



## Brand Loyalty and the Perception of Indian Buyers

Megha Dua

Asst Professor, Department of Economics, SD College,  
Hoshiarpur, Punjab, India

### ABSTRACT

Customer loyalty often termed as brand loyalty is a way by which businesses run. Keeping the customer happy should be of the main concern for a business. Indian consumers are known for their loyalty. Retaining the consumer in is more profitable then finding a new one. As the economy is gaining momentum, significant changes are taking place in the economy. Winning consumers mind by creating impressions and retaining the position of brand in the economy can do wonders. Today brands are creating a great impression in the minds while competition among the existing brands is giving birth to brand switching. The present paper seeks to analyse the concept of consumer behavior and brand loyalty while paying emphasis on Indian consumer.

**Keywords :** Loyalty, consumer, Indian

### INTRODUCTION

Nowadays, consumers are becoming aware and experimenting. Employers are exploring. The biggest challenge which is now faced by the organisations is retaining their customers. Patent laws are short lived. Trust nowadays plays a significant role in deciding as to what would be the status of the brand. Brand loyalty and brand switching are the two terms which go side by side. Where the producer is thriving hard to retain his customers in the market the consumers with their own aspirations donot mid to switch from one brand to another. Whenever we talk about consumer behavior we are concerned with the groups of people , individuals and organizations. They include the mental ,physical and emotional activities of human beings as they respond to various situations. The term consumer has its own repercussions and the meaning can vary from individuals to organisations. The

responses may vary from emotional ,mental to behavioural.

**The concept of consumer:** To understand the concept of consumer one needs to study the categories in which the buyer is divided i.e the individual and the business buyer. The individual buyer is basically concerned with meeting his own needs while a commercial buyer is one who buys the things for running the business enterprise. There is no universally tested and established theory of consumer behavior. It is a difficult concept to analyse the buyer. He has got a variety of needs in accordance with the changing tastes , fashion and technology. His needs also keep on varying in accordance with his stages of development. A lot of changes in the social and economic environment are influencing the buyer to a greater extent. The buyers behavior may thus be analysed as a complex analysis of his emotions and the way he manipulates things in a given situation. Almost all social sciences may be economics, sociology and psychology have their effect on the consumer behavior studies. A large number of factors have their influence on the buyers behavior such as personal cultural and phsycological.

**Consumer the Indian perspective:** India is a vast country with a great geographical area. There is a diversity in terms of caste, religion ,customs, food, traditions, states. So far as the consumers are concerned a great diversity is found among them in terms of religion to linguistic and further more to dress and food habits. The Indian consumer on the basis of economic status is divided into four groups:

- The affluent class
- The middle class

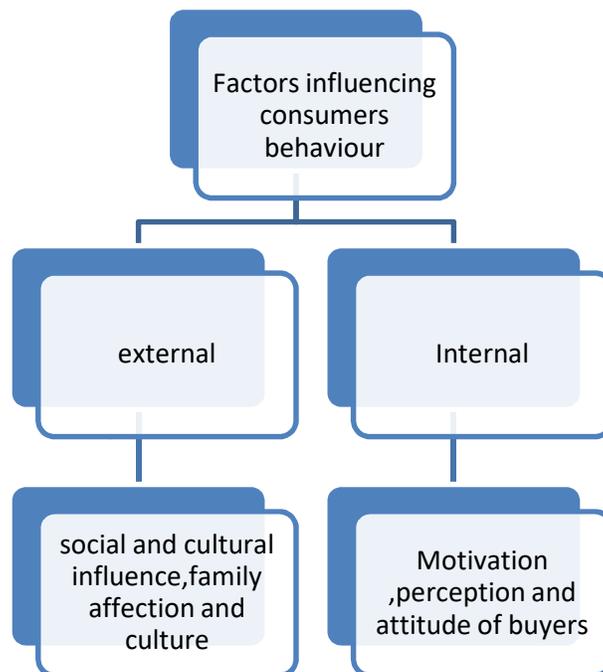
- The poor class
- The BPL section

In the past few years, the middle class has proved to be one of the most emerging class which consists of doctors, engineers, industrial workers, traders class etc. This also includes changes in the consumption pattern of people in rural as well as urban areas. Nowadays, the middle class is emerging as the consumption community of the country. The aspirations, education levels of consumers are continuously rising. The common items of expenditure of a common man include soft drinks,

fabrics, T.V. ,refrigerator ,grinders etc. Main segments within the middle class :

- The male middle class
- The female middle class
- The middle class teenager

**Consumer behavior:** Buyer behavior is all psychological ,social and physical behavior of potential customer as they become aware of ,evaluate,purchase,consume and tell people about products and services. A large number of factors are responsible for influencing consumers behavior which include external as well as internal.



The moment when the consumer recognizes that he has a need to be satisfied he enters into a decision making process or a state where he is to take the decisions as to what,when,where,why,who which are known as the central problems of the economy. The first step in the decision making process by the consumer is :

- **Need for recognition:** His needs may be classified as psychological and functional where the functional needs pertain to the performance of a product or service,the psychological needs are related to personal gratification of the consumer.
- **Search for information:**Once a consumer recognize his needs then the next step is the search for information. This type of information he requires depends on his need. The required search is again of two types : internal as well as external. Where in case of internal search a person

relies on his memories or past experience in case of external search the buyer takes help of his friends,relatives,talks to them and shares with them his requirements. One major source of information now a days which meets our needs of information is internet. A very common saying nowadays is if you cannot find a thing ‘google ‘ it. Everyday hundreds of millions of internet users find lots of useful information about the product and services from google. The company enjoys a ninety percent market share in many markets and remains profitable. The consumer search process gets influenced by so many factors such as a comparison between the expected benefits and cost,the type of risks involved.

- **Evaluation of alternatives:** once a consumer secures relevant information about the type of product he wants to buy and its relevant sources of availability then he is in a position to evaluate the

various alternatives that are available to him. Many a times it is seen in the market for softdrinks as people having a strong preference for Thums up or coca cola. Here habits which might sometimes be called as an addiction play a vital role. However, the consumer should also find out the other possible options. When consumers begin to evaluate the different alternatives then they start basing their evaluation on a set of important attributes.

- **Purchase of goods:** The buyer after evaluating the various courses of action then decides to purchase the commodity.

**Brand awareness among the consumers:** Brand can be defined as anything which is used to indicate a name, symbol so as to identify the goods and services of one seller from that of the other. One of the most significant outcomes of the purchase is building the brand loyalty. The seller after selling the goods always aims to bring a strong relationship of trust and satisfaction with the customer so as to bring him back next time for the next purchase. Loyalty of the customers will insist them to buy the product of a certain brand from a certain shop. A threat posed sometimes is of a negative customer feedback who spreads negative information about the product which may take place orally, by phone or by internet. Brands are a major source of generating income for the firm. Thus, the main responsibility of the firm lies in generating brands. Brand awareness refers to the extent to which the customers are able to recognize a brand. Brand awareness is a basic consideration in the theory of consumer behavior as well as in brand management. To make purchasing successful it is very essential to make a consumer aware of a product in a particular category. Here, awareness does not only mean to know about the product but also their ability to recognize a particular brand. Every year the advertisers spend a substantial amount of money to improve the brand consciousness among the people.

#### **Best global brands 2016 Ranking:**

Google-+11%  
Amazon-+33%  
Facebook -+48%  
Zara-+19%  
Kellogs—7%

Loreal-+1%

Prada—12%98

**Building brand loyalty among the customers:** Brand loyalty may be defined as a repeat purchase made by the consumers out of commitment to the brand from a set of alternative brands available. Whenever a consumer develops a loyalty towards the brand he/she also develops a favourable attitude towards the brand. A number of advantages are offered by brand loyalty to the customer. Many factors contribute towards brand loyalty and one of them is high degree of satisfaction. If a consumer spends a fair degree of time on selecting a product of a particular brand. The examples of loyalty can be seen in several cases of toothpaste, cars, banking services, books etc. Many of the people are of the opinion that would not be loyal to a brand if it doesnot have a good loyalty program as the perks could be a reason for a person to sign or make a purchase and if a customer is given ample opportunity to maximize their loyalty then they are likely to support the company. A middle aged man always buys the same brand of formal shoes he has been buying for years and finds them reliable.

A person may have unusually sensitive skin and may have tried a large number of brands of cosmetics. If a particular brand suits the skin then the customer will start buying it irrespective of the price.

A business traveller travels from a particular airline and finds that everytime he travels he gets loyalty points. So to retain them he may travel again and again.

#### **Some common examples of brand loyalty in India:**

- One of the famous brands that come to mind whenever extreme brand loyalty is talked about is Harley Davidson. When we talk about performance the bike is not the fastest bike. But the brand has its strong impact in terms of the tattoos which men get made in comparison to any other logo. People generally think that by riding a HD bike they are much smarter and improved in personality in comparison to people riding ordinary vehicles on the road. Indians are the most demanding ,yet most customers globally. A research made by the Collinson group pointed out that Indians are the most demanding and loyal customers in the world.

83% of the Indian customers expect to get high quality while 81% of them expect brands which should be easy for doing business. Their study also pointed out that now the consumer wants to be motivated more and he does not read only more reward points or discounts but values time and money he spends with his families.

- Apple enjoys exceedingly high brand loyalty which makes it as the most aspired brand.
- The global ‘Share a coke Campaign’ where a can or bottle of coke is at the centre of the campaign and it is only the consumer who is talking about the brand and not a celebrity. It can turn to be a truly gifting option for the relationships which you really care. Personalization resulted from routine marketing to the brand which aims at maintaining a better relation with the consumer.
- Yet another example is of Cadbury Dairy Milk silk’s Pop your heart out.
- Both Kotak and ICICI allow their customers to customize their debit cards with own images.

**Building loyalty :** A company has to adopt many basic marketing strategies to build customer loyalty. Companies make use of e-mail, websites, call centres,data bases,softwares and in many cases feedback foms to evaluate the effectiveness of their product and its ability to generate a satisfied customer. Customer relationship management which focuses on meeting the demand of individual consumers. However, this requires to maintain a suitable database for the same. One of the best and the easiest way to ensure that your customers come back to you again is by making them a part of the loyalty programme. Some people find the process of redeeming the points against rewards to be very difficult . The first task of a brand is to set down clearly the rewards and the way so that they can be clearly earned, Loyalty programs are not thought of by all. The modern day loyalty programmes have been used to provide advantage to the consumers in terms of hospitality, credit cards, airlines and retail. The customer reward cards are being replaced by digital forms of loyalty programmes Loyalty programmes allow the retailers to collect the data on consumer behavior. They may be in many forms like reward cards, pay-for membership cards. Successful retailers keep on connecting with their customers by conducting the loyalty programmes. These programmes can be helpful by setting the price

strategies also. A good loyalty programme requires a need to talk to the customers, know their needs and then get what they require.

**Prospects of brand growth in India:**

1. The economy of India today has reached at a stage where we have a strong government which is focused on economic reforms. The growth rate of GDP is on a rise with great prospects of capturing market of brands.
2. The main brands for coffee,juices, air fresheners are gaining the share in terms of volume.
3. Brand winners are existing in all types of categories but the most significant penetration of brands where local companies maintain their leadership.

2017 Customer loyalty leaders

Brand	Company	2017 Rank	2016 Rank
Amazon	Online retail	1	2
Google	Search engine	2	1
Apple	Tablets	3	3
Apple	Smart phones	5	6
Samsung	Smart phones	7	14
Facebook	Social networking	8	5

Published by Marketing Charts.com in October , 2017.

**Brand switching:** Brand switching takes place when a brand loses a customer who was previously loyal. This means a customer who previously preferred a brand now no longer cares to buy it. For example, buying a different brand of water bottle everytime you step to buy mineral water. This may sometimes happen due to no specific preference for a particular brand. The most common types of brand switching are:

1. Due to lack of availaibility of a particular brand.
2. A product or a service changes or adds new features that donot appeal to the customer.

3. The needs of the customers are changing . Moreover,change in fashion also keeps on changing the priority of the consumers.
4. The social status of the brand declines due to the factors such as poor behavior of the leaders, poor customer service etc.
5. Increased competition in the market also keeps on changing the priority for brands.
6. “Advertising and media plays a very strong role in changing the priorities of the customer.

**Conclusions:** Where consumer loyalty is something most talked about one thing that cannot be denied is that a chunk of population also does not care about brands. In India people still have reasons to believe that if they are getting a good deal than there is a reason to go beyond considerations such as brands. India stands third in the list of countries which are most affected by online banking. Indian women who comprise one of the major sections of the buyer community makes maximum use of internet nowadays for making online buying. Thus the concept of brand loyalty continues to dominate the Indian consumer with their own perceptions of buying.

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