BRAND LOYALTY
(A Tool for Consumer Decision Making)

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Himalaya Publishing House
ISO 9001:2008 CERTIFIED
FOREWORD

The importance of “Brand Loyalty” for making buying choices can never be undermined. The brand connects the buyer emotionally and brand loyalty must always be taken into consideration for products and services offered. It is a complex aspect as well as a dynamic force of markets that must be reckoned for retaining existing customers and also to attract new customers.

The Indian FMCG sector occupies an important place in the economy and, the burgeoning Indian market, diverse in terms of religion, language, literacy levels, customs, and life styles is a challenge to marketers who must understand their implications on loyalty of buying. Though the cost of FMCG products is low, they are characterized by the high turnover, fast consumption and repeat purchases. Considering the topical nature of “Brand Loyalty”, any study on the same is considered invaluable to the sellers and buyers of FMCG goods.

I appreciate the efforts put in by Sri. Rajendra Prasad to conduct a study and also publish a book entitled “Impact of Brand Loyalty on Consumer Buying Decision - A study on select FMCG products in Hyderabad.” I hope the findings of his study will provide important insights into the subject of Brand Loyalty and pave way for further research on the subject.

(Prof. T PAPI REDDY)
The thesis titled ‘Brand Loyalty – ‘A Tool for Consumer Decision-making’, by Dr. N. Rajendra Prasad an outstanding research scholar of the Commerce Department, Osmania University. Through light on the present scenario of FMCG Sector in the select areas of Hyderabad which capital of Telangana State, India. I appreciate his entire study about the current trends being practiced by consumers of this select area.

In the backdrop, certain futures of FMCG sector has identified by Dr. N. Rajendra Prasad in his study, needs remarkable exposure. In view of this as per his empirical research study, the concept of FMCG is gaining importance globally. The FMCG sector is a big contributor of GDP factor in India. The FMCG sector is also widely spreading in the rural areas of India. The area selected for his study is chosen by the big marketers of India for test marketing their products. The growing social media is a tremendously affecting the purchasing patterns and buying behaviour of consumers in rural and urban areas. The consumers in the present era are more educated, more knowledgeable posses’ high disposable incomes and are choosier in selecting the brands falling in the FMCG sector. Thus, even the aspect of brand loyalty of the consumers in the FMCG sector has to be given importance by the marketers by increasing the customers’ satisfaction levels.

P. Murali Manohar
NCERT Member,
Ministry of HRD, Govt. of India.
The recent globalization, liberalization, Information technology revolution, establishment of new International standards on Brand Loyalty on Consumer Buying Decision “Impact of Brand Loyalty on Consumer Buying Decision : A Study on Select FMCG Products in Hyderabad” has been carried out by me under the supervision of Prof. V. Shekhar, Department of Business Management, Osmania University, Hyderabad. FMCG industry, alternatively called as (CPG). Though the absolute profit made on FMCG products.

Purpose of bring this book is to have deep glimpse of Low budget High returns. These are products that have a quick turnover, and relatively low cost. These items are meant for daily or frequent consumption and have a high returns. Some of the prime activities of FMCG industry are selling, marketing, financing, purchasing, etc.

The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US $ 44 billion. It has a strong MNC presence and is charcterized and unorganized segment and low operational cost. Availability of key raw materials, cheaper labour costs, and presence across the entire value chain gives Digital India Competitive advantages.

This book will cover Wide coverage on Indian consumers today in the sense of being major catagories in FMCG Sector, are Households care fabric, Laundry, Tooth paste, and Synthtic detergent, House hold cleaner, VDish, wash cleaners, toilet cleaners, mosquito repellent, cakes, biscuits, ships, chocolates, ice-cream, tea coffee, Soft drink, etc., and their culture Tradition and values.

Wide coverage of Additions and Relationship consumer behaviour is influenced by various factors, ranging from personal motivation, needs attitude and values, personality characterstics. While taking very hardship while innovating all new significance topics of the course on Impact of Brand Loyalty on Consumer Buying Decision.

I would like to thank My Guide, Philosopher, Prof. V. Shekar, under his leadership, and guidance, I had learnt lot of New avenues wherever the subjects needs, Though I faced lot of hardship and dedicate hard work for completion of this subject, under his Vide range of Experience and supervision and leadership I could completed this prestigious project successfully.

Last, but not least I would like to Thank Prof. Thummala. Papi Reddy, Chairman, Telangana State Council of Higher Education, Hyderabad, who had kind heartedly gone through the entire Thesis, and writing Foreword for this Thesis.

I shall be highly obliged to my friends and to my beloved teachers who had helped me where ever I required their help. Without their cooperation I could not complete this prestigious project. And suggestions and criticism will be accepted and shall be rectified in the subsquent editions.

Hyderabad
May 2018

Dr. N. Rajendra Prasad
I express my deep sense of gratitude to my supervisor Prof. V. Shekhar, Department of Business Management, Osmania University, Hyderabad for inspiring me to pursue this study and for giving suggestions throughout the study. Without his help I would not have completed this thesis. I am very grateful to Prof. V. Appa Rao, Principal, University College of Commerce and Business Management, Osmania University for his encouragement and timely help during the research.

I record my deep felt gratitude to Prof. K. Shankaraiah, Dean, Faculty of Commerce, Osmania University, Hyderabad for his encouragement. I am very grateful to Prof. V. Anand Kumar, Head, Department of Commerce, Osmania University for his encouragement and help. I express my deep felt gratitude to Prof. S.V. Satyanarayana, Chairman, Board of Studies in Commerce, Osmania University for his valuable suggestions.

My sincere thanks to Prof. H. Venkateshwarlu, Special Officer, OU Centenary Celebrations, Osmania University for his timely help during my entire research work.

I am also very thankful to Prof. Rajaratnam, Vice-chancellor, Palamuru University, Mahabubnagar, Prof. Usha Kiran, Prof. D. Chennappa, Prof. Krishna Kumar, Dr. G. Naresh Reddy, Dr. J. Ravi Kumar, Dr. A. Patrick, Dr. I. Shekhar, Assistant Professor of Commerce, UCC & BM, OU, Hyderabad for their kind help.

My special thanks to Dr. R. Sampath Kumar, Assistant Professor, Department of Business Management, Osmania University, for his encouragement and support during the research work. I also express my thanks to all the faculty of Department Business Management, Osmania University Prof. A. Vidyadhar Reddy, Dr. Smitha Sambrani, Dr. Y. Jahangir and Dr. G. Vidyasagar Rao for their valuable ideas whenever required.

My thanks are due to Librarian, staff of Computer Lab and Non-teaching staff of University College of Commerce and Business Management, Osmania University, Hyderabad for their cooperation.

My sincere thanks to Sri P. Murali Manohar, Sri G. Laxman Ji and Sri J. Ram Mohan, Sri Mula Ramu, Dr. Chenna Krishna Reddy, Mr. J. Niranjan, Mr. Ch. Shiva, Mr. Racha Srinivas, Mr. Karendranath, Dr. M. Babu Rao, Mr. Naresh Sir, Mr. Ayyappa and Mr. Raghavender.

My thanks are due to Mr. A. Kranti Kumar, Mr. N. Suresh, Mr. Shafi, Mr. S. Kiran, Mr. G. Ganga Prasad, Mr. K. Mahender, Dr. Sakru Naik, Mr. Pandya Naik, Mr. B. Srinivas, Mr. O. Sateesh and Mr. Ch. Purnachande.

My special thanks to Sri K. Balakrishna, K. Kanaka Rao, Sri K. Rajaiah, Smt. Vinoda, Ms. K. Sandhya and Mr. Sandeep for their support. I extend my gratitude to my parents Late Sri N. Narsaiah (Father), Mrs. Sattamma (Mother) and my sister Ms. N. Kalyani for giving me the confidence for standing by my side in the process of completion of my research work. Above all I thanks the Almighty God for making this work possible.

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FMCG industry, alternatively called as CPG (Consumer Packaged Goods) industry primarily deals with the production, distribution and marketing of consumer packaged goods. These are products that have a quick turnover, and relatively low cost. Consumers generally put less thought into the purchase of FMCG than they do for other products. Items in this category include all consumable (other than grocery and pulses) people by at regular intervals. The most common in the list are tooth-pastes, detergent, shampoo, shaving products, shoe polish, packaged food stuff and household accessories and extends to certain electronic goods. These items are meant for daily or frequent consumption and have high returns. Though, the absolute profit made on FMCG products is relatively small, they generally sell in large numbers and so the cumulative profit on such products can be large. Some of the prime activities of FMCG industry are selling, marketing, financing, purchasing, etc. The industry is also engaged in operations, supply chain, production and general management. The Indian FMCG sector is the fourth largest sector in the economy with a total market size in excess of US$ 44 billion. It has a strong MNC presence and is characterized by a well established distribution network, intense competition between the organized and unorganized segments and low operational cost. Availability of key raw materials, cheaper labor costs and presence across the entire value chain gives India competitive advantage. The Indian consumers today are unique in the sense of being value sensitive and are not much price sensitive, as earlier. If they feel that a particular product offers them more value, they will buy it even if the price is high. The Indian consumers also follow strictly, their culture, tradition and values, as a result of which foreign companies are forced to give an Indian touch to their products in order to succeed in India.

Major categories in FMCG Sector are: Household care fabric, laundry, Tooth paste, and synthesis detergent, Household cleaner, VDish/wash cleaners, toilet cleaners, mosquito repellents, Cake, biscuit, chips, chocolate, ice cream, tea, coffee. Soft drink, branded rice, flour, canned fruits, Vegetables, dairy products, personal care product, oral, hair, skin care product etc.

Consumer behavior is defined as activities people undertake when overtaking, consuming and disposing of product and services (Blackwell et al., 2001). The study of consumer behavior does not only include reason for buying but also the consumption process of the consumer at large. In the entire

process of buying consumer gets driven by influences such as feeling, motivation, income, lifestyle, opinion, culture, personality, etc.

The Indian consumer market has higher disposable income, the development of modern urban life style and increase in consumer awareness have affected by buyer behavior in cities, town, even rural areas. According to 2007 report by McKinsey and company\(^2\), India is set to grow into the fifth largest consumer market in the world by 2025.

In this scenario, creating customer loyalty is now a whole new challenge. These demographic shifts have also created the need for leader who can keep pace with change and identify with and predict future demand.

Consumer behaviour is the study of individuals, groups, or organisations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

The marketer, therefore, tries to understand the needs of different consumers and also tries to understand their different purchasing behaviours which require an in-depth study of the internal and external environment. Consumer purchasing decision depends on perception, self-concept, social and cultural background, age, family lifecycle, attitude, belief, values, motivation, personality, social class and so on.

Relationship consumer behavior is influenced by various factors, ranging from personal motivation, needs attitude and values, personality characteristics, socio-economic and cultural background, age, sex, professional status to social influence of various kinds exerted by family, friends’ colleagues and society as a whole. Each person has his/her own standards of judgments and distinct behavior in every aspects of his/her role as a consumer. But, at the same time, underlying the individual differences there are similarities which make it possible to explain behavior of specific types or groups of people. A careful study of consumer behavior provides the advertiser with deeper insight of his target segments, which in turn proves to be very valuable in strategic advertising decisions, especially in defining the target markets and creating the advertising appeal and message.

Brand loyalty, is a measure of the attachment that a consumer has to a brand. Essentially, brand loyalty refers to a consumer’s consistent repurchase of a favoured brand. Considerable discussion exists in the literature over the definition and dimensionality of loyalty (Ball et al., 2004)\(^3\). According to Aaker (1991)\(^4\) brand loyalty reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or product features. In line with Aaker’s (1991)\(^5\) description of loyalty, Fournier and Yao (1997)\(^6\) note that there appears to be general


\(^5\) Ibid.

agreement in the literature that brand loyalty refers to a biased behavioural response to choose one brand out of a set of alternative brands.

There are many advantages of brand loyalty. Primarily, it is clear that it is much less costly to retain customers than to attract new ones, and existing customers represent a substantial entry barrier to competitors, in part, because the cost of enticing customers to change loyalties is often prohibitively expensive (Aaker, 1996)\(^7\). There is also the advantage of trade leverage, ensuring preferred shelf space for preferred brands and additionally brand loyalty provides a firm with time to respond to competitive moves (Aaker, 1991)\(^8\). According to Delgado-Ballester and Munuera-Aleman (2001)\(^9\) the interest in brand loyalty derives from the value that loyalty generates to companies in terms of:

- A substantial entry barrier to competitors
- An increase in the firm’s ability to respond to competitive threats
- Greater sales and revenue
- A customer base less sensitive to the marketing efforts of competitors

Further, Rowley (2005)\(^10\) identifies the benefits of brand loyalty as:

- Lower customer price sensitivity
- Reduced expenditure on attracting new customers
- Improved organisational profitability

1.1.1 Aim of the Study

The aim of the study is to understand the impact of Brand Loyalty on consumer buying decisions on select FMCG products (Bath soap, detergent powder/soap, shampoo, tea powder and soft drinks) in Hyderabad. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. The four hundred years history of Hyderabad has been witnessing a tremendous social transformation over the decades to shape a new consumerist state with increased interest in I.T Parks, shopping malls, hyper markets, educational services, medical facilities, research institutes, defence organizations, cinematography tourism, etc.

An increase in the working population with higher income, resulting increased living standards providing better growth prospects and demand for the FMCG sector especially in twin cities of Hyderabad and Secunderabad in newly formed Telangana state.

1.1.2 Background of the Study

The Indian retail industry is one of the most vibrant industries in the country. It is in the 20th position among the top 30 developing countries identified by management consulting firm AT Kearney in its 2014 Global Retail Development Index (GRDI) and it is contributing around 14 to 15 per cent of GDP. The Indian retail market is one of the top five retail markets in the world by

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economic value. Now, the industry is moving towards a modern concept of retailing and the favorable demographics, increasing urbanization, nuclear families, purchasing power of consumers, preference for branded products.

The present study tries to identify the various factors that are leading to the consumers purchasing behavior with special reference to FMCG products.

### 1.1.3 Motivation of the Study

India remains an appealing, long-term retail destination for several reasons starting with its demography – half of India’s population is less than 30 years of age and roughly one-third of the population lives in cities. The disposable income of Indians is increasing - allowing them to spend more and try new products, brands and categories. With the growth in the retail industry, the corresponding demand for real estate is also being created. Further, with the online medium of retail gaining more and more acceptance, there is a tremendous growth opportunity for retail companies, both domestic and international. Retailing in India is a fast growing industry when compared to other industries. The whole concept of shopping has changed in terms of formats and consumer buying behavior. Modern retail has entered India including shopping centers, multi-storied malls and huge complexes with wide variety of products and services like shopping, entertainment and food all under one roof. The growth of organized retailing and growth in the consumption behavior of the Indian population led to a higher growth of the industry.

### 1.2 REVIEW OF LITERATURE

#### 1.2.1 Reviews on Impact of Brand Loyalty

##### 1.2.1.1 National Studies

**Varadharajan R. (2017)** \(^{11}\) focused to identify the factors which influence consumers while purchasing toilet soap and to examine the brand loyalty with regard to toilet soaps. The findings of the study shows that consumer preference is one of the important factors of marketing, FMCG companies must find out consumers want and than translate these desires in to meaningful technical language. Knowledge of buying behavior of different market segments help marketers to identify buyer who support the company. In toilet soap market generally buyers are of low or reasonable price minded, expecting free gifts, quality and modification, the company should take up some changes in their product to cover more market area and attract more customers and to complete their competitors. FMCG companies should concentrate their innovative strategies and distribution channels to attract the new customers and retain the existing customers.

**Kishalay Adhikari and Rajeev Kumar Panda (2017)** \(^{12}\) conducted a study to exhibit the contributory role of social media brand communities, SMBC towards brand loyalty. A Survey-based

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empirical study involving young consumers was conducted in the selected cities of Bengaluru, Kolkata, and Pune. In contrast to prior works Algesheimer et al., 2005; Laroche et al., 2012, the authors have incorporated Analytical Hierarchy Process, hereafter AHP in the study to implement and validate new scales. The outcomes of AHP methodology found shared consciousness and social networking as the most-preferred component and activity respectively. These outcomes would assist brand managers in the optimized allocation of communication budget and formulation of competitive branding strategies to tackle intense competition.

Sandeep Kumar M., Rajeswari B., Prasanna Kumar D. and Srinivasa Narayana M. (2016)\textsuperscript{13} aimed at analyzing the consumer perception towards brand loyalty towards Hyundai. The objective of the study is to understand the impact of customer perception towards success of brands towards cars. The research is aimed to explore if buying choices are made based on brand loyalty and to analyze whether customers actively seek for new brands or stick to the old brands. A detailed study is conducted from the views of customers and collected by conducting a survey with a sample size of 110 from Vijayawada region with the help of structured questionnaire. The collected data is analyzed using statistical tools and the study reveals that most of the youngsters have good perception towards the branded vehicles and good relationship with the brand. Majority of the respondents said that quality, trustworthyness and brand image are the leading features that differentiate one brand with other brands in car industry.

Mukta Srivastava (2016)\textsuperscript{14} made an attempt to determine the various determinants of brand loyalty in cosmetics for women consumers of Pune city. This study is important, as it will allow the marketers of cosmetic brands in Pune city to focus on the major determinants that will enable them to win and retain loyal customers rather than trying to take care of all the influencing factors. The research paper is based on primary data, which was collected from 597 women (aged between 18-58 years through personal administered survey and questionnaire answered through web-based survey). Data were analyzed using SPSS. Various statistical techniques like chi-square test, factor analysis, multiple regression analysis, path analysis via regression (with correlation matrix input), and so forth were used for analyzing the data.

Vijay Anand V., Renganathan R., Balachandran S., Tony Jerry Suganth L., Chaitanya, K. Sravanthi, Kumararppan R. and Santhoshi (2016)\textsuperscript{15} made an attempt to study the factors influencing brand loyalty. By applying structured questionnaire, primary data were collected from 114 respondents. The statistical tools such as Chi square test, one-way ANOVA and regression analysis were administered for analysis. The study factors such as Demographic variables, Brand Awareness, Brand Image, and Perceived Quality that influences Brand loyalty. There is an association between the demographic factors, \textit{viz.}, age, gender, marital status, family type, educational qualification. There is no association between the occupation of the respondents, since the null hypothesis is gross annual income of the respondents and preferences were accepted. The researcher found that the brand loyalty


do not vary with the demographic factors namely gender, family type, gross annual income brand preferences. The brand loyalty varies with the age, marital status, educational qualification and occupation of the respondents. The results show that there is a high degree of correlation between the study variables and the brand loyalty. It is found that the predictor variables, viz., Brand awareness, Brand image and perceived quality are statistically significant determinants towards Brand loyalty. The present study focuses those important factors which are influencing brand loyalty. Based on the significance, the organization has to give much priority to retain and improve their brand loyalty.

Dhanalakshmi S. and Ganesan M. (2015)\(^{16}\) tried to research the whole loyalty, satisfaction, awareness, and change behaviour of shoppers relating to soaps. It also examines the factors controlling brand choices. Significant variations were determined among completely different financial gain teams, especially, once the value of the current complete will increase considerably. This could be attributed to the completely different the various lifestyles adopted by different financial gain teams. Astonishingly respondents gave least importance to advertisements of bath soaps. Quality and value of recent completes impelled them to brand shift. This has got to be fastidiously studied by the marketers. Another space of concern is that a lot of rated their gift soaps as simply satisfying though they need been exploitation identical complete for extended amount. During this perspective, FMCG firms have to be compelled to explicate their ways to please the purchasers. At identical time, as most of the respondents are exploitation identical complete for a extended amount of your time, new entrants got to devise appropriate plans to draw in the purchasers of existing brands. Deeper penetration in urban areas additionally holds the key to unlocking growth potentials particularly within the Premium section. Thus, product innovation, good selling and distribution are going to be of key importance for FMCG product to become leaders within the business.

Dhanalakshmi S. and Ganesan M. (2015)\(^{17}\) tried to understand the factors which were affecting the brand loyalty of the bath soaps in Chennai. It was found that quality and brand trust of the soap can induce to purchase intention. Other factors like style, design and flavor of the soaps are not that much influenced. Likewise affective and cognitive mode of loyalties are induced the purchase decision, but the conation loyal not influenced on the same. The bath soap branders make an effect of affective and cognitive mode of affection among customers towards their bath soap brand. The authors opined that consumer preference is one of the important factors of marketing and suggested to FMCG companies that they must find out consumers want and then translate these desires in to meaningful technical language. Knowledge of buying behavior of different market segments help marketers to identify buyer who support the company. In toilet soap market generally buyers are of low or reasonable price minded, expecting free gifts, quality and modification, the company should take up some changes in their product to cover more market area and attract more customers and to complete their competitors. FMCG companies should concentrate their innovative strategies and distribution channels to attract the new customers and retain the existing customers.


Introduction

Sushilkumar M. Parmar (2014)\textsuperscript{18} tried to find out a particular cosmetic brand which is popular and regular stuff of youth’s basket irrespective of any purpose. For data analysis and testing of hypothesis, Chi-square test, Garrett Ranking method and descriptive statistic have been used. The findings indicate that brand loyalty has no significant association with gender and domiciles of users of cosmetic products. Similarly, annual spending on cosmetic products and domiciles of youth are statistically independent variables. Results also disclose that an excellent quality of a cosmetic brand was highly ranked by majority of respondents followed by satisfaction of needs and brand Name.

Dhurup M., Mafini C. and Dumasi T. (2014)\textsuperscript{19} investigated the impact of packaging, price and brand awareness on brand loyalty. The study sought to extend empirical evidence on the association between brand loyalty and product-related factors: packaging, price and brand awareness. The study adopted a quantitative survey approach and was conducted in a paint retailing environment. Data were elicited from a conveniently selected sample of 212 consumers who purchased various brands of paint. Regression analysis and the one-way analysis of variance test were conducted to investigate the impact of packaging, price and brand awareness on brand loyalty. Packaging, price and brand awareness showed significant positive relationships with brand loyalty, which implied their significant predictive influence on brand loyalty. The results suggest that management should, inter alia, initiate and implement effective packaging, pricing and brand awareness in order to enhance consumers’ brand loyalty to the company’s products. The marketing success of businesses depends on their ability to continuously enhance their products’ packaging with competitive pricing and brand awareness strategies in order to improve brand loyalty. Future studies should be extended to other retailing environments and product categories.

Marri Sreenivasulu, Janardhana G and Mamilla Rajasekhar (2014)\textsuperscript{20} have taken up with an objective to measure the opinion on the antecedents of brand loyalty such as product quality, price, purchase decision, perceived quality, store environment and design; to assess the customer satisfaction; and to suggest specific steps to improve brand loyalty towards Big Bazaar in Bangalore city is chosen through the judgment sampling method, and 100 samples are considered to pool up the opinions by convenience sampling through a well structured questionnaire. The survey results depicted that brand loyalty towards Big Bazaar is positive and all the six antecedents have the significant effect on customer satisfaction as customer satisfaction is positively associated with brand loyalty. So, it is important for a marketing manager to introduce innovative customer loyalty programs for protecting the customers’ base line for Big Bazaar in Bengaluru city.

Vijay Anand V., Panchanatham N. and Rajasekaran B. (2013)\textsuperscript{21} identified the factors influencing brand preference and its impact. In this work, 100 samples have been selected and administered the statistical tools such as Chi-square test and ANOVA for data analysis. The researchers found that quality, price, types and marketing strategies are the mediating factors for the


brand loyalty which lead to the brand preferences. The research concluded that in order to maintain the customer brand loyalty, packaged milk brands need to strengthen their unique strategies and proposed research model developed by this research.

Maryam Vaziri (2013) explored the brand loyalty of customers with respect to Nike products adult users in Hyderabad. The cluster sampling and online survey method was used to collect primary data. A total of 184 effective questionnaires were collected from adult consumers who used or bought Nike in Hyderabad City; the effective response rate was 92 per cent. The major findings were: a significantly positive relationship between brand loyalty and it’s factors and there is no significant between brand personality and consumer demographic features.

Murugesan Punniyamoorthy, Balasubramanian Mahadevan, Nanda Kishore Shetty and Ganesan Lakshmi (2011) proposed an Analytical Hierarchy Process (AHP) based model to assess customer loyalty scores for commodity brands. We also propose a methodology using Structural Equation Modeling to systematically collect data from customers and suitably incorporate it into AHP for computing the loyalty scores. The scores of the constructs in the model could be used by the commodity marketers to ascertain customers brand preference pattern and the relative importance of the factors in the purchase decision. From such an understanding, the commodity marketers could adjust the elements of the marketing and delivery process and incentivize the customer to be loyal to their brand. The developed model could be used for any commodity. The authors demonstrated the usefulness of the model with a numerical illustration from the cement industry. On the basis of the data they observe that the commodity brand, which has the highest loyalty score, is able to provide better perception of offerings in those constructs considered important by the customers. On the other hand, the weakest brand has been unnecessarily concentrating on price worthiness factors like lower price, higher discounts and long credit period. As per this study this construct is viewed relatively less important by the customers. Perhaps, customers perceive it as a lower quality product owing to this over focus on this construct.

The marketing scenario in India has undergone vast change since 1991 due to the economic reforms. Post-liberalization, competition intensified in every product line and market, which forced brands to redefine their norms of existence in all industries. In the FMCG industry, especially in toilet soap sector there has been severe competition among the MNCs, national and local players. The toilet soaps can be divided into four price segments: Premium, popular, economy and carbolic soaps. At the same time, penetration level of toilet soaps in urban areas is very high, but per capita consumption levels remain low. In this scenario, it is very important for marketers to know the consumer behavior with respect to toilet soaps, which will be very useful in adopting suitable strategies. Sarma, M.S. and Pratap, V. Rama (2011) attempted to analyze the brand loyalty, satisfaction, awareness, and switching behavior of consumers regarding soaps. It also examines the factors influencing brand choices.

Introduction

Subramanyam, Ramakrishna Rao and Krishna Mohan (1985)\textsuperscript{25} conducted a study on Brand Loyalty: A Case Study of Selected Consumer Non Durables in Vishakapatnam. The main objectives of the study were to examine the factors which influence brand loyalty and to know the intensity of brand loyalty. The major findings of the study were with regard to majority of the consumer’s purchases confined to a single shop as well as a single brand. They came to the conclusions that the respondents have been using a particular brand for more than five years and are reluctant to switch over to other brands under any circumstances.

1.2.1.2 International Studies

Murat Akin (2017)\textsuperscript{26} investigated the impacts of automobile brand personality perceptions of Turkish consumers on their attitudinal and behavioral intentions, the effects of the personality attributed to the brand by the consumers on their behavioral intentions regarding preferences, recommendations and willingness to pay higher prices for the brand are examined. The research results indicate that automobile brands are perceived such as competent and excited and the effects of these dimensions on both behavioral and attitudinal loyalty have been seen to be stronger than the effects on the other two dimensions, namely, conventionality and androgyne. In the conclusion of the study, the impacts are evaluated, and suggestions are given to business managers, marketing researchers, and marketing researchers.

Yang Zhao, Tong Tong, Guanchu Li, Shuang Ma and Lin Wang (2017)\textsuperscript{27} discussed the impact of brand awareness and customer experience on brand loyalty of MI. This study randomly selected the people who have purchased the MI’s product to complete the questionnaire. The variables of this questionnaire included population statistics variables, the brand awareness of consumers, the experience of consumers when purchasing, and the customer’s loyalty of its brand. By using the SPSS to analyze the data from reliability analysis, validity analysis, correlation analysis and descriptive statistical analysis of each variable. As the results shown, brand awareness can positively predict brand loyalty. Service experience and emotional experience can positively affect brand loyalty. There existed significantly positive correlation among brand awareness, service experience, emotional experience and brand loyalty. Finally, summarizing the empirical results and bringing up some limitation and expanding direction of this research.

Brand loyalty is no longer a new concept but the importance of brand loyalty could never be overstated especially in recent decades as market competitions become globally fierce. Hence, to correctly understand the behavior of their customers or rather the antecedents of brand loyalty could be beneficial to marketers or entrepreneurs to secure their market positions. Thus, an increasing number of scholars have devoted to exploring the influencing factors of brand loyalty from various theoretical and industrial backgrounds. Omar Kassim A. Shaban, Liu Yao, Mohd Ridzuan Bin


Darun and Abdullah Alkhateeb (2017)\textsuperscript{28} reviewed the related academic studies on brand loyalty and particularly analyzes the influencing factors of Brand loyalty. It starts with introducing the evolution of brand loyalty research then defines brand and brand loyalty. Further, after revisiting the grounded theories of brand loyalty research such as the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) a summary of the most frequently researched influencing factors is presented. It is hoped that the study could shed some light in facilitating researchers to further develop conceptual framework and conduct empirical research and also guiding practitioners in rationalizing market strategy.

Wilson Lobo (2016)\textsuperscript{29} investigated customer’s perceptions on brand loyalty for household appliances in Mumbai, India. For this study, the researcher used qualitative approach. The researcher conducted two focus groups with the household owners in Mumbai. This focus group discussion allowed the researcher to get in-depth knowledge about the opinions and perception of the participants. The data collected were then analysed using thematic analyses and several key themes were formed. The result of this research shows that majority of the participants were brand loyal and influential factors like experience, advertisements, loyalty schemes, price, perceived quality and customer satisfaction affected their repurchase behaviour for household appliances. The findings of this research also pointed out that, consumer’s preference with regards to Indian versus international brand varied greatly from one participant to another.

Bruno Schivinski and Dariusz Dabrowski (2015)\textsuperscript{30} evaluated 302 data sets that were generated through a standardized online survey to investigate the impact of firm-created and user-generated social media brand communication on brand awareness/associations, perceived quality and brand loyalty across 60 brands within three different industries: non-alcoholic beverages, clothing and mobile network providers. The results of our empirical studies showed that both firm-created and user-generated social media brand communication influence brand awareness/associations; whereas user-generated social media brand communication had a positive impact on brand loyalty and perceived brand quality. Additionally, there are significant differences between the industries being investigated.

Muhammad Asif, Kaleem Abbas, Muhammad Kashif, Sadique Hussain and Iltaf Hussain (2015)\textsuperscript{31} conducted a study to know the factors that impact on brand equity. The study considered the brand awareness and loyalty of brand, to search out that how these influence the brand equity. The study was based on the primary which was gathered from 200 respondents by means of a questionnaire. The application of random sampling technique are used and statistical tool like SPSS software was used for checking the reliability of the questionnaire and for revealing the result of this research the correlation analysis are used. The research result indicates that the brand awareness and loyalty influence the brand equity.

\textsuperscript{30} Bruno Schivinski, Dariusz Dabrowski, (2015) "The Impact of Brand Communication on Brand Equity through Facebook", Journal of Research in Interactive Marketing, Vol. 9 Issue: 1, pp.31-53,
Fatima Sarwar, Muzamil Aftab and, Muhammad Tahseen Iqbal (2014)\textsuperscript{32} collected the data to know the impact of branding on consumer behavior. Brand knowledge is a very important factor. As the consumer is more aware of the brand and he has all the knowledge about its price, quality etc., the more will he be attracted towards that brand. The loyalty level increases with the age. Family is the most influential reference group. The consumers, who are more social, are affected by their friends like on Facebook. The consumers who are more status conscious than those who are not status conscious. The next part is of methodology and analysis. According to the research, all the factors are statistically significant but just gender is the only variable which is not statistically significant and its value is different from the 0. In the reliability table, it is calculated that the research validity and reliability is 89.6% which is great. In the end, it is concluded that the branding impacts the consumer behavior in relation to the different dependent and independent variables.

Abdul Ghafoor Awan and Asad-ur Rehman (2014)\textsuperscript{33} investigated the impact of customer satisfaction on brand loyalty for durable goods. The author used primary data in this study and for this purpose a survey has been conducted through a structured questionnaire. The view of 300 middle class houseolds or business people was recorded. The findings suggest that brand loyalty can be generated through improving customer satisfaction and offering high brand value. Brand performance has significant positive relation with customer satisfactions in home appliances sector of Pakistan. The survey result shows that 33.6 per cent customer are satisfied on the basis of brand performance. Brand performance is the fundamental motivation factor for the customer satisfaction which considered as a positive state of mind in purchasing products which relates to customer satisfaction and brand reputation is important antecedents for intended loyalty. For customer satisfaction companies should understand customer-specific needs, provide good quality products, and have the capacity to address customer complaints or problems in a friendly manner. Perceived good product performance is a key driver of brand loyalty and also significantly influences customer satisfaction.

Letícia Morales Silva Zárate (2014)\textsuperscript{34} discussed the loyalty of consumers towards a brand in a period of constant innovation technology, to analyse the motivations of a loyal consumer and to discover what takes to a brand achieve this loyalty. The study concluded that the brand loyalty is not a simple marketing concept, and even though it might be difficult to find an exact definition of that, it is evident the role that it can play in the promotion of a brand. The efforts that a brand can put in promoting itself will never be as effective as a close-knit group of loyal customers.

Zohaib Ahmed, Mukhtar Ahmad and Misbahul Haq (2014)\textsuperscript{35} investigated the effect of service quality, perceived quality, perceived value, brand trust and customer satisfaction on brand loyalty. The service quality, perceived quality and value were determined to be input variables; brand trust and customer satisfaction were determined to be intervening variables; and brand loyalty was determined to be the output variable. Conceptual model was designed to explain the factors on brand

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loyalty. Our study based on a self-administered survey that was conducted in Bahawalpur setting. Data were collected from the randomly selected 150 Hewlett Packard product consumers. Our study results provide a better understanding about brand loyalty among customers for companies to analyse and part played by each element in the progress of brand loyalty. Moreover, it highlights the crucial role played by affective elements.

Vishwas Maheshwari, George Lodorfos and Siril Jacobsen (2014)\textsuperscript{36} investigated a connection between brand experience and brand loyalty as far as automotive sector is concerned, both with and without commitment as a mediator. As a result, continuance commitment was found to not have any considerable impact on the consumer’s loyalty towards a brand, it is assumed that factors such as price and other available alternatives do not influence this desire to maintain said relationship. The present research established that continuance commitment does not lead to brand loyalty; it has not established whether it can in fact have an opposite effect. Marketing managers could benefit from such research, as it would help establish whether continuance commitment could in fact damage the consumer’s loyalty towards the brand. As such, it would be useful for further research to explore the extent to which continuance commitment can have a negative impact on brand loyalty.

Abdullah Alhaddad (2014)\textsuperscript{37} discussed the importance of the effect of the brand image and brand loyalty on brand equity, the conceptual model illustrates the impact of brand image and brand loyalty on brand equity, which is assessed through effects between brand loyalty and brand image. In order to accomplish the objectives proposed, a model reflecting the effect of brand image and brand loyalty on the brand equity, the model is tested by structural equations and the sample is 204 student respondents, the finding shows that brand loyalty and brand image have a positive effect on brand equity. The study provides brand managers a holistic model to enhance the equity of a brand. Therefore, the research finding can be used by soft-drink industry in enhancing the brand equity.

Haneen Zafir (2013)\textsuperscript{38} examined the influence of customers’ interaction experience dimensions on trust, satisfaction and brand loyalty and whether this influence is mediated by customer satisfaction and trust. Few studies have examined how customers’ interaction experiences affect brand loyalty. Furthermore, satisfaction and trust are expected to be antecedents to brand loyalty. Little studies have pointed out the link between trust and satisfaction and how this link can facilitate to drive brand loyalty efficiently within the context of online communities. This study proposes a framework for testing the relationships between customers’ interaction experience dimensions, satisfaction, trust and brand loyalty.

Ebru Kuzgun (2012)\textsuperscript{39} focused of this master thesis is to investigate brand loyalty as one of the main antecedents of customer engagement. For the purpose of analyzing brand loyalty as an antecedent of customer engagement in online brand communities, a quantitative study was undertaken.


and a survey was conducted on Turkish consumers. The study reports the findings analyzing data from 193 respondents who are members of various Facebook brand pages. The study results reveal direct paths from brand loyalty dimensions to customer engagement dimensions. Overall, the current study finds the brand loyalty as the direct trigger which leads to various intensity levels of customer engagement on online brand communities. Consequently, the implications for literature and business practice are discussed based on study results.

Seren URUN (2011)\(^{40}\) aimed to boost the brand and the product instead of rewarding customer loyalty. It was found that price promotion pushes customers to buy more than they would have otherwise. They tend to stockpile products for future use, especially if the products in question are non-perishables and/or long lasting. Finally, the present research shows that a brand’s external appearance and the history of an individual brand in terms of price promotion are important issues for customers. Sometimes customers hesitate about a promoted product’s quality. Professional promotion management and a professional external appearance can reduce any prejudice and/or any reluctance to buy a specific brand.

Azize Ühina, Cemal Zehir and Hakan Kitapçı (2011)\(^{41}\) conducted with actual consumers, addresses the question whether different consumers prefer different experiential appeals and whether experiential types create the relationships between brand experiences, satisfaction, trust and loyalty. The authors proposed the effects of brand experiences to build long lasting brand and customer relationship with brand trust, satisfaction, and loyalty. The study was conducted on 258 respondents. As a result of this study, brand experiences, satisfaction, trust have positively effects brand loyalty.

Rose Leahy (2008)\(^{42}\) examined the concept of brand loyalty in Fast Moving Consumer Good (FMCG) markets. The primary objective of the study was to explore why loyalty develops in FMCG markets from the consumers’ perspective. In addition, this study explored the consumers’ perspective on the types of bonds that exist in FMCG markets and the role of bonds in the development of brand loyalty. The dominant conclusion arising from this study is that brand loyalty exists in FMCG markets for both cognitive and emotional reasons. Essentially this research determined that the development of brand loyalty is predicated on the development of customer-brand bonds. This research concludes that the challenge for marketers is to develop and nurture the bonds that lead to and that can strengthen brand loyalty. The research also concludes that brand loyalty studies in the future should focus on both cognitive and emotional reasons for brand loyalty and the role of bonds therein. Exploring brand loyalty in this way should assist in the analysis of and understanding of brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies designed to build brand loyalty.

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Rebekah Bennett (2001) aimed to provide a comprehensive view of brand loyalty for business services by proposing and testing a model of its potential antecedents. The data was collected using both field survey research and archival data. The results were largely consistent with the conceptual framework. Arguably this thesis makes four contributions. First, it demonstrates the importance of brand loyalty in a business services context. Second, it suggests that attitudinal brand loyalty is a prerequisite for behavioural brand loyalty. Third, it is the first systematic study of direct and indirect antecedents of brand loyalty in a business services context. Finally, the study captures the impact of relational factors on brand loyalty, important in a business services context. Finally, this thesis offers a comprehensive view of brand loyalty in a business services setting and an empirical test of its potential antecedents.

1.2.2 Consumer Behaviour on FMCG Products

1.2.2.1 National Studies

Fazeen Rasheed A.K. (2017) attempt to cover the various factors that influence the buying decision of consumers who plan to purchase and or used toothpaste. FMCG sector is the fourth largest sector in India touching everybody life’s everyday. The FMCG goods sector is vital contributor to India’s gross domestic products. The field of consumer behaviour is the study of individual, group, organization and the process is used to select, secure, use and dispose of products and services that satisfy their needs. The Indian toothpaste industry includes about 700 companies with combined annual revenue about $17 billion and also spreads all the major metropolitan cities. India per capita consumption of toothpaste is at 460 grm per annum. The Indian market capitalization of tooth paste industries is 70% of India’s population resident in rural area and 50% toothpastes are sold in rural market. To attain this objective, a survey was developed and administered across various parts of Calicut city.

Anandarajan S. and Manikandan A. (2016) collected the data by performing face-to-face interview with the respondents by distributing the questionnaire to 400 consumers at various places in Villupuram district. This study is started with objectives of examining socio-economic background of respondents, analyzing the factors influencing consumer behaviour towards selected FMCG products, checking the level of satisfaction of consumers and knowing expectation of the consumers. The study revealed that consumer behavior is largely affected by place, product, price, promotional, psychological and people influences. This item paper highlights the consumers’ expectation towards fast moving consumer goods in Villupuram district.

Mahaboob Basha A.M. (2016)\textsuperscript{46} highlighted the consumer behavior towards fast moving consumer goods in SPSR Nellore District of Andhra Pradesh. Creating awareness regarding products is essential to grab the market in the competitive world. As we know that when customer satisfied the purchasing level of the customer would gradually increase by that the sales of the company will increase. Here in this research work researcher is trying to find out differences in the opinion of consumers on the basis of age, educational qualification, location and gender regarding consumer behavior towards fast moving consumer goods in SPSR Nellore District of Andhra Pradesh.

Alamelu R, Surulivel ST, Cresenta Shakila Motha L, Amudha R and Selvabaskar S (2016)\textsuperscript{47} identified the various factors inducing the purchase of FMCG products in both rural and urban areas and the level of impact on these factors towards the purchase of fake FMCG products. This study is conducted in rural and urban areas of Madurai District in Tamil Nadu which is considered primarily as the universe of the present study. The present study comprising of 20 villages in Madurai District consisting of 100 rural sample respondents and also covered 100 sample respondents from Madurai city (urban). Thus, the researcher has used multistage simple random sampling technique within the sampling frame to collect the urban and rural responses for the study. This study depends mainly on primary data. A structured interview schedule (in regional language) was constructed and administered to collect primary data among the rural and urban groups. The findings of the study pointed out that urban consumers were influenced by ‘conviction’ and ‘appeal’ factors and the rural consumers were influenced by ‘conviction’ and ‘promotions’ during their purchase behavior towards fake FMCG products. Thus, an integrated approach including representative from corporate firms, retailer forum, sales executives is needed to empower the rural and urban consumers by way of including consumer education, training for government enforcement officials, research and statistical analysis, public policy analysis and support for policy development and sharing global best practices information. This study has given a new insight in the field of creating consumer awareness towards purchasing of fake products among rural population.

Saranya S. and Surya G. (2016)\textsuperscript{48} aimed to shed light on competitive conditions prevailing in the FMCGs retail trade sector. This study also focused on the analysis of competition within the sector, and draws lessons for competition policy. FMCG Industry is characterized by a well established distribution network, low penetration levels, low operating cost, lower per capita consumption and intense competition between the organized and unorganized segments. India’s FMCG sector creates employment for more than three million people in downstream activities. It is currently growing at double-digit rate and is expected to maintain a high growth rate. Indian buyers were a bit conservative partly due to lesser disposable income and partly due to fewer competitive and more variety of products. Food inflation could restrict consumers’ demand and pricing flexibility for FMCG while lowering consumers’ purchasing power that diverts purchases away from certain FMCG.

Jyoti Pradhan and Devi Prasad Misra (2015)\textsuperscript{49} analyzed brand loyalty for FMCGs in rural and urban markets. For this comparative study, one rural district of Odisha and Bengaluru urban district were chosen. The relationship between demographic variables on the brand loyalty of the consumers and consumer’s switching factors in respected selected product category was made. A randomly selected sample of 200 each from Keonjhar district, Odisha and Bengaluru urban district, Karnataka were selected for this study. To indicate the amount of correlation between the variables, Chi-square test was used. Results show that among the variables namely gender, age, education and occupation, only age and education have the most significant impact on consumer’s brand loyalty in urban areas and in rural areas. These variables were found insignificant after the study.

Ganesh G. and Soosai John Rosario S. (2015)\textsuperscript{50} analyzed the consumers’ perception towards brand loyalty of the FMCG product is awareness, knowledge, attitude of the brand, risk aversion to change the brand, satisfaction and brand trust of the consumers, variables namely brand, image, product quality, product knowledge, product involvement, products attributes and brand loyalty of consumers. This highlights research article consumers’ perception towards brand loyalty of FMCG products - an analysis. The findings of the study based on product quality the mean value of the sun feast have scored highest average acceptance score of 17.95 and lowest average acceptance score of 15.76 for dukes towards the brand loyalty of the consumers. Based on price the mean value of the Britannia Industries Limited have scored highest average acceptance score of 10.81 and lowest average acceptance score of 9.80 for Dukes towards the brand loyalty of the consumers. Based on promotion the mean value of the Sunfeast have scored highest average acceptance score of 17.34 and lowest average acceptance score of 14.50 for Priya Gold biscuits towards the brand loyalty of the consumers. Based on distribution the mean value of the Britannia Industries Limited have scored highest average acceptance score of 12.98 for Priya Gold biscuits towards the brand loyalty of the consumers. The study concludes that the consumers’ perception towards brand loyalty of the FMCG product is analyzed awareness, knowledge, attitude of the brand, risk aversion to change the brand, satisfaction and brand trust of the consumers. The researcher application analysis towards t-test, ANOVA, regression and correlation analysis, the next chapter focuses on the summary of findings, suggestions, conclusion and scope for the future directions.

Rural India has become a massive consumer goods market with more than six hundred thousand villages and more than 70% of the population living in villages. In these rural markets, FMCG products have emerged as a major product category. Various researchers have found that rural and urban Indian consumers have different needs and wants. These differences have revealed a huge marketing potential for MNCs and other foreign investors, who try to explore rural regions for marketing opportunities. Thus, understanding rural consumer behaviour is very important for the marketers.


Introduction

Gyan Prakash and Pramod Pathak (2014) on the important factors that affect the rural purchase behaviour of FMCG products. The findings of this study indicate that price, brand name, quality, availability, packaging, and so forth were the important factors influencing the rural consumers’ purchase decisions. The study also focused on the important aspects such as the effective modes of communication, reasons for switching brands, billing patterns, and satisfaction level among the rural consumers.

The rural consumers are known to earn low income, have low level of literacy, low level of brand awareness, asymmetric information, inadequate communication and transportation facilities. The rural markets and suburban markets are now expanding in Kerala with ever greater penetration index, as the growth seems stunted in the urban markets. In this study, the researcher collected the data from rural and suburban areas of Ernakulam with a sample size of 100 respondents. Anilkumar N. and Jelsy Joseph (2014) intends to identify the level of influence of various factors on the purchase of FMCG products-soaps & detergents among the rural/semi urban consumers. The study emphasized that rural consumers gave more importance to the ‘quality’ of the FMCG-personal care brands they bought rather than the normative influences or social appeal vide celebrity endorsements in the mass media.

Vibhuti, Ajay Kumar Tyagi and Vivek Pandey (2014) conducted a study to identify the changes in consumer buying behaviour towards FMCG products. The motive of this paper is to identify the factors affecting consumer buying behaviour towards FMCG products and finally effecting their decision making process. The data for this study has been collected through questionnaire and findings have been theoretically presented. The paper reveals that consumer behaviour is largely affected by place, product, price, promotion, physiological and psychological factors. However, effect of these factors also differs from product to product.

Kumar N.A. and Joseph J. (2014) intended to identify the level of influence of various factors on the purchase of FMCG products - soaps and detergents among the rural/semi-urban consumers. The study emphasized that rural consumers gave more importance to the ‘quality’ of the FMCG-personal care brands they bought rather than the normative influences or social appeal vide celebrity endorsements in the mass media. The findings exhibited that both the retailers and consumers perceived that sales promotion activities carried out by the companies were for increasing sales in short term and clearing excess stocks.

Bikramjit Rishi (2013) found out that brand functional benefit, buying intention and brand symbolism influence brand trust among the Indian consumers, while the price consciousness and genetic influence does not have any influence on brand trust in this category.

Deva Prasanna (2013) conducted a research work to study the consumer behavior towards Fast Moving Consumer Goods (FMCG) in Chennai of Tamil Nadu. The data for the study has been collected by performing face-to-face interview with the respondents with the distribution of questionnaire. This study collects data from 400 consumers at various places in Chennai. This study is started with objectives of examining socio-economic background of respondents, analyzing the factors influencing consumer behaviour towards selected FMCG products, checking the level of satisfaction of consumers and knowing expectation of the consumers. This study reveals that consumer behavior is largely affected by place, product, price, promotional, psychological and people influences. The satisfaction level of consumers also depends on product specific and market wide factors. Consumer behavior will improve when their expectations are fulfilled by their distribution channels.

Mahalingam S. and Nandha Kumar P. (2012) assessed the socio-economic profile, shopping pattern consumer and found out the factors influencing the consumer to purchase the selected FMCG products. The primary data required for the study for collected through questionnaire which was distributed to 400 samples chosen from Coimbatore city. The tools used for analysis are percentage analysis, Garrett ranking and (from this study it was found that most of the consumers are influenced by brand and quality in purchase of FMCG products. There by the researcher has suggested improving the quality in FMCG product through product development and external monitoring. It is concluded from this study that FMCG sector is growing and will continues to grow very fast. The futures for the FMCG sector look extremely encouraging. The sector having under gone a structural change is all set to emerge stronger in future. The FMCG market remains highly fragmented with almost half of the market representing brand up package homemade product. This presents a tremendous opportunity for the markets of branded product. The study on the consumer behaviour towards the products of FMCG has received a pivotal position in the market for paste, soap, shampoo although there are many competitors in the market. FMCG was able to maintain hold its top rank providing quality product at reasonable price to consumer. Quality is the main motivating factor for the consumer to buy the product of FMCG. Introduction of new products in the market to satisfy the consumer is also an importance reason for FMCGs to hold the top in the consumer market. It clears from the study that FMCG acquire a major share in the consumer goods market the manufacture as to provide quality goods at reasonable price.

Salim MH and Praven Raj D (2010) made an attempt to know what the consumer is actually looking for branded products, whether Indian consumers value only branded products or give equal value for unbranded quality products. In this study a sample of 150 children and 150 parents are taken and data was collected through convenience sampling technique by a structured questionnaire. This study was conducted in the Thiruvananthapuram and Kochi districts in Kerala. The responses are presented in the form of statistical tables for clear and easy comprehension. The researcher on the basis of findings has given valuable suggestions to the marketer that would help in product planning, product promotion, and product pricing.

Introduction

Rose Leahy (2008)\(^{59}\) examined the concept of brand loyalty in Fast Moving Consumer Good (FMCG) markets. The primary objective of the study was to explore why loyalty develops in FMCG markets from the consumers’ perspective. In addition, this study explored the consumers’ perspective on the types of bonds that exist in FMCG markets and the role of bonds in the development of brand loyalty. The dominant conclusion arising from this study is that brand loyalty exists in FMCG markets for both cognitive and emotional reasons. Essentially this research determined that the development of brand loyalty is predicated on the development of customer-brand bonds. This research concludes that the challenge for marketers is to develop and nurture the bonds that lead to and that can strengthen brand loyalty. The research also concludes that brand loyalty studies in the future should focus on both cognitive and emotional reasons for brand loyalty and the role of bonds therein. Exploring brand loyalty in this way should assist in the analysis of and understanding of brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies designed to build brand loyalty.

Brand loyalty is a topic of interest both to academicians and practitioners involved with marketing. The concept of relationship marketing has its underpinnings in brand loyalty. In consumer products, typically fast moving consumer goods (FMCG), there are a host of complexities that affect brand loyalty. The very concept of loyalty seems to have become a dynamic one with the marketing literature presenting different aspects of the concept. Ramesh Kumar S. and Jai Yashwant Advani (2005)\(^{60}\) examined the combined effects of brand benefits, brand symbolism, brand trust, genetic influence and price consciousness of consumers on brand loyalty for toothpaste product category. Data from a random sample of four hundred and forty four consumers in India confirm significant influence of brand functional benefits, brand trust, price consciousness, and genetic influence on brand loyalty. Results suggest that marketers would have to balance the traditional axiomatic views of brand loyalty with the emerging dimensions of brand migration in a competitive context. This research paper explores factors closely related to the management of brand loyalty and could offer insights to practitioners of marketing. It also offers a framework that reflects the implications of the study to marketing practice with regard to management of brand loyalty.

1.2.2.2 International Studies

Jessica Hedin (2016)\(^{61}\) investigates brand loyalty measures of relational, behavioural and attitudinal character in the context of purchase motivation; category fit and brand strength in two brand extension scenarios. First, in the event of the consumer’s gateway to the brand being the original product, and secondly, in the event of the consumer’s gateway being the extended product. A quantitative study was composed for two brands of different purchase motivation, based on the results from three pre-studies. The aim of the main survey was to replicate the real life relation a consumer has established to a brand family, in order to investigate to what degree that consumer’s brand loyalty was transferred from the first product they tried onto the second product they tried. A total of 298 responses were collected. Results revealed that traditional brand loyalty components of behaviour and attitudinal character overall scores higher for a brand in comparison to relational components. Also

brand loyalty components are transferred to a higher degree in a brand extension scenario of high category fit in comparison to a low category fit scenario. Finally, it has also been proven that brand loyalty is more easily transferred from a low strength product than from a high strength product onto the original product brand.

**Ansar Savad Salim, Mohammed Ahmed Hamood Al Jahdhami, Saeed Nassir Said Al Handhali (2015)**

Awareness and preferences towards selected local Omani (FMCG) products to understand the main reasons why people prefer branded products available in the market other than local products. To identify the reason why people reluctant to buy local products. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchase. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. It reveals the heterogeneity of consumer choices leading to efficient market segmentation strategies. The cultural, social, psychological and personal factors of consumers lead to the preferences of consumer products. To look in depth about the national branding, it is vital that research need to be conducted in this field as different aspects. This research looks into the consumer awareness and preferences towards Oman’s local products. The citizens and expatriates views on nation’s local branding in general and branding Oman in particular is also been looked into the study. The study looks forward to find the result for giving appropriate recommendations if there exists a gap.

**Misbah Ehsan and Samreenlodhi (2015)** determined how brand packaging influence on consumer buying behavior in perspective of FMCG (Detergents, soap, shampoo, milk and soft drinks), to identify the most importance aesthetic element of brand packaging that are most appealing to consumer in the sale of product and to identify whether any change in product packaging changes consumer buying pattern in Karachi, Pakistan. The data was collected through primary sources. Self-structured questionnaire is used to collect data and questionnaire was distributed to all users, buyers and deciders of FMCG having different education level and age. Sample size is 250. To make analysis of data SPSS software was used to find the influence of brand packaging elements on consumer buying behavior. It has found that labeling on the product could help consumers to make choices on the product to purchase and also teach them in what way to use product, its name, and price, content and appropriate information. Minor packaging material or dimension changes to the FMCG item do not significantly affect the buying pattern of consumer for FMCG products on the retail shelf. It deems that there is a 100% equal connection amongst consumer buying behavior and good quality of material used.

**Vishwas Maheshwari, George Lodorfos and Siril Jacobsen (2014)** investigated to examine relative relationships between brand experience and brand commitment, within automotive sector. These factors have already been established to have a connection to brand loyalty. However, as brand commitment consists of both affective and continuance commitment, it is still somewhat unclear about

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which of these aspects of commitment has the greatest or most important impact on brand loyalty. Moreover, the existing research and literature surrounding the brand experience construct is extensive. However, it is not entirely clear regarding this construct’s relationship to brand loyalty. While some authors claim that it affects brand loyalty directly, others have found that it is a dependent variable, which, alone does not have any immediate effect on brand loyalty. This study also investigates a connection between brand experience and brand loyalty as far as automotive sector is concerned, both with and without commitment as a mediator. As a result, continuance commitment was found to not have any considerable impact on the consumer’s loyalty towards a brand, it is assumed that factors such as price and other available alternatives do not influence this desire to maintain said relationship.

**Fabilia Mahadira and Mustika Sufiati Purwanegara (2014)**\(^65\) constructed to study the consumer behavior towards fast-moving consumer goods through interpreting how brand awareness and consumption correlated, and examining the customers’ satisfaction. This theme arise because nowadays every company knew the key to the issue of war between products is to get the answer on how to win the war and be on top of the competition, and the answer is simply to make customers become loyal to the product. Therefore a study on how to win the customer heart and make them loyal should be conducted as well as analyzing the main factor that influences the result of consumer loyalty, which is consumer behavior, and brand consumption and consumer satisfaction are two of the important factor that included in consumer behavior. The research is conducted between May 2013 to October 2013 using quantitative questionnaires which spread to specific target of sampling that consist of both male and female adult with 50:50 proportion, those between 20 to 40 years old and above, and have a source of income. The data is then examined and evaluated using Microsoft of Ice’s Excel and IBM’s SPSS to create a list of products and calculate mean score. The findings of the present study that most of the products and brands have successfully proved that their brand is not just a mere sensation to attract awareness of consumer, but a real deal product and brand that satisfied their consumer.

In India, more than 72% population is living in villages and FMCG companies are famous in selling their products to the middleclass households, it means rural India is a profitable and potential market for FMCG producers. Rural consumers’ incomes are rising and willing to buy the products which improve their lifestyle. Producers of FMCG have to craft their marketing strategies exclusively for rural consumers. In this process they need to understand the rural consumer buying behaviour which may differ geographically. **Sulekha and Kiran Mor (2013)**\(^66\) focused on the understanding of rural consumer buying behavior for FMCG in Haryana. The study stresses on the factors which the purchasing of rural consumers. The study was conducted in four districts of Haryana namely Phaniapat, Jind, Kuruksetra and Gurgaon.

**Firoozeh Fouladivanda, Maryam Amini Pashandi, Alireza Hooman and Zahra Khanmohammadi (2013)**\(^67\) identified the factors that influence consumer purchasing behavior in

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order to success in the FMCG industry for a manufacturer. The population for the study was all consumers who live in different locations of Tehran, Shiraz and Isfahan, Iran. The sample which is selected for this survey is randomly sampling method and consists of 200 of consumers who live in Iran. 200 questionnaires were distributed and 150 questionnaires were returned out of them because 50 of them were unclear. The p-value of Brand Association equals 0.00 that is less than 0.05. Therefore we are 95% confident the impact of BAS on CBB is significant. Moreover, the value of B in unstandardized coefficient (0.342) indicates that for every unit increase in PQ, CBB will go up 0.342 units. The discussion and acceptance of all four hypotheses the highest impact refers to Brand Loyalty, and the regression equation can be written as follow: CBB = -0.110 + 0.191 (BA) + 0.357 (BL) + 0.221 (PQ) + 0.342 (BAS). It is concluded that after measuring the impacts of brand equity elements, the highest impact refers to Brand Loyalty.

Md. Abbas Ali, Venkat Ram Raj Thumiki and Naseer Khan (2012)\(^{68}\) focused on understanding factors that affect the rural purchase of FMCG in South India. Empirical study was conducted in 8 districts of South India to identify the key influencing variables. Factor analysis was used to form 24 key variables into five groups (influencing factors). Influence of retailers’ recommendations has emerged as the most significant variable in the trust factor. According to the study, rural consumers in South India consider that usage of FMCG contributes to their lifestyle.

Munir Hussain, Amna Munir and Mughees Siddiqui (2012)\(^{69}\) reviewed some relevant approaches which have been used for the measurement of customer satisfaction. It also describes the number of factors which may consider facilitating customers in Pakistan. The aims and objectives of this research are to determine the impact of innovation on customer satisfaction, customer loyalty, new features of product, customer retention, the factors affecting the innovation, and comparison of existing old and new product in terms of innovation. This quantitative research was conducted through the responses collected by Pakistani buyers with the help of close ended questionnaire developed on Likert and dichotomous scale. The findings of the study are as follows: Z-test shows that the test values of all hypotheses (H1, 10.106; H2, 26.482; H3, 19.832; H4, 6.747, H5, 7.708; H6, 22.465, H7, 13.346) fall outside the non-critical area (+1.959), moreover that value of sigma is zero in all hypotheses tested that means all null hypotheses have been rejected. This analysis demonstrates that Fast-Moving Consumer Good’s (FMCG) innovation has direct relationship with customer satisfaction, customer loyalty, quality enhancement, pricing, and customer’s perception about existing old and new product, new features introduced in a product and customer retention. FMCG products by English Biscuit Manufacturers are very satisfying in Pakistan consumer because this business has deep roots among her consumers in terms of positioning.

Rose Leahy (2008)\(^{70}\) examined the concept of brand loyalty in Fast Moving Consumer Good (FMCG) markets. The primary objective of the study was to explore why loyalty develops in FMCG markets from the consumers’ perspective. In addition, this study explored the consumers’ perspective


on the types of bonds that exist in FMCG markets and the role of bonds in the development of brand loyalty. The dominant conclusion arising from this study is that brand loyalty exists in FMCG markets for both cognitive and emotional reasons. Essentially this research determined that the development of brand loyalty is predicated on the development of customer-brand bonds. This research concludes that the challenge for marketers is to develop and nurture the bonds that lead to and that can strengthen brand loyalty. The research also concludes that brand loyalty studies in the future should focus on both cognitive and emotional reasons for brand loyalty and the role of bonds therein. Exploring brand loyalty in this way should assist in the analysis of and understanding of brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies designed to build brand loyalty.

Francisco Javier Rondán Cataluña, Antonio Navarro García and Ian Phau (2006) investigated how price and brand loyalty of three frequently purchased product categories can influence the purchase decision process of store brands versus national brands. A multinomial logit model was constructed to analyse the data obtained from a consumer panel. The results confirmed that brand loyalty is the main variable which influences the purchase decision process of both national and store brands. The influence of price on the purchase decision process is product specific. There is a clear distinction between the buyer's profile of store brands and national brands. But there is no evidence of any correlation between demographic variables and national brands or store brands.

1.2.3 Research Gap

The research reviews shows that there is a substantial gap in studies relating to brand loyalty on consumers perceptions and also it reveals the gap on research on consumers buying decision in select FMCG products.

Therefore, with respect to the chosen explorative empirical research design which demands a certain openness in the perceptions of the collected data. The present research on “Impact of Brand Loyalty on Consumer Buying Decision: A Study on Select FMCG Products in Hyderabad” is undertaken. The present research has been undertaken is very contemporary and apt terms of its relevance to modern day context as it addresses an area which has not yet been researched.

1.3 SCOPE OF THE STUDY

For the present study the sample was drawn from Hyderabad city. Hyderabad, with 400 years of heritage, is ushering in a modern mega city consisting of consumers with diverse habits. Being a cosmopolitan city, it attracts people from all over India. The consumers of Hyderabad city present a varied group. It is marked by great diversity in religion, language, literacy levels, customs, lifestyles and economic trends. The heterogeneity holds many implications to marketers, especially to those who want to study Indian consumers. Therefore, the selection of Hyderabad represents a true perspective for study of the brand loyalty of the consumer behavior of Indian consumer.

1.4 SIGNIFICANCE OF THE STUDY

This study aims to examine the impact of Brand Loyalty, in terms of brand knowledge via brand attributes and also open new insights of research in purchase intention that are linked to personal tendencies or customers’ demographics in their shopping. These include an understanding of patterns of consumer behaviour (as what, where, when, why and how consumer buy the products) and their relationship with demographic, socio-economic and psychological factors. The steps involved in or the process of consumer decision making, consumption, explaining and predicking consumer behaviour particularly choice behaviour among brands, understanding the consumer behaviour in response to marketing strategies adopted by marketers.

1.5 OBJECTIVES OF THE STUDY

On the basis of the importance of the study, the researcher made the following objectives:
1. To know the factors influencing brand loyalty of consumers
2. To study the relationship between demographic factors and brand factors
3. To examine the effectiveness of brand loyalty of select FMCG products

1.6 HYPOTHESIS OF THE STUDY

Ho: There is no significant difference in the perception of consumer on factors influencing brand loyalty
Ho: There is no significant difference between demographic factors and brand loyalty.
Ho: There is no significant difference in the perception of consumers on effectiveness of brand loyalty of select FMCG products

1.7 STUDY AREA

The study was undertaken in Hyderabad City. Hyderabad was selected as the area of the study not only because of being the capital city of Telangana state, but because of its fast developing nature in all aspects. Such as LPG (Liberalization Privatization and Globalization) given way to the entry of MNCs (Multinational Companies) into the business scenario of this city. Culture and lifestyles of Hyderabad is had undergone phenomenal changes.

1.8 RESEARCH METHODOLOGY

A descriptive research design is adopted in order to conduct the study. This design was found the most suitable for understanding the consumers’ buying decisions, views, expectations and experiences with branded products, particularly FMCG categories. There is a general feeling that descriptive studies are factual and very simple. Aspects like, research design, study area, sampling method and tools of data collection, data Processing and analysis, statistical tests and Presentation of the thesis have been elaborated in order to ensure the research rigor that was followed while conducting the study.
1.8.1 Primary Data

Primary data were collected through questionnaires administered to consumers from Hyderabad. A questionnaire approach was considered to be the most effective method for collecting primary data, for fulfilling the purpose of studying consumers buying decision as regards select branded product categories. Likert scales were used for some questions involving purchasing decisions and demographic attributes of respondents.

1.8.2 Secondary Data

Reference books and academic journals were referred to determine the existing level of knowledge about consumer buying behaviour. Internet was accessed to collect data about the companies considered and their various brands and product lines available in the market. In addition, past research survey data was also used to design the questionnaire that was used to collect primary data.

1.8.3 Sample Selection

In this research, convenient sampling technique was used. The customers of FMCG in Hyderabad (Telangana State) were sampled to respond to the questionnaires. The sample size for the study was 600 respondents. To achieve diverse response from a expand scope of ideas, age, education, income and type of occupation used; different places such as shopping centers, clubs, universities were considered. According to Fisher (2007)\(^2\) the number of distributed questionnaires will have to be larger than the minimum required and the response rate of 30% is considered to be very good. In this study 1000 questionnaires were distributed and 600 questionnaires were returned back with responses, providing a 60% response rate.

1.8.4 Statistical techniques

The Statistical techniques conducted were: (i) percentage on the basis of cross tabs, (ii) Chi-square Test was employed to examine the significance of association between the demographic variables and independent variables of buying decisions.

1.8.5 Reliability of Data

Reliability of data can be verified from Cronbach Alpha presented for various statements in the questionnaires, which suggests higher degree of inter-correlation among the test items (Cronbach, 1951)\(^3\). Generally, as a rule of thumb, Cronbach alpha $\geq 0.70$ is considered as an acceptable reliability coefficient (Nunnaly, 1978). For the present study the Cronbach alpha value is 0.78. The following table shows the standard value for reliability test.


Table 1.1: Reliability Statistics

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Item</th>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Influence of consumers on FMCG products</td>
<td>0.772</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Advertising effect on consumers with regard to FMCG products</td>
<td>0.759</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>Attractive aspect of brand loyalty</td>
<td>0.720</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Level of satisfaction</td>
<td>0.835</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Effective schemes on brand loyalty</td>
<td>0.711</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Level of attitude and effectiveness of brand loyalty</td>
<td>0.862</td>
<td>15</td>
</tr>
</tbody>
</table>

1.9 LIMITATIONS OF THE STUDY

(i) The study was carried out to understand the customer opinions, views and experiences pertaining to branded products in Hyderabad only.

(ii) The sample selected may not represent the universe and hence, there could be some differences between the study and actual practices.

(iii) The study is emphasized only on FMCG product categories buyer behaviour.

In spite of the above limitations, the study throws some light on understanding of customers’ opinion and experiences of brands buyers in particular and others in general. Since the study was exploratory in nature, it is expected that this will pave the way for further research in this area.

1.10 CHAPTERIZATION

The results of the study are presented in six chapters.

Chapter – I : Introduction
Chapter – II : Conceptual Framework
Chapter – III : Factor Influencing Brand Loyalty of Consumers
Chapter – IV : Relationship between Demographic Factors and Brand Loyalty
Chapter – V : Effectiveness of Brand Loyalty of Select FMCG products
Chapter – VI : Finding, Conclusions and Suggestions