

## BUYER'S INVOLVEMENT AS A MAJOR DETERMINANT OF BRAND LOYALTY FOR FMCGs PRODUCTS: A STUDY ON BATH SOAP

AMIT KUMAR

*Assistant Professor, Chameli Devi School of Management, Indore, Madhya Pradesh, India*

GARIMA ARORA

*Assistant Professor, Chameli Devi School of Management, Indore, Madhya Pradesh, India*

### ABSTRACT

*In today's highly competitive environment, improving consumers' loyalty towards brands permits marketers to maintain a comfortable and enduring position in the marketplace. The new millennium is not just a new beginning; it is a continuation of trends in human behavior that have been following cyclical patterns throughout our country's history. Just because we have entered a new era does not mean we have to start from scratch when it comes to interpreting why certain consumers are loyal to certain brands. Customers' perceived value, brand trust, customers' satisfaction, repeat purchase behavior, and commitment are found to be the key influencing factors of brand loyalty. Commitment and repeated purchase behavior are considered as necessary conditions for brand loyalty followed by perceived value, satisfaction, and brand trust. This research has made an attempt to examine the correlation between buyer's involvement and brand loyalty for FMCGs products taking bath soaps into consideration. Through empirical research, it concludes that positive correlation exists between these variables.*

**KEYWORDS:** Brand Loyalty, Commitment, Perceived Value, Brand Trust, Customer Satisfaction

### INTRODUCTION

After opening economy to global companies, India experiences mind-boggling whirr of changes in marketing. The Indian consumer is flooded with a plenty of brands, both Indian and international. The new brands offer innovative features with better quality, but from the perspective of Indian manufacturers, these new entrants are major threats (Rajakumar and Sritharan, 2004). In this context redefining of the role of marketing as creating, communicating and delivering value to customers and constant tracking of consumer preferences are a must to evolve some strategies to maintain their existence in the market; and one of them is creating brand loyalty.

Brand loyalty consists of consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy. Brand loyalty is the consumer's decision to repurchase a product continually conscious or unconscious. It transpires because the consumer perceives that the brand commits the qualitative products with innovative features at the right price. To create brand loyalty, marketers must break consumer habits, encourage them to acquire new habits, and strengthen those habits through reminding value of their purchase and encourage them to continue purchasing those products in the future.

The image of a company's brand is the primary source which provides a competitive advantage to the company and become a valuable strategic asset. Unfortunately, many companies are not adept at disseminating a clear and strong message among the consumers that distinguishes their brand in a memorable and positive manner with respect to their competitors. The challenge in front of the all brands is to evade the danger of portraying a negative image, and instead, create a

identity that recognizes a brand as something greater than a set of attributes that can be imitated or surpassed.

From the origin of a new product to the extension of a mature brand, effective marketing strategies depend on a thorough understanding of the various factors that influence consumer's buying behavior. Theories of consumer behavior continuously linked with strategic decisions involving development and launching of new products. Positive consumer behavior towards a brand creates brand loyalty among the consumers. Philip Kotler (2000), defines four patterns of behavior first, Hard-core Loyal - who buy the brand all the time, second, Split Loyal - loyal to two or three brands, third, Shifting Loyal - moving from one brand to another and fourth, Switchers - with no loyalty (possibly 'deal-prone', constantly looking for bargains or 'vanity prone', looking for something different).

The studies suggested that brand loyalty includes some degree of pre-dispositional commitment toward a brand. It is determined through various distinct psychological processes and it involves multivariate measurements. Various factors such as customers' perceived value, brand trust, customers' satisfaction, repeat purchase behavior, and commitment are found to be the key influencing factors of brand loyalty. Repeat purchase behavior and consumer's commitment are considered as necessary elements for brand loyalty followed by perceived value, customer satisfaction, and brand trust. Fred Reichheld (1993), one of the most influential writers on brand loyalty, claimed that enhancing customer loyalty could have dramatic effects on profitability. The competitive advantage from brand loyalty specifically, longer tenure or staying as a customer for longer period assure less price sensitivity among the loyal consumers.

The various factors have been identified which has direct correlation with brand loyalty. For example, in industrial

marketing, organizations look upon the major accounts i.e. heavy users to be handled by experienced or senior personals of the organization and on the other hand, the light users are handled by the general sales executive or by a dealer. These approaches establish strong customer relationship and assure brand loyalty. Customer's brand portfolio has identified as one of the major factors which influence brand loyalty towards a specific brand. Andrew Ehrenberg (2005), from the London Business School said that, consumers buy 'portfolios of brands' they switch regularly between brands, often because they simply want a change. Thus, 'brand penetration' or 'brand share' reflects only a statistical chance that the majority of customers will buy that brand next time as part of a portfolio of brands they favor. It does not guarantee that they will stay loyal. Many researchers believed that, a well established brand has its own inertia among their customers along with unique characteristics. This market inertia protects the customer base from the new entrants and provides very slow changes, often over decades instead of over days and months. The one who wish to break this inertia in order to penetrate into the segment needs considerable amount of investment over business strategy.

## REVIEW OF LITERATURE

Various perspectives of brand loyalty have been studied by many marketers and researchers. Tucker (1964) reported that there was growth of brand loyalty, even in a setting, where there was no prior consumer's knowledge about any of the available brands. Frank (1967) reviewed brand loyalty and concluded that the results of brand loyalty is not encouraging and the responses of loyal buyers were found to be significantly different from those of non-loyal buyers to new brands being tried.

Livesey (1973) examined the concept of brand loyalty for television rental market. He investigated the underlying determinants of consumer behavior in order to ascertain the market better. Finally, he concluded that the determinants of brand loyalty could be an important factor in relation to facing competition for marketers in service industry.

Jacoby and Kyner (1973) viewed brand loyalty as a multidimensional construct involving attitudinal components and as a subset of repeat purchase behavior. Jacoby and Chestnut (1978) used the terms 'stochastic' and 'deterministic' to label the alternative views of cognitive and behavioral brand loyalties. Brand loyalty is the strength of the relationship between the relative attitude towards a brand and patronage behavior (Dick and Basu, 1994).

A consumer's attitude towards a brand is a multidimensional construct that relies upon an affective, cognitive and conative component (Oliver, 1999). The cognitive component refers to particular knowledge about that brand. The affective component is concerned with (positive/negative) emotions that consumers have toward the brand. The conative component embeds consumers' behavioral disposition or an intention to buy the brand.

Brand loyalty construct has been studied and analyzed by measuring both attitudinal and behavioral loyalty.

Jacoby and Chestnut (1978) explored the psychological meaning of loyalty. A psychological approach implies that attitudinal loyalty includes cognitive, affective, and conative elements. Satisfaction is an antecedent of attitudinal brand loyalty. Increases in satisfaction lead to increases in attitudinal brand loyalty (Ringham et al., 1994). Dick and Basu (1994) suggested that satisfaction and involvement are key antecedents of attitudinal brand loyalty. This result has also been endorsed by Caldwell (1998) and Kim et al. (1998). Park et al. (1996) found that involvement and attitudinal loyalty are highly correlated. Giese and Cote (2000) have found out that satisfaction and involvement are important determinants of attitudinal brand loyalty.

Rundle and Bennett (2001) suggest that where the market is not stable, attitudinal measures may be better predictors of further behaviour. The central argument made by Bennett et al. (2005) is that the strength of effect of involvement on attitudinal brand loyalty will vary with the level of customer experience with the product. Vogelheim et al. (2001) suggested direct marketers to build strategies to develop brand loyalty rather than focusing so heavily on programs which build repeat purchase behaviour, instead of brand loyalty.

A general service sector model of repurchase intention (attitudinal) literature has been developed by Hellier et al. (2003) from the consumer theory. The analysis shows that although perceived quality does not directly affect customer satisfaction, it does so indirectly via customer equity and value perception. The study has also found that past loyalty is not directly related to customer satisfaction or current brand preference and that brand preference is an intervening factor between customer satisfaction and repurchase intention.

Marketing practitioners, wishing to predict future levels of loyalty, would need to use different loyalty measures. In FMCGs markets where high switching and low involvement and risk present, behavioural measures are appropriate for predicting future brand loyalty (Rundle and Bennett, 2001). Earl (1986) puts forward the notion that behaviour habit follows naturally from the acceptance of the influence of attitudes that repeat behaviour has a relationship with satisfaction. East (1997) suggests that behavioural loyalty in consumables goods markets is often the outcome of habitual behaviour and is typically the outcome of low involvement in the product purchase.

Iwasaki and Havitz (1998) also argue that highly loyal people tend to exhibit high levels of involvement and that individual, social, and situational factors, such as personal values or beliefs, social and cultural norm, influence behavioural loyalty. Odin et al. (2001) suggest that an advantage of the behavioural loyalty is that it measures observable behaviours, instead of (self-reported) intentions and declarations. Observable behaviour is also easier and less costly to measure (Dekimpe et al., 1997).

Reinartz and Kumar (2002) find little or no evidence to suggest that customers who purchase steadily from a company over time are necessarily cheaper to serve, less price sensitive, or particularly effective at bringing in new businesses. Gounaris and Vlasis (2004) suggest that the behavioural reactions of consumers depend upon the type of brand loyalty they have towards a specific brand and it demonstrates that the consequences for the company vary significantly depending on the type of loyalty that characterizes their customers. Pura (2005) examines the direct effect of perceived value dimensions on attitudinal and behavioural loyalty. The findings reveal that the behavioural intentions are most influenced by conditional value.

Cataluna et al. (2006) investigate the influence of price on the purchase decision process of store brands versus national brands. The results confirm that brand loyalty (behavioural) is the main variable which influences the purchase decision process of both national and store brands.

Involvement and brand loyalty are two important concepts believed to explain a significant proportion of consumer purchase choices. Other terms used for involvement--loyalty, are 'ego involvement'--'brand commitment' and 'involvement'--'attitudinal loyalty' (Bloom, 1981; Traylor, 1981). Krugman (1965) was one of the first to argue that the involvement persuasion model, which portrays advertising as a means to overcome resistant attitudes, might not offer appropriate explanation for gauging advertising effectiveness and brand loyalty. Dichter (1966) explains that the involvement with product class is an important determinant of purchase decision. Greenwald (1968) explains that higher involvement increases the accessibility of message details, which in turn leads to improved recall and shorter response latencies.

Bloch (1981) adds that a product capable of eliciting high levels of enduring involvement among some, but not all consumers will help to provide an enduring involvement. Dick and Basu (1994) suggest that involvement and brand loyalty are positively related and high product involvement precedes the development of brand loyalty.

Quester and Lim (2003) in an empirical examination, explain that the link between product involvement and brand loyalty is found to involve different aspects of involvement for each of the products concerned. Knox and David (2003) report a research design that attempts to integrate prior theory on involvement and brand loyalty in a grocery product purchasing. Their main finding confirms that there is a significant relationship between involvement and brand loyalty in grocery markets. Yi-Youjae and Hoseong (2003) organized a research to find out the moderating role of involvement on loyalty program. They confirm that customer loyalty was highly affected by involvement.

Significant increase in the spending power of Indian consumers and their desire to own sophisticated products have changed their lifestyles. Simultaneously, availability of more number of multinational brands with

unique attributes has forced the oscillating consumers to buy new brands. Consequently, consumers who are loyal become either un-loyal or switchers. The major problem confronting brand executives is identifying the factors that affect brand loyalty. Obviously, they look for vital information relating to the factors influencing brand loyalty. A marketer needs to consider the issue of brand loyalty from the perspective of consumers' level of involvement also. The moderating effect of involvement has been analyzed (Laurent and Kapferer, 1985; Bordo, 1993; Leclerc and Little, 1997) and the findings indicate a positive relationship between these two dimensions.

A substantial level of attention has been given to study the concept of brand loyalty. Over the past four decades most of the research works carried out in this area has focused on the preferences of western consumers, and studies in the Indian context are less in number. Entry of multinationals and their aggressive way of garnering market share results in sleepless nights of brand executives. Research pertaining to loyalty involving Indian consumers is the need of the hour, because the outcome of any such research work would help the corporate to implement innovative changes in their product portfolio and thereby retain the customers.

## OBJECTIVES

The present research has the following objectives:

- 1) To identify the factors determining product preference for bath soaps.
- 2) To examine the correlation between buyer's purchase involvement and brand loyalty.

## HYPOTHESES

The hypotheses for the study are set as-

- H<sub>01</sub>: There is no significant correlation between purchase involvement and brand loyalty.
- H<sub>11</sub>: There is significant correlation between purchase involvement and brand loyalty.
- H<sub>02</sub>: There is no significant difference between variances of purchase involvement and brand loyalty.
- H<sub>12</sub>: There is significant difference between variances of purchase involvement and brand loyalty.

## RESEARCH METHODOLOGY

### The Study

The present research study is descriptive research. The study is based on primary data collected by interviewing the respondents through survey with the help of questionnaire.

### The Sample

To carry out this research a sample size of 50 respondents is taken using simple random sampling technique in Indore city. All these respondents are the users of various bath soaps.

### Tools for Data Collection and Data Analysis

A self structured questionnaire is used to collect responses from the respondents. The questionnaire



contains two parts. The first part carried 14 close ended questions using five pointers Likert Scale (From 'Strongly Agree-5' to 'Strongly Disagree-1') to study the factors contributing to brand loyalty. The second part consisted with personal profile of the respondents.

Data analysis was carried by using Statistical Package for Social Sciences (SPSS 11) and Microsoft Excel. To find out the correlation between buyer's purchase involvement and brand loyalty 'Spearman Correlation' was used whereas in order to determine the variance One-Way ANOVA was conducted.

## RESULTS AND DISCUSSION

While applying 'Spearman Correlation' the computed value comes to 0.592 which is less than the table value 0.3685 (0.592 > 0.3685). Hence,  $H_{01}$  is rejected; and therefore  $H_{11}$  is accepted. This signifies that there is a positive correlation between purchase involvement and brand loyalty (See Annexure - 1(A) and Annexure 2).

With the help of One- Way ANOVA, variance between the two variables is compared. The computed value of F test is 2.230 which is less than the table value 2.94 (2.230 < 2.94) at degree of freedom 20 and 9 (Between the group is 20 and within the group is 9). Hence,  $H_{02}$  is accepted. This embodies that changes in the variability in of purchase involvement is almost equal to the changes in the variability in brand loyalty (See Annexure - 1(B) and Annexure 2).

## CONCLUSION

Purchase involvement is the key component of brand loyalty, therefore, product managers must develop new techniques to have competitive advantage that would enable the brand to keep its loyal customers intact. Further, the understanding complexity of the concept of brand loyalty can certainly help the marketers to develop best possible programs that would build lasting brand loyalty. Marketers can cultivate brand loyalty and gain a formidable competitive edge with careful investigation and formulation of effective marketing strategies. In the light of the present study it can be concluded that a marketer should work upon the factors which increase consumer involvement in order to build brand loyalty among the customers. Brand loyalty is highly dependent on consumer involvement as the research revealed positive correlation between these variables. The interdependency one over other provides favorable chance to work either on activities stimulating loyalty or to offer extraordinary cash and non cash benefits which increase involvement to buy the products.

## REFERENCES

- Bloch, Peter H. (1981), "An Exploration into the Scaling of Consumers' Involvement with a Product Class," *Advances in Consumer Research*, 8, 61-65.
- Bloom, P. N. (1981), "What Marketers Need to Know about the Marketing of Professional Services," *Marketing of Services*, 5 (2), 86-87.
- Caldow, D. (1998), "The Rational Elements of Service Loyalty: An Exploratory Study", Australia and New Zealand Marketing Academy Conference, Dunedin, New Zealand.
- Cataluna, Francisco Javier Rondan and Antonio Navarro Garcia and Ian phau (2006), "The Influence of Price and Brand Loyalty on Store Brands versus National Brands", *International Review of Retail Distribution and Consumer Research*, 16 (4), 433-452.
- Dick, Alan S. and Basu Kunal (1994), "Customer Loyalty: Toward an Integrated Conceptual Framework," *Journal of the Academy of Marketing Science*, 22 (2), 99-113.
- Frank, Ronald E. (1967), "Is Brand Loyalty a Useful Basis for Market Segmentation," *Journal of Advertising Research*, 7 (June), 27-33.
- Gounaris, Spiros and Vlasis, Stathakopoulos (2004), "Antecedents and Consequences of Brand Loyalty: An Empirical Study", *Brand Management*, 11 (4), 283-306.
- Jacoby, Jacob and David, B. Kyner (1973), "Brand Loyalty versus Repeat Purchasing," *Journal of Marketing Research*, 10 (February), 1-9.
- Jacoby, J. and Chestnut, R.W (1978), *Brand Loyalty: Measurement Management*, John Wiley & Sons, New York, USA.
- Kapferer J. N and Gilles Laurent (1993), "Further Evidence on the Consumer Involvement Profile: Five Antecedents of Involvement", *Psychology and Marketing*, 10 (4), 347-355.
- Kim, J., Lim, J. S. and Bhargava, M. (1998), "The Role of Affect in Attitude Formation: A Classical Conditioning Approach", *Journal of the Academy of Marketing Science*, 26 (2), 143-152.
- Knox Simon and David Walker (2003), "Empirical Developments in the Measurement of Involvement, Brand Loyalty and their Relationship in Grocery Markets", *Journal of Strategic Marketing*, 11 (December), 271-286.
- Leclerc, F. and Little, J. D. C. (1997), "Can Advertising Copy make FSI Coupons more Effective?" *Journal of Marketing Research*, 34 (November), 473-484.
- Livesey, Frank (1973), "Brand Loyalty and the Television Rental Market", *European Journal of Marketing*, 7 (3), 62-74.
- Oliver, R. L. (1999), "Whence Consumer Loyalty?" *Journal of Marketing*, 63 (Special Issue), 33-44.
- Pura, Minna (2005), "Linking Perceived Value and Loyalty in Location Based Mobile Services", *Managing Service Quality*, 15 (6), 509-538.
- Quester, Pascale and Ai Lin Lim (2003), "Product involvement \ Brand Loyalty: Is there a Link", *Journal of Product and Brand Management*, 12 (1), 22-38.
- Rajakumar, Samudhra and Sritharan, (2004), "Brands Building Strategies", *Innovation in Marketing Management*, Edited by Dr. V. Balakrishnan and Dr. C. Samudhra Rajakumar, Excel Books, New Delhi, India.

Reichheld, Frederick F. (1993), "Loyalty-Based Management," *Harvard Business Review*, 71 (2), 64-73.

Ringham, L. L., Johnson, L. W., and Morton, C. P. (1994), "Customer Satisfaction and Loyalty for Continuous Consumer Services", *Australasian Journal of Market Research*, 2 (2), 43-48.

Traylor, M. B. (1981), "Product Involvement and Brand Commitment," *Journal of Advertising Research*, 21 (6), 51-56.

Tucker, W.T. (1964), "The Development of Brand Loyalty," *Journal of Marketing Research*, 1 (3), 32-35.

Yi Youjae and Hoseong Jeon (2003), "Effects of Loyalty Programs on Value Perception, Program Loyalty and Brand Loyalty", *Journal of Academy of Marketing Science*, 31 (3), 229-240.

**Annexure-1 (A) Spearman Correlation**

COMPUTED CORRELATION VALUE	0.592
TABLE VALUE AT 5% LEVEL OF SIGNIFICANCE	0.3685

**Annexure-1 (B) ANOVA**

**ANOVA**

VAR00001

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	530.200	20	26.510	2.230	.108
Within Groups	107.000	9	11.889		
Total	637.200	29			

**Annexure-2: Results of Tests of Hypotheses**

S.No.	Hypothesis	Result
1	H <sub>01</sub> . There is no significant correlation between purchase involvement and brand loyalty	Rejected
2	H <sub>11</sub> . There is a significant correlation between purchase involvement and brand loyalty	Accepted
3	H <sub>02</sub> . There is no significant difference between variances of purchase involvement and brand loyalty	Accepted
4	H <sub>12</sub> . There is significant difference between variances of purchase involvement and brand loyalty	Rejected

\*\*\*