



DETERMINANTS OF BRAND LOYALTY: A STUDY OF ELECTRONIC PRODUCTS USERS IN INDIA

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Abstract-The present study endeavors to define the aspects that have impact on the brand loyalty of electronic products brand in Indian market. A Questionnaire has been designed in a layout of 7 point Likert scale for the purpose of data collection. Respondents varied between strongly agree and strongly disagree. Sample size of the study has been taken 275 respondents including customers using electronic products of different brands using more than three years. The study investigated that brand loyalty is positively affected by the Brand trust and brand credibility of customers and satisfied customers are the loyal ones. The data is being collected through a questionnaire and collected data is analyzed with the help of Regression analysis. Results showed that customers will intact to the brand if they are provided with good quality after sale services and good relationships are maintained even after selling the product.

Keywords: Brand Loyalty, Brand Trust, Brand Credibility, Customer Satisfaction

1. INTRODUCTION

There are many definitions that express or define what a brand is but an easy and simple definition is: Brand is the name of symbol, logo, term, or anything that differentiates a product from another is called brand, A brand loyal consumer always shows faith on the company or brand and in return the company provides better services and also shows their faith on consumers. Brand loyalty is the positive association consumers attach to a particular product, demonstrated by their repeat purchases of it even when given choices of competing alternatives. When expectations of the consumers are fulfilled then consumer will remain loyal to the brand, similarly another factor that travel parallel with expectation is willingness, if there is willingness to repurchase a brand than the consumer will buy it otherwise expectation doesn't means that the consumer will buy this brand. Brand loyal customers are willing to pay more for a brand they like to marketing professionals, getting and maintaining brand loyalty for an established product are the ultimate achievements. Companies employ many tactics to create and keep that brand loyalty. Marketing departments follow consumer buying trends closely and work to build relationships with their customers through active customer service. They spend their advertising budgets on messages targeted at the segment of the market that includes their loyal customers and like-minded people who could become loyal customers.

In fact, brand loyalty has been observed as the most important concepts of relationship management in literature of marketing, where the consumer possess an important psychosomatic connection to the brand product consumed (Bennett, Härtel, & McColl-Kennedy, 2005). Researchers have always tried to study the interactive variables that are basis of the customer-brand connection (Chaudhuri & Holbrook, 2001). These variables convey to brand loyalty concept. (Jacoby & Kyner, 1973) has defined brand loyalty as a phenomenon (Fournier & Yao, 1997) of repeated and affectionate purchasing behavior of a customer towards a brand with a long time frame. purchases, regardless of the promotion or advertisement pressure produced by the competitor brands. When customers turn into loyal to brand they mark repeated purchases over a time period. Brand loyalty is the result of buyer's behavior and got affected by a being's priorities (Bandyopadhyay & Martell, 2007). Customers who are loyal steadily buy products and services from their favored brand, irrespective of their suitability or prices. Different strategies of marketing are being used by organizations often to encourage loyal consumers, be it is through loyalty program, trials and incentives (Subhani; & Osman, 2011). A company can increase its growth and economic performance by developing the brand loyalty for its brand among its customers. So the strategy of marketing should be framed in a way that would be helpful in developing the brand loyalty of brands as well as these strategies must be good enough to retain the existing customers in market (Kim, Park, & Jeong, 2004).

In order to understand more about brand loyalty, several factors which may influence brands' decisions of being loyal to a specific brand. Fredericks and Salter (1995) simplified the issue of brand loyalty and suggested that brand loyalty is determined by customers' perceptions of value offered by the marketer. Five main components of the customer value perception, namely, price, product quality, service quality, innovation, and image were specified in their model (Fredericks and Salter, 1995). The model suggested that customer perceived value is affected both by individual customer requirements and characteristics, and by the nature of the business environment. Geller (1997),



on the other hand, identified 15 elements which are important for improving brand loyalty. The most significant elements were quality/value of the product and service, the impression or image portrayed, the dynamism of the organization, communication, and achieving the unexpected for customers.

2. REVIEW OF LITERATURE

A number of studies have focused on understanding the concept of brand loyalty and the factors influencing it. Product attributes, after sales service/usage, marketing capabilities, perceived quality/aesthetics, depth of product line and brand popularity are key differentiating factors influencing the behaviour of repeat purchasers and brand switchers in case of consumer durables (Lin, Wu and Wang 2000). Studies have also found that brand commitment is a necessary condition for true brand loyalty to occur (Bloemer and Kasper 1995; Amine 1998). This was supported by the findings of Knox and Walker (2001), wherein they found that a number of factors like packaging, new product trial, price, store location, product quality/features, vouchers, free gift, variety, children's influence and advertisements discriminate switching motivations of heterogeneous consumer segments like brand loyalists, habitual loyalists, variety seekers and switchers. Consumer's demographic characteristics like age and household income are also associated with high levels of brand loyalty (East, Gill, Hammond and Hammond 1995). The study also found that brand loyal consumers are more concerned with quality than price, are heavy spenders and are slightly more store loyal also.

Customer satisfaction strategy has built a great deal of consideration during the past decades (Oliver, 1996). Therefore, satisfaction is in reality probably the most unassailable concepts of the modern management field (Oliver, 1996). Not simply does the idea of satisfying customers have a good, common-sense appeal, it can be also believed that customer satisfaction would lead towards loyalty, resulting in to increase higher profit gain (Oliver, 1996). For many firms, customer satisfaction is becoming the guiding principle for establishing marketing tactics as well as developing marketing activities. Customer satisfaction must not be described as a goal in its place, it should be considered as a means for improving the company's performance (Martensen et al., 2000). During the 1990s, there was a popular realization that satisfaction ratings have been in actual fact a means for attaining strategic purposes, such as customer retention which is considered to affect companies' profits directly (Jones and Sasser, 1995; Reichheld, 1996). Now the companies are focusing to increase satisfaction strategy because satisfied customers have higher chances to repurchase the same product (Reichheld, 1996).

3. OBJECTIVES OF THE STUDY

- To examine the relationship between brand loyalty and service quality of the products.
- To examine the relationship between brand loyalty and brand trust.
- To examine the relationship between brand loyalty and customer satisfaction.
- To study the factors affecting brand loyalty.

4. SIGNIFICANCE OF BRAND LOYALTY

Brand loyalty is a vital objective and a significant outcome of an effective promotion programs, sales creativities and product growth exertions. Every successful brand has loyal customers at their nucleus. These loyal customers consider the brands in a better way, make purchases more frequently and suggest the brand to other people. Loyal customers are the basic base of marketing strategy of an organization; base of profitable outcome as well as a sound platform of brand development and upgrading. Loyal customer are direction for brands, if a brand loses its sight on customer it may lose its direction and may suffer loss in shape of market share decline.

5. HYPOTHESIS FRAMEWORK

H1: There is a positive relationship between brand loyalty and service quality of product.

H2: There is a positive relationship between brand loyalty and brand trust.

H3: There is a positive relationship between brand loyalty and customer satisfaction.

6. DATA COLLECTION

Data collection: data is collected with the help of questionnaire which has been adopted from the research of (Khan, 2010). We distributed 300 questionnaires and out of them 280 responses were obtained. After missing value analysis, the final sample consists of 275 responses.

Data Analysis Frequencies: Table shows the frequencies of 188 males (68.4 per cent) and 87 females (31.6 per cent) in the sample, giving a total of 275 respondents.

Table-6.1 Gender Response

VALID	FREQUENCY	PERCENT	VALID PERCENTAGE
Male	188	68.4	68.4

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Female	87	31.6	31.6
Total	275	100.0	100.0

Table-6.2 Frequency of Purchase

	FREQUENCY	PERCENT	VALID PERCENTAGE
Philips	37	13.4	13.4
Hairer	45	16.3	16.3
LG	54	19.6	19.6
Sony	29	10.5	10.5
Samsung	49	17.8	17.8
Videocon	29	10.5	10.5
Total	275	100.0	100.0

7. DATA ANALYSIS

Data has been analyzed in two steps.

- The reliability of data has been analyzed.
- The regression analysis is run to check the dependence of brand loyalty on the hypothesized variables. For the measurement of variables we use items; for satisfaction we used 3 items, for service quality we used 3 items. To measure the variable of brand trust we used 3 items.

To analyze the effect of different constructs on brand loyalty regression analysis is done and following results have been found out.

Hypothesis no. 1: There is a positive relationship between the service quality and brand loyalty

H₀₁. Service quality has a positive effect on brand loyalty.

H_a. Service quality has no effect on brand loyalty.

Table-1.3 Relationship between the Service Quality and Brand Loyalty

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	Residual	13.564	1	13.564	23.754	.000 ^b
Total		135.990	247	.550		
		149.554	248			

Having satisfaction independent variable and brand loyalty dependent variable regression analysis shows with the Significance value of .000 and with df 1. It means service quality plays an important role and has a positive effect on brand loyalty. Hence H₁ is accepted.

Hypothesis no. 2: customer who has trust in brand is brand loyal

H₀₂. Brand Trust has a positive effect on brand loyalty.

H_a. Brand Trust has no effect on brand loyalty.

Table- 1.4 Relationship between the Service Quality and Brand Loyalty

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	Residual	9.512	1	9.512	10.500	.002 ^b
Total		216.075	247	.874		
		225.227	248			

Having trust in brand independent variable and brand loyalty dependent variable regression analysis shows with the Significance value of .000 and with df 1. It means the customer with fulfilled perceptions of electronic products is loyal ones. Hence H₂ is accepted.

Hypothesis no. 3: Satisfied customers are loyal ones; hence there is a positive relationship between the satisfaction and brand loyalty.

H₀₃. Customer satisfaction has a positive effect on brand loyalty.

H_a. Customer satisfaction has no effect on brand loyalty.

Figure-1.5 Relationship between the Service Quality and Brand Loyalty

MODEL		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Regression	Residual	39.232	1	39.232	52.311	.000 ^b
Total		185.995	247	.753		
		225.227	248			

Having satisfaction independent variable and brand loyalty dependent variable regression analysis shows with the Significance value of .000 and with df 1. It means the satisfied customer of electronic products is loyal ones. Hence H₀₃ is accepted.



8. FINDINGS OF THE STUDY

The present study has the objective to study the brand loyalty dimensions among the user of electronic products in Indian market by the major players in the market. The results of the study show that the customers are loyal to the brands if their perceptions regarding service quality of the brand are fulfilled. Further it has been found that if customer is satisfied with the services and products of brand he remains loyal otherwise he will switch to other brand. This study also focuses on that loyal customer have trust in electronic items brands which they are using. So companies offering electronic products brand should have a proper watch on the quality of service they are providing and should try to build their trust and confidence in their brands also if they want to keep their customer loyal. This research has studied the new paradigm of various dimensions either customer of electronic products in Indian market are loyal with electronic products brand or not. Most of Results showed that customers will intact to the brand if they are provided with good quality after sale services and good relationships are maintained even after selling the product.

9. MANAGERIAL IMPLICATION

This study is helpful for the managers of electronic devices/products brands. They can observe the behavior and loyalty pattern of their consumers and this will help them to improve their loyalty development program.

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.

10. LIMITATIONS OF THE STUDY

The major limitations of the study are being listed below.

- The population of the study is limited as compared to the number of users of electronic devices/products in India.
- There are various factors that affect brand loyalty; but this study has used three factors of brand loyalty (service quality, customer satisfaction, and trust in brand).
- The study is aimed at merely explaining the effect of determinants of brand loyalty and not their pattern.

11. RECOMMENDATIONS FOR FURTHER RESEARCH

This study can be used as a base and researcher can further explain the moderating and mediating effects of aforementioned determinants of brand loyalty. Further it can be used to study the effect of a specific brand loyalty program in Indian Market.

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