

## STUDYING THE BRAND LOYALTY IN RETAIL STORES TOWARDS BUYING BEHAVIOUR

**Dr. Dhivya Sathish,**

*Assistant Professor, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai.*

### **Abstract:**

India being one of the fastest growing countries in the present scenario had been extending its wide operations in the field of retail industry. Indian retailers have totally changed their marketing strategies from the traditional marketing to modern marketing. The purpose of the study is to find out the Brand loyalty of consumers and their relationship with Retail outlets in Chennai city. Buying behavior of consumers has been studied extensively among various retailers and others. However, only a few studies have addressed the retail industry. In this paper an attempt has been made to develop an understanding of the concept brand loyalty towards retail consumers. This paper is trying to throw the light of the various factors on purchase decision process towards retail outlets in Chennai city and the present study is collected through a sample of 500 respondents selected randomly, the conclusion for this study has been derived, after validating the data collected and then processing the same with certain key statistical tools.

**Keywords:** Buying behaviour, Customer loyalty, Brands, Retailers, Retail stores, Chennai.

### **Introduction:**

Retail consists of the sale of physical goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mall, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a "retailer" buys goods or products in large quantities from manufacturers or directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores. Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power.

Studies of buying behavior towards brand loyalty usually deal with (i) identification of brands and (ii) their buying behavior patterns. The aim of such studies is to ascertain who buys where, what, when and how. In addition, such studies endeavor to learn about customer response to sales promotion devices. The results of these studies are useful in the solution of an array of marketing problems. These studies are gaining importance in marketing research. It is safe to predict that interest in them will increase greatly in the next decade. This paper summarizes the writer's experience with such studies in grocery stores. However, the principles and techniques discussed here are also applicable to other types of retail stores.

## Literature Review:

Gaudagni (1983) found that consumers in panel data seem to show stochastic loyalty to the products they purchased most recently.

Doney and Cannon (1997) have identified that in organizational buyer – seller relationship, loyal buyers are more likely to focus on long – term benefits and engage in cooperative actions beneficial to both partners than disloyal buyers, thus enhancing the competitiveness of both partners and reducing transaction cost.

Heide and Weiss (1995) have suggested that apart from improving customer satisfaction, increasing switching costs is a common strategy advocated to increase customers' loyalty as the cost of switching to alternative suppliers can deter consumers from using their supplies.

Sirdeshmukh et al (2002) have concluded that consumers may also stay loyal to the company if they feel that they are receiving greater value than they would from the competitors.

Zeithamal and Parasuram (1996) have stated that if customer satisfaction exerts a stronger effect, managing customer satisfaction will be more important than influencing switching cost.

Thelen and Woodside (1997) have stated that a unique set of attributes that were related of a brand being the primary store choice have been found.

Emmelheinz and Emmelheinz (1991) have found that during an experiment a substantial number of consumers (32%) switch brands, while another 14 percent was willing to switch stores. They have also found that customers who were loyal to a store were more likely to delay purchase than non-loyal customers.

Donovan and Rossiter (1982) have found that the store induced pleasure and arousal were positively associated with willingness to buy and with the amount of time spent in the store environment.

Donovan et al (1994) have found that pleasure resulting from store atmosphere could significantly influence consumer behavior, including willingness to return.

## Objective of the study:

- To analyze the impact of brand loyalty, quality consciousness and brand consciousness on the buying behaviour of consumers.
- To examine the association between demographic variables and product and shop selection.

### Research Methodology:

This section describes research design, data collection and questionnaire development efforts used in this study. The sampling plan used for the final study is discussed in detail along with data collection procedures and data analysis used in the study.

#### Sampling plan and data collection

The Chennai city retail buyers are selected as a suitable setting to test the proposed research model. Mainly the focus is on buyer's expectation and preferences towards retail outlets.

The main reasons for selecting this topic are:

- ✓ Availability of a higher number of retail buyers.
- ✓ Availability of a number of retail outlets.

The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well framed and structured questionnaire to elicit the well considered opinions of the respondents. Convenience Sampling and Non Parametric - Direct interview method is adopted to take survey from 500 respondents in Chennai city. This study employs descriptive type of methodology. The secondary data are collected from journals, magazines, publications, reports, books, dailies, periodicals, articles, research papers and websites.

#### Sampling size and design

The study area comprises three major geographical bases namely north, south and central Chennai and they classified by the researcher to justify the sampling procedure adopted in the research. In this study convenient random sampling is used. In the first stage the researcher conveniently selected retail buyers under each area by generating simulation based random numbers. After identifying areas with maximum number of retail buyers from each area, the questionnaires were circulated among the buyers in randomly selected area. This justifies the random selection of retail buyers in the second stage. A total of 600 questionnaires circulated, only 564 questionnaires were returned by the respondents. The researcher contacted the remaining respondents repeatedly but there was no encouraging response. After scrutinizing the 564 responses, it was found that 64 questionnaires were not completed properly. So, only 500 responses were considered for the research. Hence the exact sample size of the study is 500.

### Data analysis and results discussion:

The primary data collected from the respondents is been analyzed using SPSS V-15 - statistical package for social sciences to obtain the results concerning the objectives of the study.

From the analysis of data collected from 500 respondents it was inferred that:

#### HABITUAL BUYING/ BRAND LOYALTY

Consumers stick to a particular brand. The brand preference of the consumers and the habitual buying influence their behaviour. The following table elucidates the brand preference of the consumers.

**One sample statistics of habitual buying/brand loyalty**

	N	Mean	Std. Deviation	Std. Error Mean	
<b>Consumer Durables</b>					
Favorite brands	500	3.81	1.066	.048	
Likable brands	500	3.67	1.047	.047	
Stores Loyalty	500	3.24	1.003	.045	
Change brands	500	2.81	.859	.038	

<b>Daily Consumables</b>					
Favorite brands	500	3.84	.911	.041	
Likable brands	500	3.64	1.096	.049	
Stores Loyalty	500	3.38	.966	.043	
Change brands	500	2.77	.863	.039	

The above one sample statistics table shows that the mean values ranging from 2.81 to 3.81 are distributed over the variables of the consumer durables.

The mean values ranging from 2.77 to 3.84 are distributed over the variables of daily consumables.

**HABITUAL BUYING/ BRAND LOYALTY**

The significance of mean value scores are depicted in the following Table

**One sample t-test for habitual buying/brand loyalty**

	<b>Test Value = 3</b>					
	<b>T</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	<b>Mean Difference</b>	<b>95% Confidence Interval of the Difference</b>	
					<b>Lower</b>	<b>Upper</b>
<b>Consumer Durables</b>						
Favorite brands	16.992	499	.000	.81	.72	.90
Likable brands	14.315	499	.000	.67	.58	.76
Stores Loyalty	5.397	499	.000	.24	.15	.33
Change brands	-4.893	499	.000	-.19	-.26	-.11
<b>Daily Consumables</b>						
Favorite brands	20.724	499	.000	.84	.76	.92
Likable brands	13.060	499	.000	.64	.54	.74
Stores Loyalty	8.839	499	.000	.38	.30	.47
Change brands	-5.857	499	.000	-.23	-.30	-.15

The significance column of the above one sample test indicates that the consumers agree that they always choose their favorite brands both in the case of durables and daily consumables.

**PERFECTION/HIGH QUALITY CONSCIOUSNESS**

The product attributes influence the purchase decision of the consumers. The quality of the product affects the buying behaviour. The table given below illustrates the perfection or quality consciousness of the consumers of durables and daily consumables.

**One sample statistics of perfection by high quality consciousness**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>	
<b>Consumer Durables</b>					
Good quality	500	4.30	.828	.037	
Perfection	500	4.13	.763	.034	

Overall quality	500	4.05	.961	.043
Very best	500	4.08	.871	.039
Don't care	500	2.57	1.077	.048
Standards	500	3.72	.968	.043
First choice	500	2.91	1.093	.049
<b>Daily Consumables</b>				
Good quality	500	4.22	.753	.034
Perfection	500	3.93	.707	.032
Overall quality	500	3.97	.723	.032
Very best	500	3.91	.860	.038
Don't care	500	2.76	1.163	.052
Standards	500	3.66	.818	.037
First choice	500	3.02	1.030	.046

From the table it is derived that the mean values ranging from 2.57 to 4.30 are distributed over the variables of the consumer durables.

The mean values ranging from 2.76 to 4.22 are distributed over the variables of the daily consumables.

### PERFECTION/HIGH QUALITY CONSCIOUSNESS

The data regarding the significance of mean value scores of perfection and high quality consciousness of the consumers are shown in the below table

#### One sample t-test for perfection/high quality consciousness

	Test Value = 3					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>Consumer Durables</b>						
Good quality	34.995	499	.000	1.30	1.22	1.37
Perfection	33.113	499	.000	1.13	1.06	1.20
Overall quality	24.385	499	.000	1.05	.96	1.13
Very best	27.832	499	.000	1.08	1.01	1.16
Don't care	-8.970	499	.000	-.43	-.53	-.34
Standards	16.538	499	.000	.72	.63	.80
First choice	-1.922	499	.055	-.09	-.19	.00
<b>Daily Consumables</b>						
Good quality	36.127	499	.000	1.22	1.15	1.28
Perfection	29.351	499	.000	.93	.87	.99
Overall quality	30.017	499	.000	.97	.91	1.03
Very best	23.664	499	.000	.91	.83	.99
Don't care	-4.613	499	.000	-.24	-.34	-.14
Standards	18.160	499	.000	.66	.59	.74
First choice	.347	499	.729	.02	-.07	.11

The one sample test given in the above table displays the statistical significance of the mean values greater and lesser than 3. Therefore it is concluded that the consumers are quality conscious and further it is ascertained that the consumers are not averse to taking care while purchasing the products.

In case of daily consumables it is inferred that consumers are quality conscious, perfectionists and prefer overall quality.

**BRAND CONSCIOUSNESS/PRICE EQUALS QUALITY**

The following table elucidates that the consumers look for matching of quality with price.

**One sample statistics of brand consciousness/price equals quality**

	N	Mean	Std. Deviation	Std. Error Mean
<b>Consumer Durables</b>				
National	500	3.83	.960	.043
Expensive	500	2.93	.961	.043
Quality	500	3.43	1.124	.050
Specialty	500	3.47	.843	.038
Best selling brand	500	3.62	.911	.041
Most advertised brand	500	2.77	1.113	.050
<b>Daily Consumables</b>				
National	500	3.56	.963	.043
Expensive	500	2.97	1.019	.046
Quality	500	3.31	1.082	.048
Specialty	500	3.55	.732	.033
Best selling brand	500	3.52	.807	.036
Most advertised brand	500	2.75	1.086	.049

From the above table it is ascertained that the mean values ranging from 2.71 to 3.83 are distributed over the variables of consumer durables.

The mean values ranging from 2.75 to 3.56 are distributed over the variables of daily consumables.

**BRAND CONSCIOUSNESS/PRICE EQUALS QUALITY**

The following table shows the significance of mean value scores of brand consciousness/price equals quality

**One sample t-test for brand consciousness/price equals quality**

	Test Value = 3					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>Consumer Durables</b>						
National	19.379	499	.000	.83	.75	.92
Expensive	-1.536	499	.125	-.07	-.15	.02
Quality	8.592	499	.000	.43	.33	.53

Specialty	12.416	499	.000	.47	.39	.54	
Best selling brand	15.224	499	.000	.62	.54	.70	
Most advertised brand	-4.581	499	.000	-.23	-.33	-.13	
<b>Daily Consumables</b>							
National	13.093	499	.000	.56	.48	.65	
Expensive	-.746	499	.456	-.03	-.12	.06	
Quality	6.324	499	.000	.31	.21	.40	
Specialty	16.854	499	.000	.55	.49	.62	
Best selling brand	14.469	499	.000	.52	.45	.59	
Most advertised brand	-5.190	499	.000	-.25	-.35	-.16	

It is evident from the above one sample test in respect of durables that the consumers strongly agree that they prefer to buy national brands and best selling brands.

Further in the case of daily consumables also it is observed that the consumers prefer national and best selling brands from specialty stores. The consumers of durables and daily consumables are not able to comment on expensive brands. They remain undecided as the performance of expensive brands is much better than other brands.

### Hypothesis (H0<sub>1</sub>)

Brand Loyalty does not have an impact on the buying behaviour.

### Result

In the case of durables repeat purchase is not possible. Once a durable product is purchased consumers must use the product till it becomes obsolete or condemned. While purchasing a new item of consumer durable the consumers switch over to new brand. Hence the buyers do not attach brand loyalty to a particular brand as evident from the study. So this hypothesis is accepted.

The daily consumables are being repeatedly purchased by the consumers. It is ascertained from the study that the consumers repeatedly purchase the same brand. They do not want to switch over to other brands. Hence this hypothesis is rejected.

### Conclusion:

Indian market has high complexities in terms of a wide geographic spread and distinct consumer preferences varying by each region necessitating a need for localization even within the geographic zones. A competition among retail outlets has become fierce as they not only satisfy the basic day today necessities but have become a part of routine life of every household. When considering all the results from this study, one can understand that impact of brand loyalty, quality consciousness and brand consciousness on the buying behaviour of consumers is a high priority for shoppers to have a good experience and also for the retail owners to keep their customers bounced back. It is important for the retailer to understand what kinds of shoppers are getting fallen in and to frame of brand loyalty of buying behaviour.

## References

### Articles:

- **V. Kumar and Rajkumar Venketesan** - “Who are the multichannel shoppers and how do they perform?: Correlates of multichannel shopping behavior”
- **David R. Bell and James M. Lattin** - “Shopping Behavior and Consumer preference for store price format: Why “Large Basket” Shoppers prefer EDLP
- **Susan Spiggle and Murphy A. Sewall** - “A Choice Sets Model of Retail Select”
- *The Marketing Management Journal*, 14 (1), 14-29.
- **Lars Perner, 2003**, *The Psychology of Consumers: Consumer Behavior and Marketing*  
[www.stumbleupon.com/url/www.consumer](http://www.stumbleupon.com/url/www.consumer)
- **Jascha Kaykas-Wolff, Sep 7, 2009** ...Best Practices for Relationship Marketing, *Web trends Sales* 1.888.932.8736 sales@ *Webtrends.com*
- **Dhivya Sathish, and VenkatramaRaju, D.** (2012). *Forecasting the Retail future trends for 2012*, *Journal of Contemporary Research in Management*, Vol.7, No.1, pg 27-34.
- **Dhivya Sathish, and VenkatramaRaju, D.** (2012). *Does Loyalty lift Retail sales?* *SRM Journal of Management Research*, Vol.II, Issue 1, pg 54-59.
- **Dhivya Sathish, and VenkatramaRaju, D.** (2011). *Buyer’s expectations and choice of Retail outlets*, *M- Infiniti Journal of Management*, Issue 2, Vol.3, pg 9-13.

### Web sites:

- [articles.economictimes.indiatimes.com/keyword/pwc/recent/5](http://articles.economictimes.indiatimes.com/keyword/pwc/recent/5)
- <http://en.wikipedia.org/wiki/Retail>
- [www.businessstitle.com](http://www.businessstitle.com)
- [www.consumerpsychologist.com](http://www.consumerpsychologist.com)
- [www.economicswebinstitute.org](http://www.economicswebinstitute.org)
- [www.empgens.com](http://www.empgens.com)
- [www.knowthis.com](http://www.knowthis.com)
- [www.marketresearch.com](http://www.marketresearch.com)