

“COMPARATIVE STUDY OF IMPACT OF BRAND LOYALTY ON BUYING BEHAVIOR IN DIFFERENT CATEGORIES OF WOMEN CONSUMERS WITH RESPECT TO MAKE-UP COSMETICS IN PUNE CITY”

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INTRODUCTION

Brand loyalty is a fundamental concept in strategic marketing. It is generally recognized as an asset' (Wernerfelt, 1991), as certain loyal consumers may be willing to pay more for a brand. (Jacoby and Chestnut, 1978; Pessemier, 1959). Often companies plan marketing strategies to win more brand loyal customers who will help them not only to build a strong market share but also gain higher profits. Brand loyalty can also lead to other marketing advantages such as developing favorable responses by word of mouth and also providing greater resistance against brands of the competitors. (Dick & Basu, 1994).

Cosmetics are care substances that are used externally to enhance the appearance of the body, by cleaning, coloring, softening, or protecting the skin, hair, nails, lips, or eyes.

Rising fashion realization amongst the population and superior purchasing power have been the major driving forces behind the massive growth of cosmetic industry in India. Since the last decade, due to women empowerment, Indian women are now placed at fascinating job positions which has ultimately increased their spending power. Furthermore, amplified levels of brand advertising are also responsible for capturing the imagination and awareness of the people. Various beauty contests such as Femina Miss India, Indian conquer at various global contests such as Miss World, Miss Universe, Miss Asia Pasific, Mrs. World etc. on the one hand and Bollywood and its changing fashion on the other hand can also be attributed for creating an impact on the youth over the importance of grooming and being fashionable.

While traditionally when only fewer choices were available for Indian consumers in terms of brands like Lakme, Ponds etc., today we can see immense number of Indian as well as foreign brands in the market e.g. Loreal, Maybelline, Oriflame, Avon, Revlon, ColorBar, Street Wear, MAC, Chambor to name a few.

Much has been talked about all these issues viz. future of cosmetic industry in India, the impact of foreign players on the domestic players etc. But we should not forget that customers are the end beneficiary of all the marketing activities. No matter what type of cosmetics a company is making: natural or chemical, what type of company it is: national or international; finally it has to satisfy the needs of the customers. No marketer can ever be successful until and unless it is able to understand the buying behavior of the end users. Hence, this research aims at understanding the impact of brand loyalty on the buying behavior of different categories of women consumers with reference to make-up cosmetics.

LITERATURE REVIEW

BRAND LOYALTY

'The importance of brand loyalty has been recognized in marketing literature for the last three decades' (Howard & Sheth 1969). 'Brand loyalty is a special case of programmed decision making when customers adopt a decision strategy of giving all or most of their patronage to a particular brand'. (Runyon, 1980). Many experts and authors have defined brand loyalty in their own way. Yet, a more detailed definition was given by R. L. Oliver (1999) in which he defined brand loyalty as 'a deeply held commitment to re-buy or re-patronise a preferred product/service consistently in the future, thereby causing repetitive same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour.' 'True brand loyalty occurs when the customer holds favorable attitude towards the brand in addition to purchasing it repeatedly.' (Day, 1969). (Basu, 1994).

CONSUMER BUYING BEHAVIOR

Consumer behavior can be defined as the behavior that consumers exhibit while searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. They study of consumers behavior is the study of how individuals make decisions to

spend their available resources (money, time, and effort) on consumption- related items. It includes the study of what they buy, why they buy it. It is an interdisciplinary science that involved psychology, sociology, social psychology, cultural anthropology and economics concepts (Schiffman & Kanuk, 1997).

FACTORS AFFECTING CONSUMER BEHAVIOR

According to Kotler and Keller (2009, 190), a consumer's buying behaviour is affected by three different factors: cultural, social and personal factors. Additionally, there are various factors under each of these three categories. In this section, the different factors and their impact on consumer's buying behavior will be discussed.

CULTURAL FACTORS

Culture is one of the key influencers on consumer buying behavior. One cannot understand the bases of consumption choices unless the culture in which they are made are not taken into consideration. According to Solomon, Bamossy, Askegaard and Hogg (2006, 498-499), culture is kind of like the shared memory of a society. It is a mixture of meanings, rituals, norms and traditions shared by a society or an organization.

In the light of present research, the most significant part of culture is rituals. Rituals are sets of symbolic behaviors and actions that occur in a predetermined sequence and are often recurring within a definite time frame. Amongst all rituals, the most important and significant one for the current study are **grooming rituals**. Grooming rituals are sets of behavior where a person tries to transform him/her from the private self to the public self (the self that is shown to others) or vice versa. The grooming rituals carry a purpose of cleansing the body but they also aid in creating confidence before confronting others. (Solomon et al. 2006, 506-508).

According to Solomon et al. (2006, 508) many beauty rituals that women practice daily illustrate the value placed by their culture on personal beauty and looking youthful. One of the world's largest cosmetics giant L'Oreal has recognized the significance of customizing products as per the consumers' culture. L'Oreal has both global magnetism as well as the skill of maintaining the products' appeal in accordance with the specific local tastes around the world. (Noel 2009, 49.)

Since this study examines the buying behavior of women belonging to Pune city only so the cultural aspect is not having any major role in the research. This is because all the people involved in the study are of same culture and hence no need to consider the differences in the responses because of respondents' different cultural backgrounds.

SOCIAL FACTORS

In addition to culture, social factors such as reference groups, family, social roles and statuses also affect consumer buying behavior. According to Kotler and Keller (2009, 196) a *reference group* is a group that has a direct or indirect influence on a person's attitudes or behavior while as per Noel (2009, 52), reference groups serve as a way of comparing oneself to others. *Family* is one of the most important reference groups and consequently is a major influencer on consumer buying behavior. Social roles and statuses also have a significant effect on the way people choose to buy or not to buy a certain product or a service. A *social role* is encompassing of all the activities which a person is anticipated to perform inside a certain group such as family or an organization.

Status, alternatively, is something that is associated with each role; a CEO has more status than a manager. People often choose products and services that reflect the roles they have and their actual or desired status in a society (Kotler & Keller 2009, 196).

OTHER FACTORS

OCCUPATION AND INCOME

Kotler and Keller (2009, 197) have given their consent on that occupation and the economic conditions that appear with it are great influencers in consumer behavior. The economic conditions of a buyer such as disposable income, savings, assets and liabilities, borrowing power and attitude towards expenditure and saving, greatly influence the type of products and services he/she buys. For instance, luxury cars may be the aspiration for many but very few can actually afford them. Even though this is also a matter of what kind of belongings or possessions people wish to accumulate.

ADVERTISING

Consumers are encircled by all sort of marketing gimmicks that, in one way or other, affect their buying behavior

(Solomon et al. 2006, 14). Specifically in cosmetic industry, heavy advertising with famous models and actors is repeatedly used to draw consumers to purchase various products.

As per Solomon et al. (2006, 186), for illustration L'Oréal, the French cosmetics giant persuades millions of women to purchase its products by associating their products with sexy spokeswomen. In other words, cosmetics companies leave no stone unturned to sell a brand to consumers by creating an image that is associated with certain characteristics or qualities.

According to Fill (2002, 486), a company can influence consumers by informing or reminding them of its products and services through advertising. Advertising is also an important tool to sway consumers or assist them in differentiating a product or a company from their competitors in a certain market. Kotler and Keller (2009, 526) mention that advertising can be applied in building up a long-term image of a brand or generating quick sales. They also quote that the sheer presence of advertising may amplify sales as the consumers might believe that a brand that is advertised in a large number must offer high value. Even Fill (2002, 461) agrees with Kotler and Keller in that heavily advertised products are generally perceived as being of greater quality and consumers are more likely to purchase brands that are advertised more.

OBJECTIVES OF THE STUDY

Based on the Literature Review and the gap found, following objectives have been framed :

1. To know the impact of brand loyalty on buying behavior of female students with respect to make-up cosmetics.
2. To understand the influence of brand loyalty on buying behavior of working women with respect to make-up cosmetics.
3. To find out how the brand loyalty influence the buying behavior of housewives with respect to make-up cosmetics.
4. To make a comparative analysis of impact of brand loyalty on buying behavior in the above three categories of women in Pune city.

HYPOTHESES

FOR OBJECTIVE 1

H₀: Brand loyalty does not have any impact on buying behavior of female students with respect to make-up cosmetics.

H₁: Brand loyalty has a significant impact on buying behavior of female students with respect to make-up cosmetics.

FOR OBJECTIVE 2

H₀: Brand loyalty does not have any impact on buying behavior of working women with respect to make-up cosmetics.

H₁: Brand loyalty has a significant impact on buying behavior of working women with respect to make-up cosmetics.

FOR OBJECTIVE 3

H₀: Brand loyalty does not have any impact on buying behavior of housewives with respect to make-up cosmetics.

H₁: Brand loyalty has a significant impact on buying behavior of housewives with respect to make-up cosmetics.

METHODOLOGY

SAMPLE DESIGN

The universe of the study was the women of Pune city (aged between 18-58 years). Sample size was 600 women which were selected from three categories viz. Student (200), Working Women (200) and Housewife (200) using Quota Sampling method.

DATA COLLECTION

The study was conclusive in type and quantitative in nature. The scales used to measure subjective properties mentioned in the study were 5 point Likert scale and 7 point scale as well. Primary information was collected through personal administered survey and questionnaire answered through web-based. More than 1000 questionnaires were sent, out of which 597 completely filled questionnaires were finally received. Secondary data was collected through published sources like newspaper articles, journal articles, internet etc. Time dimension involves cross sectional design.

DATA ANALYSIS

Data were analyzed using Microsoft Excel. Correlation Analysis was used for analyzing the data.

DATA ANALYSIS & INTERPRETATION

A correlation analysis was conducted in order to find the impact of brand loyalty on the buying behavior in all the 3 different categories of consumer viz. Students, Working Women & Housewives. Table I shows the r value (obtained through correlation analysis) of Brand Loyalty with respect to FOP (frequency of purchase), ME (monthly expenditure on cosmetics), TT (testing the product (product feel through testers)), POC (purchase occasion of cosmetics), SOP (source of purchase) and INF (influencers on the cosmetics purchase decision) in various categories.

Table I : Output of Correlation Analysis in various Categories

Factors	r value of Brand Loyalty in Clusters		
	HW	WW	Students
FOP	0.016653954	-0.058768455	0.131824799
ME	-0.08935979	0.052422094	-0.076340769
TT	0.115136249	-0.050774737	0.043161685
POC	-0.03883496	0.287004719	0.096445416
SOP	0.129690948	-0.058196066	0.006796462
INF	0.086376902	0.090447556	0.065342982

Table II shows the corresponding t values. It is obvious from the table that at 10% level of significance:

FOR OBJECTIVE 1

Since t value for FOP > 1.645, null is rejected. Hence, we can conclude that Students are FOP driven; it means that brand loyalty has a positive impact on frequency of purchase for this group of customers.

FOR OBJECTIVE 2

Since t value for POC > 1.645, null is rejected. Hence, we can conclude that Working Women (WW) are POC driven and their brand loyalty has a strong positive impact on purchase occasion of cosmetics.

FOR OBJECTIVE 3

Since t value for SOP > 1.645, null is rejected. Hence, we can conclude that Housewives (HW) are SOP driven and their

brand loyalty has a positive impact on source of purchase.

Table II : Corresponding t value (at 10% LOS)

Factors	t value of Brand Loyalty in Clusters		
	HW	WW	Students
FOP	0.23	-0.83	1.87
ME	-1.26	0.74	-1.07
TT	1.63	-0.71	0.61
POC	-0.55	4.21	1.36
SOP	1.84	-0.82	0.1
INF	1.22	1.27	0.92

CONCLUSION

Based on the data analysis, we can conclude that brand loyalty definitely has an impact on the buying behavior of female consumers so far as make-up cosmetics purchase are concerned. Moreover, it influences the buying behavior of different categories of buyers in a peculiar way. For instance, on the one hand, brand loyalty influences the frequency of purchase for female students; while on the other hand, it has a strong positive impact on the purchase occasion of cosmetics for working women. Alternatively, it also influences the buying behavior of housewives as in their case the brand loyalty decides their source of purchase.

Hence the present study makes a comparative analysis of impact of brand loyalty on the buying behavior in the three different categories of women with respect to make-up cosmetics in Pune city. This type of study is crucial to delineate the new trends in the Pune city. As we will see that, the city in general experience a rapid growth and modernization where more women are involved in business coupled with a massive movement among young generation towards using the fashion and cosmetics to cope with this social and cultural changes. These new trends give more attention for personal appearance especially among new educated young generation.

This study will enrich and add more to the trivial literature as no prior study has been conducted so far which focuses on the impact of brand loyalty on buying behavior specifically for the three different categories of customers. Additionally it also provides useful information to the business sector as well as dealers/retailers in the cosmetic industry. This information should be of valuable use to marketers as they would be able to judge how the brand loyalty influences the buying behavior of different women, and in turn, would

build different strategies to deal with different set of customers.

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