

BRAND LOYALTY: A MULTI-DIMENSIONAL CONCEPT

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Abstract:

This study is based on empirical research on brand loyalty in marketing and its significance in buying behaviour of consumer in dynamic market environment. As we know that brand loyalty is a multi-dimensional concept which is determined by psychological processes and various types of multi variate elements. I think just by taking single element such as repeat purchase behaviour of brand is not sufficient to measure loyalty in present scenario. So the main objective of this study is to know the multidimensional concept of brand loyalty in terms of its types, factors influencing, how it can be developed in terms of increased market share. Here, we also study the relationship between two things: “What we buy & why we buy....?” Hopefully, by providing a comprehensive theory of brand loyalty, I would be able to reconcile the past empirical evidences and to generate new hypothetical research on brand loyalty.

Keywords’: Consumer Behaviour, Brand Equity, Brand Loyalty, Present Status, degree of loyalty, Organisation Strategies

Introduction

As we know that in that in the present phenomena brands play a very significant role in our Indian economy. Initially, the purpose for branding is to differentiate our own product as compare to other players in the market, but now a days brand plays a leading role in consumer decision making. Therefore, in short a good brand helps to recognize the manufacturer or seller. On the other hand consumer feelings are also expressed in the form of picking of brand in the market ; brand defines customer as they associate themselves with brand, then some consumers feel sense of ‘belongings’ with that specific brand and always do repeat purchase of that particular brand or product category . In this way they can become brand loyal to specific product or brand which in turns helps an organisation to build brand equity in the market. But here one thing that I just want to distinguish between repeat purchase and actual brand loyalty for a product i.e.repeat purchase refers to “ actual reburying of a brand “ or actual loyalty refers to a specific reason or fact behind repeat purchase of a specific brand.

Review of Literature

There is considerable empirical research on brand loyalty in general view in most of the marketing literatures by different researchers such as: Howard & Sheth (1969); Jacob (1971) Kasper (1995). According to them brand loyalty is an important construct for making a consumer psychology for purchasing a particular brand. Another researchers such as Keller,

Kevin lane (2003) depicts that loyalty is affected by numerous multidimensional factors such as core offerings of an organisation, its services etc.in (2008) he also suggested that measurement of brand equity could be done from customers only , which generally requires knowledge of a brand, which is necessary to have differential effects over consumer feedback. Brown, G.H. (1952) describes in his paper that loyal customers are main source to do advertising in a market as a way of word of mouth publicity. Shwu-Lng, W. and L. Chen-Lien,(2009) researched that brand loyal consumer is more profitable for a company to generate more profits as compare to attract new consumer as if he/ she is delighted with our product or services then they automatically helps to construct psychology of other consumers in favour of us . David A.Aaker (1991) describes that brand loyalty is a reflection of the probability of a customer to switch another brand. He also stated that loyalty is a basis for brand equity. One of the great writers: Fred Reichheld stated that profits are improved only by loyalty of customers.

Conceptual Framework of Brand Loyalty

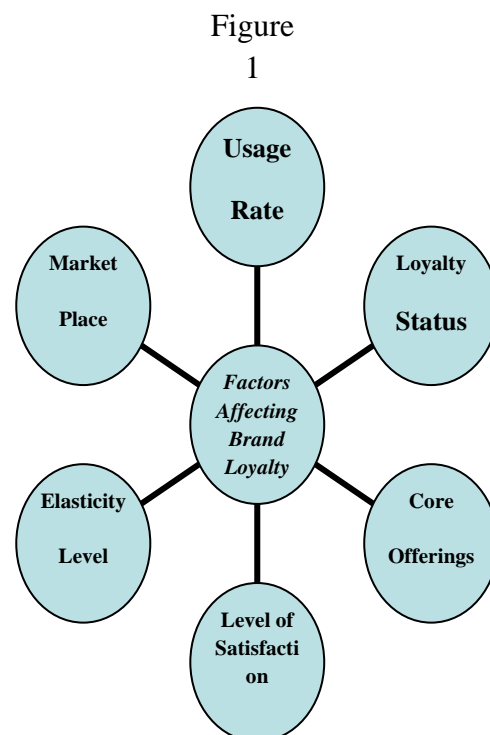
Brand loyalty is an act of purchasing the same brand within a product category again and again. It depicts the scenario where consumer fears on purchasing and consuming the product from other brand which an individual cannot trust i.e.- customer remain loyal to specific brand as long as it is available. it exists where the consumer feels that brand consist of right product characteristics and quality at right place , even other brands available at cheaper rate or superior quality, the brand loyal consumer will stick to his brand.

According to American Market Association “Brand Loyalty is the extent to which a consumer constantly buys the same brand within a product category. “

According to Bloomer and Kasper, “Brand Loyalty implies that consumers bind themselves to product or services as a result of a deep – seated commitment.”

Now question are is there any specific factors where it depends or we say which affects consumer behaviour while purchasing a specific brand.....???

As analysed by previous research, there are certain factors which effects brand loyalty in terms of consumer behaviouri.e. which can be explained by showing following figure:



Usage rate

It is defined as the rate at which a particular brand is used or purchased in terms of consumer specifications i.e in how much quantity a specific brand is used by a specific consumer. Therefore, the

usage rate of brand is divided into three parts: heavy, medium and light users. Marketers generally prefer to convert firstly heavy users into brand loyal, and then focus on medium and light users respectively according to their act of purchasing.

According to Kotler: - 80:20 rules apply to usage rate (20% of customer complies to generate 80% of profits for an organisation).

Loyalty status

This is an another aspect where loyalty of a brand depends up to a some extent so according to kotler loyalty status of a brand is divided into further four major parts in terms of consumer specification :

Hard core loyal: are those consumers who are extremely attached with a specific brand and not even ready to purchase another brand at any cost. These type of hard core loyals are also known as cult brand loyals (are those who make deep unique emotional bonds with the brand) for e.g. – Raymond's

Split loyal: these are those customers who uses more than one brand for a particular product i.e., loyalty of a brand is divided among two or three brands .for e.g.: a consumer may use two or three brands of a perfumes.(axe , dynamite etc.)

Shifting loyal: Customers who can easily shift their loyalty from one brand to another according to market conditions of a certain product category.

Switchers: are those consumers who are not brand specific i.e. these people might buy any brand. They are variety- seekers and often do impulse purchases. So, these

types of consumers are also known as impulse buyers.

Apart from these factors in India, there are certain other factors which generally affect brand loyalty of a product that can be explained as follows:

Core offerings: An organisation which wants to become highest preferable brand in terms of customer preference must have to focus on its core offerings that appeals to their customer up to a large extent. It means a company will have to focus on “what is expected every time.” there are some elements which helps in this matter....

A. Location and premises

B. The product or service offered

C.Promotion mix

Level of satisfaction: it describes about whether the customer are getting same level of satisfaction as they expected from the product or not. i.e...

Actual satisfaction > expected satisfaction
= brand loyal

Actual satisfaction < expected satisfaction
= no loyalty

Actual satisfaction = expected satisfaction
-- may or may not

Elasticity Level: It shows the importance and weight (involvement) of a purchasing decision. If there is high involvement of customer, then there are more chances to be brand loyal as customer has to make direct contact with company distributors as compare to low involvement product.

The market place: I think this is one of the most important factors in determining

the brand loyalty for a specific brand which include two major elements as describe follows:

(i) Opportunity to switch: whenever there is an opportunity to switch between various brands then creation of brand loyalty is difficult as customer can easily substitute as per as according to market premises. So, a company must have to focus on creating some differentiation so as make brand loyal.

(ii) Inertia loyalty: it is opposite of ease of switching i.e., not easy for a customer to switch between various brands due to some situational factors like lack of alternatives, ease of convenience etc. In this more chances for a customer to become brand loyal. In marketing terms this type of loyalty is known as spurious loyalty.

Present Status of Brand Loyalty in India

- If we take into account the view of Indian economy, then one can come to know that brand loyalty exist in our country up to that extent it effects the organisations profits at significant level. As we studied in previous section there are various factors which affect the Indian economy at considerable level. in spite of this I analysed that brand loyalty is a multi-dimensional phenomena which exist as in our economy can be explained as follows :

Sometimes consumer may become brand loyal for a certain product or brand even if anyone may have not purchased the brand before.

For e.g. – Children’s who generally become brand loyal for a particular product or brand category which is based

only on their consumption experiences rather than buying experiences. Similarly, teenagers also become brand loyal to specific automobiles even though they have never bought it, possessed or even to drive it.

Now question arises how brand loyalty developed in this way.....???

As I studied the present scenario, I analysed that generally in our economy loyalty is developed by learning from various factors such as:

By information (promotion)

By experiences of opinion leaders

By consumption behaviour

By initiating behaviour

- There is another aspect related to brand loyalty is to identify the roles of consumers which they must have to perform with respect to brand.....? i.e. in India generally consumer has to play following roles.....

As a consumer (user)

As a buyer (purchasing agent)

As a decision maker (choice –maker)

Combination of three

In India, brand loyalty generally depends upon as a user where children’s play a major role in determining it. On the other hand, as we know parents also play a major role in determine brand loyalty as they act as decision maker.

- As we know, in our country various types of brand loyal are existing in terms of frequency and pattern of repeat purchase behaviour.

- Apart from this, in India brand loyalty persists due to the existence of **Demonstration Effect** i.e. the way to live a life in terms of others point of view or we say live a life by looking at others livelihood. People of India are very much affected by the lifestyles of other people of the society who are maintaining considerable high status, and in turn want to be like them.
- In India, mostly two types of loyalist are found i.e. – hard core loyalist and split loyalist. One who always purchased only and only one brand at any cost on the other hand one are those who generally shift their loyalty depends upon market specifications specially on seasonal basis . For e.g. some consumers prefers various types of brands on the basis of discounts available on it.

So , the above analysis shows that there is a significant potential in our Indian economy to create more brand loyalist which helps to generate profits for an organisation at a large extent , but now question arises how a company can developed brand loyalty in a market so that significant profits can be made....??

How Brand Loyalty Is Developed.....??

- To create more brand loyalist an organisation must have well recognize goodwill which attract consumer to be brand specific. for to this a company must possesses certain characteristics such as :

A company must be a “Reputed”

A company must be a “Trust Worthy”

A company must be an “Inspires confidence”

A company must be a “Market Leader”

A company must be a “Reliable”

A company must be an “Ease to do business”

A company must be a “Provides good brand value”

- An organisation must have to divides its consumer on the basis of satisfaction level and degree of loyalty so as to make marketing strategies according to it. So , a company can divides its customer on following basis shown as table :
- Satisfaction level

| | | |
|------|-----------|-------------|
| | low | High |
| High | Hostages | Loyalists |
| low | Defectors | Mercenaries |

Loyalty

Table1

An organisation can use different type of marketing strategy according to above criteria to create more brands loyal.

A company can also use various sites to create brand loyalty by providing adequate solutions to the queries of consumers. For e.g. Apple uses various sites such as Zoomerrang and click tools for collecting and analysing the customer responses.

- If an organisation has more user groups as a brand loyal, then they must have to engage with them via various marketing mix to build brand loyalty.
- They must have to periodically update the news letters of its entity as to meet with dynamic market environment.
- There should be creation of portals where customer register themselves and share

their experiences as customer feedback helps to reduce defection by 2 -3% on an average.

- Last but not least , an organisation must work on 5-S model :

| 5 - S | DESCRIPTION |
|--------------|--------------------|
| S-1 | SKILL |
| S-2 | SERVICE |
| S-3 | SOLUTION |
| S-4 | SOCIALIZES |
| S-5 | STANDARD |

Table: 2

S-I-SKILL:It relates suitable competencies of sale persons in solving the consumer queries.

S-2-SERVICE: It relates before sale and after sale service of an organisation.

S-3-SOLUTION: It means to give suitable solutions to the numerous queries of consumer regarding any matter in an efficient manner.

S-4 -SOCIALIZES: It means to maintain long term relationship with the customer.

S-5- STANDARD: It means to maintain same level of service and quality at all the times.

Conclusions:

As we study above the conceptual analysis of brand loyalty in present scenario which depicts that in today dynamic environment a brand is a promise which is made to

consumers and to its owners. Promise kept yield loyal customers and will produce a steady stream of profits for an organisation. A brand loyal customer helps to maintain more than 80% of profits for an organisation rather than to make new customers. Therefore, an organisation must have to focus on maintaining long term relationship with them as they serves as a promotion tool for a company via word of mouth publicity if they are satisfied.

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