



An Empirical study on understanding the perception of consumers on brand loyalty towards fast moving consumer goods

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Abstract : 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 research design for this study took the form of a descriptive survey. The survey is a form of analysis where studies are done on institutions and from the study, data generalizations and inferences are drawn. Survey method allows for generalization of findings but it is also descriptive in nature which suits the purpose of this study. The study targeted the 76 consumers of ITC. 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. Overall the study enhances our understanding on the brand loyalty in FMCG markets and should consequently result in the development of effective marketing strategies, enabling them to deliver relevant and engaging experiences to meet consumer expectation in the ever-evolving FMCG Markets.

I. INTRODUCTION

INTRODUCTION

The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival the brand. Firms selling brand with high rate of loyal consumers have a competitive advantage over other firms. Brand loyal consumers reduce the marketing costs of the firm as the costs of attracting a new customer have been found to be about six times higher than the costs of retaining an old one.

According to the survey, brand loyal consumers are willing to pay higher prices and are less price sensitive. Brand loyalty also provides the firm with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Given the importance of brand loyalty, it is not surprising that it has received considerable attention in the marketing.

RESEARCH METHODOLOGY

Research Design:

The research design for this study took the form of a descriptive survey. According to Mugenda and Mugenda (2003) survey is a form of analysis where studies are done on institutions and from the study, data generalizations and inferences are drawn. Survey method allows for generalization of findings but it is also descriptive in nature which suits the purpose of this study.

3.1 Population and Sample

The number of individuals you should include in your sample depends on various factors, including the size and variability of the population. In this study sample size is 76 number of respondents and consumers of ITC.

3.2 Data and Sources of Data

The study targeted the 76 consumers of ITC. Data is defined as the information about something that is transformed in a form to efficiently move it from one place to another. Data is a fact or information used to analyse or make a decision about something. In this research, data is collected from management graduate student to know the industry institute gap in management student.

Types of data are collected in this research. They are types of data are collected in this research. They are

- Primary data.
- Secondary data.

Primary data

Primary data refers to the data or information that is directly collected from the focus target of the research. Primary data has more value than secondary data in research. Primary data is mostly true to the knowledge of the researcher.

Secondary data

Secondary data is defined as the data gathered from various sources such as journals, articles and books. Secondary data are the data or information or facts which are already collected for a purpose. Secondary data need not necessarily to be true always.

3.3 Statistical tools and econometric models

STATISTICAL PACKAGE FOR THE SOCIAL SCIENCE (SPSS) The software that is used to calculate or to analyse the data is SPSS. SPSS stands for Statistical Package for the Social Science. SPSS is software for editing and analysing data. And also excel is used to analysis the data.

3.3.1 Percentage analysis

The data collected and analyzed with the help of simple percentage analysis . This enabled the researcher to acquire findings and interpretations of the study and to give appropriate suggestions.

The collected data was edited and consolidated by using simple percentage analysis method and it is presented in the form of Tabular columns and charts.

The interpretations refer to the task of drawing inference from the collected facts an analytical or an empirical study. It is essential for the simple reason that the usefulness and utility of research findings lie in proper interpretations

3.3.2 Chi-square

The Chi-Square test is a statistical procedure for determining the difference between observed and expected data. This test can also be used to determine whether it correlates to the categorical variables in our data. It helps to find out whether a difference between two categorical variables is due to chance or a relationship between them.

A chi-square test is a statistical test that is used to compare observed and expected results. The goal of this test is to identify whether a disparity between actual and predicted data is due to chance or to a link between the variables under consideration. As a result, the chi-square test is an ideal choice for aiding in our understanding and interpretation of the connection between our two categorical variables.

A chi-square test or comparable nonparametric test is required to test a hypothesis regarding the distribution of a categorical variable. Categorical variables, which indicate categories such as animals or countries, can be nominal or ordinal. They cannot have a normal distribution since they can only have a few particular values.

For example, a meal delivery firm in India wants to investigate the link between gender, geography, and people's food preferences.

It is used to calculate the difference between two categorical variables, which are:

- As a result of chance or
- Because of the relationship

3.3.2.1 Fundamentals of Hypothesis Testing:

Hypothesis testing is a technique for interpreting and drawing inferences about a population based on sample data. It aids in determining which sample data best support mutually exclusive population claims.

Null Hypothesis (H₀) - The Null Hypothesis is the assumption that the event will not occur. A null hypothesis has no bearing on the study's outcome unless it is rejected.

H₀ is the symbol for it, and it is pronounced H-naught

Alternate Hypothesis(H₁ or H_a) - The Alternate Hypothesis is the logical opposite of the null hypothesis. The acceptance of the alternative hypothesis follows the rejection of the null hypothesis. H₁ is the symbol for it.

3.3.2.2 Goodness-Of-Fit:

In statistical hypothesis testing, the Chi-Square Goodness-of-Fit test determines whether a variable is likely to come from a given distribution or not. We must have a set of data values and the idea of the distribution of this data. We can use this test when we have value counts for categorical variables. This test demonstrates a way of deciding if the data values have a “good enough” fit for our idea or if it is a representative sample data of the entire population.

3.3.3 Correlation coefficient:

The degree of association is measured by a correlation coefficient, denoted by r . It is sometimes called Pearson's correlation coefficient after its originator and is a measure of linear association. If a curved line is needed to express the relationship, other and more complicated measures of the correlation must be used.

The correlation coefficient is measured on a scale that varies from + 1 through 0 to - 1. Complete correlation between two variables is expressed by either + 1 or -1. When one variable increases as the other increases the correlation is positive; when one decreases as the other increases it is negative. Complete absence of correlation is represented by 0. Figure 11.1 gives some graphical representations of correlation.

In statistics, **correlation** or **dependence** is any statistical relationship, whether causal or not, between two random variables or bivariate data. Although in the broadest sense, "correlation" may indicate any type of association, in statistics it usually refers to the degree to which a pair of variables are *linearly* related. Familiar examples of dependent phenomena include the correlation between the height of parents and their offspring, and the correlation between the price of a good and the quantity the consumers are willing to purchase, as it is depicted in the so-called demand curve.

IV. RESULTS AND DISCUSSION

4.1 Results of percentage analysis of Study Variables

Table 4.1: percentage analysis

Particulars	Classification	Number of respondents	Percentage
GENDER	Male	36	47.4%
	Female	40	52.6%
AGE	Less than 20 years	11	14.5%
	20-30 years	62	82.6%
	31-40 years	2	2.6%
	41-50 years	0	0
	Above 50 years	1	1.3%
QUALIFICATION	Schooling	4	5.3%
	Diploma	0	0
	Undergraduate	43	53.9%
	Postgraduate	31	40.8%
AVERAGE MONTHLY INCOME	Less than 20000	38	50%
	20000-40000	27	37.5%
	40001-60000	6	7.9%
	Above 60000	5	6.6%
TYPE OF FAMILY	Nuclear	60	78.9%
	Joint family	16	21.1%

Table 4.1 displayed 53% of the respondents were female and 47.4% of the respondents were male and 83% of the respondents were belongs to 20-30 years of age group whereas 14.5% belongs to less than 20 years and 1.3% of the respondents are above 50 years. The 54% of respondents are undergraduate and 40.8% are postgraduate and 5.3% of respondents are from schooling. The sample is determined by 50% of respondents earn an average monthly income of less than 20000 and 37.5% of respondents are between 20000-40000 and 7.9% respondents are between 40001-60000 and 6.6% of respondents belongs to above 50000. 79% of respondents belongs to nuclear family whereas 21% are belongs to joint family.

Table 4.2: Frequency Of Shopping On ITC Products:

Particulars	Classification	Number of respondents	Percentage
Frequency Of Shopping On ITC Products	Once A Month	36	47.4%
	Twice A Month	22	28.9%
	Three Times A Month	9	11.8%
	More Than Three Times A Month	9	11.8%

Table 4.2 displayed the frequency of shopping on ITC Products 47.4% of respondents purchase ITC Products once in a month and 28.9% of respondents purchase twice a month and 11.8% of respondents purchased ITC Products three times a month and 11.8% of respondents purchased more than three times a month.

Table 4.3: Consistency In Quality Of ITC Products:

Particulars	Classification	Number of respondents	Percentage
Consistency In Quality Of ITC Products	Strongly Agree	25	32.89%
	Agree	34	44.74%
	Neutral	10	13.15%
	Disagree	2	2.63%
	Strongly Disagree		

Table 4.3 displayed the consistency in quality of ITC Products and sample is determined that 44.74% of respondents agree that consistency has been there in quality of ITC Products and 32.89% of respondents are strongly agree in consistency of ITC Products and 13.15% are neutral in their opinion and 2.63% of respondents are disagree with consistency in quality of ITC Products.

H0a: There is no association between brand reputation and overall opinion about ITC products.

H0b: There is no significant impact between brand price and brand loyalty in cosmetic products of ITC.

Table 4.4: Table Showing Test Association Between Brand Reputation And Overall Opinion About ITC Products.

CHI-SQUARE

	Brand reputation	Overall opinion about ITC products
Chi square	23.008	19.941
Df	9	9
Asymp.sig.	0.006	0.018

From the above table is inferred the table value is higher than significant value. H0 is accepted and H1 is rejected. Therefore, there is no association between brand reputation and overall opinion about ITC products.

Table 4.5: Table Showing Testing Relationship Between Type Of Family And Income Per Month:

CORRELATION

		Income	Type of family
Income	Pearson Correlation	1	0.051
	Sig (2- tailed)		0.663
	N	76	76
Type of family	Pearson Correlation	0.051	1
	Sig(2-tailed)	0.663	
	N	76	76

Interpretation:

From the above table it is inferred that table value is less than significant value. H0 is rejected and H1 is accepted. Therefore, there is an relationship between Income and type of family.

CONCLUSION:

Based on this study, brand perceived value and brand satisfaction have the highest rating as determinants of brand loyalty in ITC products. The analysis indicated that brand loyalty has a positive influence on the purchasing behavior of the customers and customers are likely to purchase products which they are accustomed to through a strong image and exceeding their expectations. The analysis also indicated that customers were more willing to talk to other customers about the products they have used and were satisfied with their results and thus word of mouth form of spreading positive information and thus creating a good avenue for companies seeking to market their cosmetic products in salons and other places.

This study concludes that if a cosmetic business wants to enjoy good profits globally in general and in India in particular, it should work hard to increase customer brand loyalty through brand satisfaction, strong brand perceived value, trustworthiness and competitive pricing in the market place. It will help the business to increase customer retention and decrease the customer defection. The study further implies that brand trust, brand price, customer satisfaction and perceived value have a strong influence in determining the brand loyalty of customers in ITC products and companies who would seek to create brand loyalty in ITC products may have to consider these determinants of brand loyalty in order to position their products competitively in the market place.

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