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Impact of brand loyalty on purchasing behaviour of selected consumer durable goods

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Abstract
Brand loyalty plays an important role in consumer durable industry. Brand loyalty is a result of consumer behavior and is affected by a person's preferences. Loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price. Brand loyalty is where a person buys products from the same manufacturer repeatedly rather than from other suppliers. The advertisements play a vital role in creating a brand loyalty of consumer durables with the customers. The present study is a unique attempt to assess the impact of brand loyalty for deciding purchasing pattern of selected consumer durable products in Coimbatore district.

Keywords: Brand loyalty, consumer durable industry, advertisements, purchasing pattern, Coimbatore district

1. Introduction

A typical Indian firm has to compete with powerful Global brands as well as its own Indian competitors. As Memon (2011, pp.4) puts forward that the Indian customer is very choosy in selecting the brands and the market is obsessed with international brands. After reviewing the Indian Customer market for both Durable and FMCG sector, it becomes very important to make a study to analyse the strength of Customer Based Brand Equity and examine the impact of different underlying constructs of Brand Equity. Brands have been one of the major marketing tools for the marketer. In order to meet the challenges faced by brands, researchers and marketers have identified a role for the Brand Equity construct. Keller (1993) has defined Customer Based Brand Equity as "the differential effect of the brand knowledge on the customer response to the marketing of the brand." Customer Based Brand Equity occurs when the customer has a high level of awareness and familiarity with the brand and holds some strong, favorable and unique brand associations in memory (Keller, 2/e, pp95). Compared to the big multinationals originating from USA, Japan, Korea etc, the branding expertise among Indian firms is considered to be low. Japan, Korea etc, the branding expertise among Indian firms is considered to be low.

India is expected to become the fifth largest consumer durables market in the world by 2025. The consumer electronics market is expected to increase to US$ 400 billion by 2020. The production is expected to reach US$ 104 billion by 2016.

The sector is expected to double at 14.7 per cent compound annual growth rate (CAGR) to US$ 12.5 billion in FY15 from US$ 6.3 billion in FY10. Urban markets account for the major share (65 per cent) of total revenues in the consumer durables sector in the country. Demand in urban markets is expected to increase for non-essential products such as LED TVs, laptops, split ACs and, beauty and wellness products. In rural markets, durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years as the government plans to invest significantly in rural electrification. (ref.)

The Government of India has increased liberalization which has favored foreign direct investments (FDI). Also, policies such as National Electronics Mission and digitization of television and setting up of Electronic Hardware Technology Parks (EHTPs) is expected to boost the growth of this sector.

The consumer durables market is anticipated to expand at a CAGR of 14.8 per cent to US$ 12.5 billion in FY15. Also, the demand from rural and semi-urban areas is projected to expand at a CAGR of 25 per cent to US$ 6.4 billion in FY15, with rural and semi-urban markets likely contributing majorly to consumer durables sales.

1.1 Objectives
The following are the objectives framed by the researcher.
1. To study the demographic variables that influences the buying behavior of selected branded consumer durables.
2. To ascertain the reasons for purchasing the consumer durable products of selected brands.
3. To study the level of impact of brand loyalty in purchasing of consumer durable goods.
4. To offer suggestions for improving the sales of consumer durables.

1.2 Hypothesis
In tune with the objective of the study, hypotheses were formulated that there exists no significant association between the brand loyalty on consumer durable goods in Coimbatore City and vis-à-vis the various independent variables relating to the sample respondents such as Gender, Age group of the respondents, Education and Occupation of the respondents.

1.3 Methodology and Tools Used
The study is based on primary data and the required data for the study were collected through structured questionnaire from hundred respondents in Coimbatore city. The respondents for the study were drawn by means of convenient sampling method. Data were collected in the month between January to June 2015.

1.4 Indian Consumer Durables Industry
The Consumer Durables industry consists of durable goods and appliances for domestic use such as televisions, refrigerators, air conditioners and washing machines. Instruments such as cell phones and kitchen appliances like microwave ovens are also included in this category. The sector has been witnessing significant growth in recent years, helped by several drivers such as the emerging retail boom, real estate and housing demand, greater disposable income and an overall increase in the level of affluence of a significant section of the population. The industry is represented by major international and local players such as BPL, Videocon, Voltas, Blue Star, MIRC Electronics, Titan, Whirlpool etc.

Trends Favoring the Growth of the Consumer durables Industry The key trends that impact the Indian Consumer Durables Industry today are reflected in the diagram and discussed separately in the following sections. Increasing Share of Organized Retail sector the urban and rural markets in India are growing at an annual rate of 7 to 10 per cent and 25 per cent respectively.

One of the key enablers of this growth has been the increasing penetration of organized retail. While there are established distribution networks in both rural and urban India, the presence of well-known brands and organized sector is increasing. At present around 96 per cent of the more than 5 million retail premises of all types in India are smaller than 50 sq mtrs. This situation is, however, transforming. Shopping malls are becoming increasingly common in Indian cities, and based on plans announced by key developers, a proliferation of new malls is expected over the next three years. Although many of the new malls would be much smaller than their western counterparts, Indian consumers will have a far larger number of attractive, comfortable, brand-conscious outlets in which to shop. As a result, the organized retail industry is expected to cover a market share of 15 to 18 per cent by the end of 2010, from just 3 per cent at present. This will have a positive impact on the consumer durables industry, as organized retailing would not only streamline the supply chain, but also facilitate increased demand, especially for high-end and branded products. Consumer durable market in India was estimated to be around 4.5 US$ in 2006. The industry, which had suffered due to a slump in the economy and remained flat in the past two years, started looking up this year and even high-end products like ultra-high definition TV, refrigerators and air-conditioners with newer technologies found traction in the market. The total size of the industry in FY 2013-14 was Rs 45,000 core and it would be around Rs 55,000 core in FY 2014-15 with a growth between 15 to 20 per cent. The growth would come from TV panels and small appliances," CEAMA Secretary General Amit Chadha said.

1.4.1 Glimpses of current consumer durable industries
- Income growth and availability of financing
- Growth of organized retail outlet
- Increased competition due to entry of new large players
- Appreciation of the rupee value
- Falling prices and increasing affordability

The urban and rural market in India are growing at an annual of 7% to 10% and 25% respectively. There are established distribution network in both rural and urban India. The presence of well-known and organized sector is increasing in India. The most expensive consumer goods, such as refrigerator, washing machine, color TVs and personal computers retailers are marketing their goods most aggressively providing Easy financing options to the consumer by partnering with banks. They are aiming at the lower and middle income groups, the higher income groups are also attracted by opportunity. The advanced technology and increasing competition is narrowing the price gap between product in this sector which has been driven and enabled high growth. E zone has given a new form of purchase allowing the consumer for better decision making. The success of the Indian consumer durable industry is mainly based on the product technology which could provide added benefits like low price consumption, low service requirements and low costs of operations.

1.5 Analysis and Interpretation
The following tables revealed that fourty respondents are male and the remaining sixty respondents are female. The majority of the respondents are female.

Table 1: Gender and Impact of Brand Loyalty of Consumer Durables Goods of the Respondents

Sl. No.	Gender	Number of Respondents	Percentage	Anova P – value
1	Male	40	40	0.002
2	Female	60	60	
Total		100	100	

The p-value of the gender and impact of brand loyalty of consumer durable goods of the respondents is 0.002. This value is less than the 0.05. So the null hypothesis is rejected at 5% significance level. It inferred that the gender is significant variance with the impact of brand loyalty of consumer durable goods.

Table 2: Age and Impact of Brand Loyalty of Consumer Durables Goods of the Respondents

Sl. No.	Age group	Number of Respondents	Percentage	Anova P -value
1	Below 20 years	27	27	0.146
2	21-30 years	52	52	
3	Above 30 years	21	21	
Total		100	100	

The p-value of the age and impact of brand loyalty of consumer durable goods of the respondents is 0.146. This value is greater than the 0.05. So the null hypothesis is accepted at 5% significance level. It inferred that the age is not significant variance with the impact of brand loyalty of consumer durable goods.

Table 3: Marital Status and Impact of Brand Loyalty of Consumer Durables Goods of the Respondents

Sl. No.	Marital Status	Number of Respondents	Percentage	Anova P-value
1	Single	44	44.0	0.017
2	Married	56	56.0	
Total		100	100	

The p-value of the marital status and impact of brand loyalty of consumer durable goods of the respondents is 0.017. This value is less than the 0.05. So the null hypothesis is rejected at 5% significance level. It inferred that the marital status is significant variance with the impact of brand loyalty of consumer durable goods.

Table 4: Education and Impact of Brand Loyalty of Consumer Durables Goods of the Respondent

Sl. No.	Educational Qualification	Number of Respondents	Percentage	Anova P-value
1	Under graduate	28	28.0	0.979
2	Post graduate	42	42.0	
3	others	30	30.0	
Total		100	100.0	

The p-value of the education and impact of brand loyalty of consumer durable goods of the respondents is 0.979. This value is greater than the 0.05. So the null hypothesis is accepted at 5% significance level. It inferred that the Education is not significant variance with the impact of brand loyalty of consumer durable goods.

Table 5: Occupation and Impact of Brand Loyalty of Consumer Durables Goods of the Respondents

Sl. No.	Occupation	Number of Respondents	Percentage	Anova P-value
1	Government	25	25.0	0.897
2	Private	44	44.0	
3	others	31	31.0	
Total		100	100	

The p-value of the occupation and impact of brand loyalty of consumer durable goods of the respondents is 0.897. This value is greater than the 0.05. So the null hypothesis is accepted at 5% significance level. It inferred that the occupation is not significant variance with the impact of brand loyalty of consumer durable goods.

Table 6: Income and Impact of Brand Loyalty of Consumer Durables Goods of the Respondents

Sl. No.	Income Group	Number of Respondents	Percentage	Anova P-value
1	Below 10000	30	30.0	0.046
2	10000-20000	46	46.0	
3	Above 20001	24	24.0	
Total		100	100	

The p-value of the income and impact of brand loyalty of consumer durable goods of the respondents is 0.046. This value is less than the 0.05. So the null hypothesis is rejected at 5% significance level. It inferred that the Income is significant variance with the impact of brand loyalty of consumer durable goods.

1.6 Chi Square Test

There are ten variables were taken by the researcher for impact of brand loyalty of consumer durable goods. The mean is 37.28, SD is 4.144. The five point scale was used to measure the impact on brand loyalty in purchasing of consumer durable goods in Coimbatore city. The master table is prepared with help of micro soft excel and uploaded to SPSS software for further analysis. The quartiles used to find out low, medium and high. The total sore were divided into three categories i.e, low, medium and high in accordance with their impact and brand loyalty in purchase of consumer durable goods in Coimbatore city. The total score upto 33.136 were grouped as low level of impact on brand loyalty in purchasing of consumer durable goods. ; the score between 33.137 and 41.242 were grouped as medium level of impact on brand loyalty in purchasing of consumer durable goods and the total score above 41.242 were grouped as high level of impact on brand loyalty in purchasing of consumer durable goods.

Table 7: Gender and Impact of Brand Loyalty of Consumer Durable Goods

Sl. No.	Gender	Impact of brand loyalty of consumer durable goods			No. of Respondents	Percentage
		Low	Medium	High		
1	Male	7 (17.50%)	31 (77.50%)	2 (5.00%)	40	40
2	Female	8 (13.33%)	38 (63.33%)	14 (23.34%)	60	60
	Total	15	69	16	100	100

Table 8: Chi-Square Tests

	Value	DF	Table Value	S/ NS	Remarks
Pearson Chi Square	6.018	2	5.991	S	Rejected

The above chi-square result shows that the calculated value (6.018) is higher than the table value (5.991) at 5% level of significance. Hence, the null hypothesis (Ho) has been rejected and the alternative hypothesis (H_1) has been accepted. Therefore, it is inferred that there is significant relationship between gender of the respondents and impact of brand loyalty of consumer durable goods.

1.7 Findings

The anova tool applied to find out the variance. It inferred that the gender, marital status and income group of the respondents are significant variance with the impact of brand loyalty of consumer durable goods. The chi square test applied to find out the relationship between gender and impact of brand loyalty of consumer durable goods. It is inferred that there is significant relationship between gender of the respondents and impact of brand loyalty of consumer durable goods

1.8 Suggestions

The consumer felt that the durable goods prices are high. The corporate has to reduce the durable goods price. It will be help to the all segment consumer to buy the goods. The corporate concentrate the festivals to increase their sales. (i) Now a days more advertisement are there for festivals sales. The consumer said the offers are not enough. They are expecting more offers during festival seasons. (ii)Many consumers using EMI facility to buy goods. The finance companies charge more interest for buying goods through EMI. If they reduce the rate of interest consumer will be happy and avail more goods. Ultimately the sale will increase. (iii) The corporate should concentrate the introduction of new features must be educate the consumers through proper advertisements.

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