are found more brand loyal than other family size.
- g) In the age group '36 and above' more than 45% are found to be brand loyal in all television selected for this study.
- h) It is found that both male and female are brand loyal in the television purchasing decision
- i) Nepalese consumers are found to have knowledge of almost all alternative brands available in the market
- j) Brand awareness of the Nepalese consumers are found to be high
- k) The brand loyalty of Nepalese consumers are influenced by advertising
- l) It is also found that good designing and good function also make and motivate the consumers to buy their favorite brand of television
- m) The majority of consumers switch brands due to new innovation
- n) The major factor affecting brand decision is 'new brand'.
- o) Another significant importance in television is a high involvement product
- p) From the research it is apparent that people are price sensitive

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary**

Industrial activities are gradually increasing in Nepal. Consumers are the sovereign power of modern marketing world. The products manufactured today are not the ones that the manufacturer wants to sell but the ones that the consumers want to buy. Every successful product either high or low-involvement products in the modern marketing world is an embodiment of the consumer's needs, wants, prestige, preference, aspirations and understanding the consumer in total is the secret of success today.

Knowledge of brand loyalty makes it easier to understand the consumer brand loyalty and exposes the consumer's preference, attitude and purchasing patterns relating to different brands available in the market. These factors like preference, attitude and purchasing patterns are to a great extent directly and indirectly related with the consumer satisfaction, social status, earning, aspiration and ambition.

The main objective of the study is to find out the effect of brand loyalty of Nepalese consumers in the television purchasing decision. The main objective attempts have been made to examine brand awareness of the Nepalese consumers and to identify the correlates of brand loyalty LG, Samsung, Sony, Daewoo and Hitachi television are the different types of television selected for this study.

This study is based on scientific method of research. All the Nepalese consumers of the above mentioned products like television are considered for the study. Samples of 120 consumers are taken out from the total population on the basis of judgemental sampling. A well structured questionnaire is the main instrument for collection of data required for the study. Altogether 120 questionnaires were distributed and all of them were collected.

The data and information collected by means of questionnaires are presented, interpreted and analysed so as to attain stated objective of the study.

Analysis of the data and information collected from consumers it is found that brand awareness of the Nepalese consumers are high, moderate and very high, most of them are brand loyal in each of the television selected for the study. Similarly it is also found that the factors such as sex, age group, income, family size and favorite brands of the other members of the family relate with brand loyalty.

## **5.2 Conclusion**

The following conclusions are deducted from the study :-

- a) Nepalese consumers give high importance to brand in consumer durable goods.
- b) Most of the consumers buy the television by brand rather than by inspection except LG and Sony
- c) Most of the consumers have good knowledge of almost all the brands of a product available in the market

- d) Some consumers are more brand loyal than others and vice versa
- e) Brand loyalty varies across consumers.
- f) Brand loyalty also varies across products. Brand loyalty is relatively higher in the products that is more frequently needed than those which are needed or used less frequently.
- g) The consumers belonging to '36 and above' years of age are more brand loyal than those belonging to any other age
- h) The consumers belonging to '7 or more' family system are more brand loyal than those belonging to other family system
- i) Brand loyalty is positively associated
- j) Number of alternative brands available associate with brand loyalty
- k) Brand loyal consumers are more influenced by a new brand than other factors like advertising, price and others.
- l) The respondents are aware of different brands available in the market

### **5.3 Recommendation**

On the basis of major findings and conclusions, the following recommendations have been made :-

- a) The majority of the consumers are not brand loyal except LG and Sony. So the company should focus on the improvements of attracting sales service
- b) As the research shows that the majority (at least 50%) of buyers belong to the age group '36 and above'. So marketers should fix up the suitable marketing mix strategy which can captivate the attention and motivation of the young consumers Marketers should focus on young educated (up to bachelors) in their marketing activities.
- c) Buyers mostly purchase the television through the local market. So marketers should assure them to sell the quality product and latest model at reasonable price.
- e) The brand loyalties of Nepalese consumers are influenced by advertising. So the company should focus more on the advertising media whether through visual or direct media
- f) The majority of the consumers switch brands due to new innovation. So the marketer should focus more in the existing product of the same brand
- g) The majority of the consumers belonging to '7 or more' family system and '36 and above' years of age are more brand loyal. So the marketers should be able to utilize the marketing strategy to attract and motivate the consumers belonging to other family system and age groups.



- h) The respondents are aware of different brands available in the market. So the marketers should focus more on their own products by giving some extra scheme than the competitor's products.
- i) It is apparent that people are price sensitive. So the marketers should focus on the competitive price
- j) Brand loyalty is positively associated to television, so the marketers should take more benefit to others products of the same brand
- k) The questionnaire to be used in the study should be as short and simple as possible because a short and simple questionnaire can procure more accurate information than a long and complex one.

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## **APPENDIX – 1**

### **A study on the “effect of brand loyalty of Nepalese consumer in television purchasing decision”**

Dear Respondents,

I am Ranjeeb Thakuri, a thesis year student of “Shanker Dev Campus”, doing a research study on “The effect of Brand loyalty of Nepalese consumers in television purchasing decision” so I request you to cooperate with me by filling up this questionnaire. Please provide the necessary information to the best of your knowledge. The information will be kept strictly confidential.

A brand name is a name, term, sign, symbol or a combination of them which you use to demand your desired product in the market or which you use to differentiate the product of one producer from that of the other

Name :.....

Age: Below 25 years

25 to 35 years

36 and above

Sex: Male

Female

Family size: Less than 3

3 to 6

7 or more

Education : .....

Income :

Under Rs. 5,000

Rs. 5,000 to 10,000

Rs. 10,000 and above

1. Following are the different types of (TV) products. How do you buy them?

a) LG TV: By brand

By inspection

b) Sony TV: By brand

By inspection

c) Samsung TV: By brand

By inspection

d) Daewoo TV: By brand  
By inspection

e) Hitachi TV: By brand  
By inspection

2. Which is your most favorite brand of TV?

- a) LG TV
- b) Sony TV
- c) Samsung TV
- d) Panasonic TV
- e) Daewoo TV

3. How often do you buy a TV in your lifetime? Product to represent the Consumer's habit of purchasing it from the same store :-

a) LG TV: Always  
Often  
Sometimes  
Rarely

b) Sony TV: Always  
Often  
Sometimes  
Rarely

c) Samsung TV: Always

Often  
Sometimes  
Rarely

d) Daewoo TV: Always  
Often  
Sometimes  
Rarely

e) Hitachi TV: Always  
Often  
Sometimes  
Rarely

4. Which factors affect customers while buying a TV set?

a) LG TV: Price  
Advertisement  
A new brand  
None

b) Sony TV: Price  
Advertisement  
A new brand  
None

c) Samsung TV: Price  
Advertisement



A new brand

None

- d) Daewoo TV: Price  
Advertisement  
A new brand  
None

- e) Hitachi TV: Price  
Advertisement  
A new brand  
None

5. What would you do if your favorite brand is not available in the market?

- a) Wait for the favorite one
- b) Buy the alternative
- c) Don't buy at all

6. How much confidence have you in your ability to judge a brand?

- a) Very High
- b) High
- c) Moderate
- d) Low

7. Do you decide on any brand before buying?

- a) Yes
- b) No

8. Are there different alternative brands available in the market?

- a) Yes
- b) No

9. If yes, could you name them?

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

10. Why do you select the most favorite brand of TV? Please tick the name and the cause.

- i) LG
  - a) Reasonable Price
  - b) Good Design
  - c) Good Function

ii) Sony

- a) Reasonable Price
- b) Good Design
- c) Good Function

iii) Samsung

- a) Reasonable Price
- b) Good Design
- c) Good Function

11. How do you rate the important? Please tick the manor.

- a) Consumer durable :min (1) (2) (3) (4) (5) max
- b) Consumer non-durable :min (1) (2) (3) (4) (5) max

12. Which is the most preferred and repeatedly purchased TV of the members of your family?

- a) LG TV
- b) Sony TV
- c) Samsung TV
- d) Konka TV
- e) Daewoo TV
- f) Hitachi TV

13. Which factors make the consumers switch brands?

- a) Dissatisfaction
- b) Boredom
- c) New innovation
- d) Sales promotion
- e) None

Do you have any suggestion in your preferred brand?

.....  
.....  
.....  
.....  
.....

## APPENDIX – II

Calculation of weighted mean of the point (or numbers) given by the respondents for importance of brand.

a) Consumer durable goods

<b>Important points ticked by the respondents (x)</b>	<b>No. of respondents (W)</b>	<b>Wx</b>
1	30	30
2	26	52
3	24	72
4	20	80
5	20	100
	<b>W = 120</b>	<b>Wx = 334</b>

Weighted Arithmetic Mean

$$xw = \frac{wx}{w}$$

$$= \underline{334}$$

120

$$\therefore x = 2.78$$

b) Consumer unendurable goods

<b>Important points ticked by the respondents (x)</b>	<b>No. of respondents (W)</b>	<b>Wx</b>
1	36	36
2	28	56
3	24	72
4	20	80
5	12	60
	<b>W = 120</b>	<b>Wx = 304</b>

Weighted Arithmetic Mean

$$x = \frac{\sum wx}{w}$$

Substituting the given values in the formula we get,

$$xw = \frac{304}{120}$$

$$\therefore x = 2.53$$