

**CUSTOMERS' PERCEPTION ON FACTORS LEADING TO BRAND LOYALTY IN  
FAST MOVING CONSUMER GOODS (FMCG) MARKET IN KANNIYAKUMARI  
DISTRICT – A CRITICAL ANALYSIS**

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**ABSTRACT**

Brand loyalty is defined as the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behavior or price sensitivity. Bloomer and Kasper defined true brand loyalty as having six necessary conditions which are: the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands; and a function of psychological processes. There are seven factors in brand loyalty. These are: brand name, product quality, price, style, store environment, promotion and service quality. The main objective of the study is to analyse the various factors leading to brand loyalty in Fast Moving Consumer Goods (FMCG) market in kanniyakumari district. The applied sampling procedure of the present study is the stratified proportionate random sampling. The strata for the study is the blocks/ municipalities. The rural samples are 400 distributed among the 9 blocks on the basis of the population in each block to the total rural population. Similarly, the urban sample 399 are distributed among 4 municipalities on the basis of the proportion of population in each municipality to total urban population. The required data for the research work have been collected with the help of structured interview schedule. The 't' test has been applied to test the significant difference among the rural, and urban customers regarding the various aspects related to personality traits, brand personality, brand loyalty, factors leading to brand loyalty and types of brand loyalty in FMCGs markets. The one way ANOVA has been applied to examine the significant association between the profile of customers and their view on various aspects related to the brand loyalty behaviour in FMCG markets. The factors leading to Brand Loyalty include Brand awareness, Brand

Association, Perceived Quality, Switching Costs, Perceived value, Brand Trust, Brand affect, Brand quality, Attitude on advertising, Distribution intensity, Brand personality. It is found that The highly viewed Factors Leading to Brand Loyalty by the rural customers are distribution intensity and switching costs. Among the urban customers, these are brand awareness and brand quality. Regarding the view on the Factors Leading to Brand Loyalty, the significant difference among the two group of customers have been noticed in the case of all eleven factors. The significantly associating profile variables with the level of perception on brand awareness are level of education, occupation, monthly income, family income and number of FMCGs bought at present. The highly viewed factors by rural customers are distribution intensity and switching costs whereas among the urban customers, these factors are brand awareness and brand loyalty. The significant difference among the two group of customers have been noticed in the case of all eleven factors.

**Keywords:**

Customers' Perception, Brand Loyalty, Fast Moving Consumer Goods, Brand Awareness, Switching costs, Attitude on Advertising.

**Introduction**

Brand loyalty is defined as the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behavior or price sensitivity. Bloomer and Kasper defined true brand loyalty as having six necessary conditions which are: the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands; and a function of psychological processes. There are seven factors in brand loyalty. These are: brand name, product quality, price, style, store environment, promotion and service quality. The factors leading to brand loyalty behavior among the customers in FMCGs market are too many. But the present study confines to only ten antecedents namely brand awareness, brand association, perceived quality, switching costs, perceived value, brand trust, brand affect, brand quality, attitude on advertizing and distribution intensity. Since the antecedents of brand loyalty behaviour are the important drivers of brand loyalty behavior among the customers in FMCGs market, it has been focused initially.

## **Statement of the problem**

The brand loyalty is an asset to the company. In fact, the cost of acquiring new customers is higher than the cost of retaining existing customers. Hence, all companies are trying to retain their existing customers. This is possible only when there is a brand loyalty among the customers. But it is a difficult task. In the case of Fast Moving Consumer Goods Market, there is a frequent entry of new brand and new companies. The consumers are also using and buying the FMCGs at frequent interval. They are having so many alternatives, choices and brands. Hence, it is very difficult to establish the brand loyalty among them in FMCGs market.

## **Review of Literature**

- Hsin, et al., (2019) identified that the relations among the brand awareness, perceived quality and brand loyalty for purchase intention are having a significant and positive effect. The perceived quality has a positive effect on brand loyalty whereas perceived quality will mediate the effects between brand awareness and purchase intention.
- Hanf and Belaya (2018) mentioned that retailers began to recognize that people are loyal to brands, because brands add value to their purchase. Such a unique personality added to the image of the branded product.
- Barrett and Miller (2019) identified that the level of brand loyalty on international brands among the customers is high.

## **Objectives of the study**

The main objective of the study is to analyse the various factors leading to brand loyalty in Fast Moving Consumer Goods (FMCG) market in kanniyakumari district.

## **Methodology**

The applied sampling procedure of the present study is the stratified proportionate random sampling. The strata for the study is the blocks/ municipalities. The rural samples are 400 distributed among the 9 blocks on the basis of the population in each block to the total rural population. Similarly, the urban sample 399 are distributed among 4 municipalities on the basis of the proportion of population in each municipality to total urban population. The required data for the research work have been collected with the help of structured interview schedule. The relevant variables were drawn from the review of previous studies and also the

view of experts in the marketing of FMCGs. A pre-test was conducted among 50 rural and 50 urban customers at Kanniyakumari district. Based on the pre-test, certain modifications, additions and deletions were carried out.

### **Tools of analysis**

The 't' test has been applied to test the significant difference among the rural, and urban customers regarding the various aspects related to personality traits, brand personality, brand loyalty, factors leading to brand loyalty and types of brand loyalty in FMCGs markets. The one way ANOVA has been applied to examine the significant association between the profile of customers and their view on various aspects related to the brand loyalty behaviour in FMCG markets.

### **Limitations of the study**

Eventhough, the products related to FMCGs are too many, the present study confines its scope to toiletries, cosmetics, tooth cleaning products, shaving products, soft drinks, health drinks, chocolates and fabrics.

### **Analysis of the study**

#### **Customers view on Factors Leading to Brand Loyalty in FMCGs Market**

The present study has identified eleven factors leading to brand loyalty behaviour in FMCGs market. The customers' view on the factors are computed by the mean score of the variables in factor. The mean score of each factor among the rural and urban customers have been computed separately along with its 't' statistics. The results are given in Table 1

TABLE 1

**Customers' view on various Factors Leading to Brand Loyalty (FLBL) in FMCG Market**

Sl.No.	Antecedents	Mean scores among customers in		't' statistics
		Rural	Urban	
1.	Brand Awareness	3.1342	3.9086	-2.8686*
2.	Brand Association	2.9889	3.7994	-2.8017*
3.	Perceived Quality	2.9838	3.8325	-2.9171*
4.	Switching Costs	3.7703	2.8729	2.9084*
5.	Perceived value	2.7971	3.7176	-3.0992*
6.	Brand Trust	3.0211	3.8695	-2.8646*
7.	Brand affect	2.8455	3.7674	-2.9084*
8.	Brand quality	2.8884	3.8805	-3.1047*
9.	Attitude on advertising	3.0862	3.8584	-2.8419*
10.	Distribution intensity	3.8231	3.1442	2.6943*
11.	Brand personality	2.8399	3.6894	-3.0416*

\* Significant at five per cent level.

The highly viewed Factors Leading to Brand Loyalty by the rural customers are distribution intensity and switching costs since their mean scores are 3.8251 and 3.7703 respectively. Among the urban customers, these are brand awareness and brand quality since their mean scores are 3.9086 and 3.8805 and respectively. Regarding the view on the Factors Leading to Brand Loyalty, the significant difference among the two group of customers have been noticed in the case of all eleven factors since their respective 't' statistics are significant at five per cent level.

**Association between Profile of Customers and their view on Antecedents**

Since the profile of the customers may have its own influence on the level of view on the factors leading to brand loyalty behaviour in FMCG market among them, the present study has made an attempt to measure it with the help of one-way analysis of variance. The association between the profile of the customers are their view on the brand personality, brand awareness, brand association, perceived quality, switching costs are perceived value have been examined with the help of one way analysis variance. The results are summarized in Table 2

TABLE 2

**Association between Profile of Customers and their view on Antecedents of Brand Loyalty**

Sl.No	Profile Variables	F-Statistics					
		Brand personality	Brand awareness	Brand association	Perceived quality	Switching costs	Perceived value
1.	Age	2.8899*	2.1125	2.2623	2.9668*	2.7384*	2.1024
2.	Gender	3.1172	2.7705	2.9025	3.4186	3.9961*	3.2465
3.	Level of Education	2.1088	2.3894*	2.7681*	2.9541*	2.1718	2.0296
4.	Occupation	2.9664*	2.7694*	2.0265	2.6884*	2.5898*	2.8331*
5.	Monthly income	2.8554*	2.8546*	2.6332*	2.0127	2.1782	2.0291
6.	Family income	2.9969*	2.1103	2.0284	2.2056	2.0664	2.9765*
7.	Earning members per family	2.1144	2.2884	2.8945*	2.8331*	2.6568*	2.2071
8.	Family Income	2.0676	2.6582*	2.7881*	2.8384*	2.5991*	2.0234
9.	Years of experience in buying FMCG	2.1226	2.1102	2.0965	2.0124	2.4664*	1.7337
10.	Years of experience in present brand	2.6414*	2.0361	2.5898*	2.8696*	2.6889*	2.4984*
11.	Number of FMCG bought at present	2.7868*	2.7654*	2.8502*	2.4341*	2.2142	2.0196

\*Significant at five per cent level.

Regarding the brand personality, the significantly associating profile variables are age, occupation, monthly income, family income, years of experience in the brand and number of FMCG thought as present.

The significantly associating profile variables with the level of perception on brand awareness are level of education, occupation, monthly income, family income and number of FMCGs bought at present since their respective 'F' statistics are significant at five per cent level. Regarding the view on brand association, the significantly associating profile variables are level of education, monthly income, earning members per family, family income, years of experience in the present brand and number of FMCG bought at present whereas in the case of perceived quality, these profile variables are age, level of education, occupation, earning member per family, family income, years of experience in present brand and number of FMCG bought at present. The significantly associating profile variables regarding their view on the switching costs are age, gender, occupation, earning members per family, family income, and years of experience in present brand. Regarding the view on the perceived value, the significantly associating profile variables are occupation, family size, and years of experience in present brand.

The association between the profile of customers and their view on the brand trust, brand affect, brand quality, attitude on advertising and distribution intensity have been examined with the help of one way analysis of variance. The results are shown in Table 3

TABLE 3

**Association between Profile of Customers and their view on Factors Leading Brand Loyalty in FMCG Market**

Sl. No.	Profile Variables	F-Statistics				
		Brand Trust	Brand Affect	Brand Quality	Attitude on advertising	Distribution intensity
1.	Age	2.6566*	2.1176	2.6863*	2.6892*	1.9097
2.	Gender	3.0257	3.2887	3.3396	3.4088	2.9022
3.	Level of Education	2.5178*	2.3664*	2.8844*	2.8569*	2.6919*
4.	Occupation	2.0826	2.1144	1.8697	1.4383	1.7025
5.	Monthly income	2.6547*	2.6877*	1.4341	2.0286	2.6886*
6.	Family income	2.1726	2.5052*	2.4391*	2.4889*	2.2544*
7.	Earning members per family	2.2844	2.4211	2.3446	2.7996*	2.8944*
8.	Family Income	2.7562*	2.8334*	2.6889*	2.1779	2.0256
9.	Years of experience in buying FMCG	2.0627	1.8193	1.8792	2.1046	2.2267
10.	Years of experience in present brand	2.3045	2.1045	2.1733	2.2082	2.0296
11.	Number of FMCG bought at present	2.7384*	2.5404	2.7566*	2.8344*	2.8942*

\* Significant at five per cent level

The significantly associating profile variables with their view on brand trust among the customers are their age, level of education, monthly income, family income and number of FMCG bought at present whereas in the case of brand affect, these profile variables are level

of education, monthly income, family size and family income. Regarding the view on brand quality, the significantly associating profile variables are age, level of education, family size, family income and number of FMCG bought at present whereas in the case of attitude on advertising, these are age, level of education, family size, earning members per family and number of FMCG bought at present. In the case of distribution intensity, these profile variables are level of education, monthly income, family size, earning members per family and number of FMCG bought at present.

## **Conclusion**

The highly viewed factors by rural customers are distribution intensity and switching costs whereas among the urban customers, these factors are brand awareness and brand loyalty. The significant difference among the two group of customers have been noticed in the case of all eleven factors. The significantly associating important profile variables with the view on various factors leading to brand loyalty in FMCGs market are their number of FMCG bought at present, years of experience in present brand, family income and occupation. The highly viewed antecedents among the rural customers is switching costs and distribution intensity. Among the semi-urban customers, it is brand awareness and perceived value whereas among the urban customers, it is brand awareness and brand quality. The important discriminant factors leading to brand loyalty in FMCGs market among the urban and rural customers is brand association and perceived quality which are highly perceived by urban customers compared to rural customers. The brand loyalty in FMCGs market among the customers is measured by seven components namely products quality, style, brand name, store environment, service quality, promotion and price of the brand. The highly viewed variable in product quality in the brand among the rural customers is 'the size of the products fits the very much' whereas among the urban customers, it is 'materials in the brands are comfortable. Regarding the view on the variables in product quality, the significant difference among the two group of customers have been noticed in their view on all six variables in product quality of the brand.

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