CONSUMERS’ BRAND PREFERENCES AND BRAND LOYALTY - AN EMPIRICAL STUDY WITH SPECIAL REFERENCE TO PACKAGED MILK

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Abstract

Products and services are available in the innumerable counts in different varieties by the producers to all the customers. All the products are named and identified by the reputed brands, yes brand is key signal to the consumer while they are selecting the products. There are lots of factors influencing the buyers to select the particular product in the competitive market. How they are selecting the products? Hence forth, the researchers have been taken the packaged milk products in Thanjavur for the study. The objectives of the paper are to identify the factors influencing brand preference and its impact. In this work, 100 samples have been selected and administered the statistical tools such as Chi-square test and ANOVA for data analysis. The researchers found that quality, price, types and marketing strategies are the mediating factors for the brand loyalty which lead to the brand preferences.

Key words: Brand Preference, Customer Brand Loyalty and Consumer behavior.

Introduction

Brand is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." Initially, Branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot iron stamp, and was subsequently used in business, marketing and advertising. A modern example of a brand is Coca Cola which belongs to the Coca-Cola Company. A brand is the most valuable fixed asset of a corporation. A concept brand is a brand that is associated with an abstract concept, like breast cancer awareness or environmentalism, rather than a specific product, service, or business. A commodity brand is a brand associated with a commodity.
Brand Preference

Brand preference is closely related to brand choice which can assist consumer decision making and activate the brand purchase actions. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. There are many factors influencing the consumers to buy a particular product. Especially consumers’ preferences are affected by various factors which were endorsed by existing studies. Consumer purchasing choices lead to efficient market segmentation strategies in the company also. However the forecasting of consumer’s preferences is not an easy task, it may be predicted by the companies for their survival in the present competitive scenario.

Brand Loyalty

Customer brand loyalty describes that a buyer’s dedication to repurchase or otherwise continue using the item and can be confirmed by recurring buying of products or services, or other positive actions such as testimonials. It is also described as the degree to which a consumer continually buys the same item within an item class. This concept is otherwise known as repeated buying habit (repurchase actions) of specific product for different reasons. Brand loyalty is may be mediating and dominating factor for the brand preferences. Unless brand loyalty no marketer can do the business in the present business era

Consumer Behaviour

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Consumer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalization, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.
Scope of the Study

A lot of brands of milk products are available in the market. But the consumers prefer a particular brand which is much affordable to them. In the modern business world, due to the development of science and technology, many new brands have been introduced in the market every year. Measures of brand preference attempt to quantify the impact of marketing activities in the hearts and minds of customers and potential customers. Higher brand preference usually indicates more revenues (sales) and profit, also making it an indicator of company financial performance. The study aims to understand the consumers’ brand loyalty towards variable milk products from the respondents of in Thanjavur area. The researchers have taken the packaged milk products of Arokya, Vijay, Aavin and KC for the research.

Research Methodology

The researchers have taken 100 samples through the convenient sampling method. They have collected the primary data through the questionnaire with the component of demographic and functional variables. Statistical tools such as Chi – square test and one-way ANOVA have been used to analyze the data and to measure the consumer brand loyalty towards brand preferences. The results were analysed through the Statistical Package for Social Science (SPSS version – 16)

Research Objectives

• To understand the level of the consumer brand preferences of respondents,
• To identify the factors influencing the brand loyalty by the quality, price, and preferred size of packaged milk brands,
• To determine the relationship between the demographic factors with the brand preferences and brand loyalty of respondents,
• And to develop the research model for the consumer brand loyalty and brand preference.

Limitations of the Study

This research and its results are only applicable to the respondents of Thanjavur, and are not applicable to any other places. It is not generalized, the results are subject to change according to the perception and opinion of the respondents, and some of the respondents were hesitant to give responses.

Research Hypothesis

• There is no significant relation between demographic variables and the functional variables viz., price, preferred size, quality of package, taste and marketing strategies of the packaged milk brands.
Literature Review

Farquhar, Peter H (1994). Understanding the implications of these 3 strategic elements is essential in preparing for the branding challenges of the next century. Highly credible brands can reduce the perceived risk of buying products or services where features cannot readily be evaluated prior to purchase. There are 4 basic branding strategies for surviving the next century, including: 1. Differentiate brands along new dimensions that are both relevant and important to customers. 2. Fortify brands with "breakthrough" goods or services that leapfrog current products in the market. 3. Integrate the brand offering with those of channel partners and other solution providers. 4. Create alternate channels of distribution for the brand to appeal to new customers and open access to traditional channels.

The study was carried out to find out the brand loyalty and its impact on buying behavior of women consumer for beauty care products in Delhi region. They have focused that the buying behavior of consumer in relation to beauty products. They found that the brand ambassadors are least measured when they purchase beauty care products and price and brand image of products are two majorly elected features affecting their preference for selecting a particular brand. (Anjali Sharma, Shruti Bhola, Shweta Malyan and Neha Patni 2013).

Keller and Lehmann (2006) identified three principal perspectives from which brand equity has been studied: the consumer’s, the company’s and the financial perspective. According to a consumer’s perspective “brand equity is part of the attraction to—or repulsion from—a particular product from a particular company generated by the ‘non-objective’ part of the product offering, i.e., not by the product attributes per se”. Nevertheless when logos, colour and design are used without an association with unique benefits the brand success is curtailed.

Paul N. Bloom (2006) The authors used a market-research technique called conjoint analysis to help managers evaluate the relative benefits of various types of affinity marketing programs, including sponsorship of social causes, sports or entertainment events. Conjoint analysis involves creating a variety of hypothetical brand profiles that contain combinations of brand attributes; by asking consumers to rank the profiles, researchers can gain insights into how different brand attributes affect consumer’s preferences. In several experiments, the authors used conjoint analysis to examine how consumer’s responses to a brand of beer, milk or juice would be affected if the brand had a marketing affiliation with a social cause or with a sport or entertainment event. However, this was not always true; for example, it was not the case for the milk brands studied, suggesting that the effect of social-cause marketing initiatives may vary by industry. The authors also discuss how brand managers can use conjoint analysis to compare potential marketing initiatives.
Brand associations are a core part of Consumer Based Brand Equity (CBBE), and behavioural brand loyalty is a desirable outcome of CBBE. The findings also showed that share of category requirements is a greater driver of brand association responses than buying frequency. This finding suggested that the use of competitors has a greater dampening effect on brand associations than the reinforcement effect of repeated brand buying. These results have important implications for modelling brand associations, particularly using cross-sectional data. (Jenni Romaniuk, Magda Nenycz-Thiel, 2013).

Yang, Xiaojing, (2006). A primary goal of the present dissertation is to provide process explanations of how creative ads work by proposing an integrative structural model to capture the impact of perceived advertising creativity on consumer ad processing and response. A second objective is to investigate the mechanisms through which creative ads are effective in reducing consumer resistance to persuasive messages. A third objective is to delineate the boundary conditions of the effects of advertising creativity. A fourth goal of the research is to expand the list of outcome variables currently focused upon by the creativity literature.

A series of three experiments showed good empirical results for the proposed structural model. Accordingly consumers' brand attitude is more favorable and their intentions to view the ad again and purchase are enhanced. For the affective route, the positive affect engendered upon viewing creative ads affects downstream ad processing and response variables by (1) indirectly affecting consumers' desire to postpone closure (2) directly transferring to brand attitude and intention to view the ad again. A study was done by the author Aaker (1991) is particularly interesting about brand preferences. While defined about the brand preferences, he also described that brand equity as a four dimension construct including: brand awareness, perceived quality, brand associations and brand loyalty.

**Research Parameters**

Researchers have taken the following variables:

- Demographic variables
- Price
- Preferred size
- Quality
- Taste
- Packaging
- Advertisement
Proposed Research Model

Source: Constructed and developed by the authors of this Paper
Data Analysis and Discussion

Table: No 1
Chi-Square Test
Demographic Variables and Price

<table>
<thead>
<tr>
<th>S.No</th>
<th>Chi-Square - Comparison between demographic variables and price</th>
<th>Chi- Square Value</th>
<th>Degree of Freedom</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age and price</td>
<td>21.552</td>
<td>6</td>
<td>.001</td>
</tr>
<tr>
<td>2</td>
<td>Income and price</td>
<td>6.492</td>
<td>4</td>
<td>.093</td>
</tr>
<tr>
<td>3</td>
<td>Gender and price</td>
<td>4.991</td>
<td>2</td>
<td>.082</td>
</tr>
</tbody>
</table>

H0- There is no significant relationship between demographic variables and price.
H01- There is no significant relationship between age and price.
H02- There is no significant relationship between income and price.
H03- There is no significant relationship between gender and price.

The above table depicts that P value is less the 0.05 for age (.001). Null hypotheses (H01) is rejected, hence there is significant relationship between demographic variables (age) and Price. From the table, P value is greater the 0.05 for gender (.082) and Income (.093). Null hypotheses (H02,H03) is accepted hence there is no significant relationship between demographic variables (gender and income) and Price.

Table No: 2
Chi-Square Test
Demographic Variables and Preferred Size

<table>
<thead>
<tr>
<th>S.No</th>
<th>Chi-Square - Comparison between demographic variables and Size</th>
<th>Chi- Square Value</th>
<th>Degree of freedom</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age and size</td>
<td>55.445</td>
<td>6</td>
<td>.002</td>
</tr>
<tr>
<td>2</td>
<td>Income and size</td>
<td>14.316</td>
<td>4</td>
<td>.006</td>
</tr>
<tr>
<td>3</td>
<td>Gender and size</td>
<td>20.424</td>
<td>2</td>
<td>.001</td>
</tr>
</tbody>
</table>

H0-There is no significant relationship between demographic variables and preferred size.
H01-There is no significant relationship between age and preferred size.
H02- There is no significant relationship between Income and Preferred size.
H03-There is no significant relationship between Gender and Preferred size.
The above table depicts that P Value is less than 0.05 for age (.002), Income(.006), Gender(.001). Null Hypothesis (H01,H02,H03) are rejected, hence there is significant relationship between demographic variable (Age, Income, Gender) and Preferred size

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Between Groups</td>
<td>1.525</td>
<td>3</td>
<td>.508</td>
<td>2.147</td>
</tr>
<tr>
<td>2.</td>
<td>Within Groups</td>
<td>10.895</td>
<td>46</td>
<td>.237</td>
<td></td>
</tr>
</tbody>
</table>

H0-There is no significant relationship between demographic variable viz., age and quality.

The above table depicts that the significant level is .107(p=.107), which is greater than 0.05 and therefore there is no significant relationship between age and quality.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Between Groups</td>
<td>.877</td>
<td>1</td>
<td>.877</td>
<td>3.588</td>
</tr>
<tr>
<td>2.</td>
<td>Within Groups</td>
<td>23.963</td>
<td>98</td>
<td>.245</td>
<td></td>
</tr>
</tbody>
</table>

H0-There is no significant relationship between demographic variable viz., gender and quality.

The above table depicts that the significant level is .061(p=.061), which is greater than 0.05 and therefore there is no significant relationship between gender and quality.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Between Groups</td>
<td>20.930</td>
<td>2</td>
<td>10.465</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Within Groups</td>
<td>94.910</td>
<td>97</td>
<td>.978</td>
<td>10.696</td>
</tr>
</tbody>
</table>

H0-There is no significant relationship between family members and preferred brands.

The above table depicts that the significant level is .001, which is below 0.05 and therefore there is a significant relationship between family members and preferred brand.
Table No: 6  
**Chi-Square Test**  
**Demographic Variables and Expected Changes**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Chi-Square Comparison between demographic variables and changes</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age and changes expected</td>
<td>27.646</td>
<td>9</td>
<td>.001</td>
</tr>
<tr>
<td>2</td>
<td>Income and changes expected</td>
<td>17.268</td>
<td>6</td>
<td>.008</td>
</tr>
<tr>
<td>3</td>
<td>Gender and changes expected</td>
<td>27.380</td>
<td>3</td>
<td>.001</td>
</tr>
<tr>
<td>4</td>
<td>Family and changes expected</td>
<td>32.887</td>
<td>6</td>
<td>.001</td>
</tr>
</tbody>
</table>

H0-There is no significant relationship between demographic variables and changes expected.

H01-There is no significant relationship between age and changes expected.

H02-There is no significant relationship between income and changes expected.

H03-There is no significant relationship between gender and changes expected.

H04-There is no significant relationship between family member and changes expected.

The above table depict that P value is less than 0.05 for age (.001), income (.008), gender (.001), family member (.001).Null hypothesis (H01, H02, H03, H04) are rejected, hence there is significant relationship between demographic variables and changes expected.

Table No: 7  
**Chi-Square Test**  
**Demographic Variables and Taste**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Chi-Square Comparison between demographic variables and taste</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age and taste</td>
<td>12.281</td>
<td>3</td>
<td>.006</td>
</tr>
<tr>
<td>2</td>
<td>Income and taste</td>
<td>10.504</td>
<td>2</td>
<td>.005</td>
</tr>
<tr>
<td>3</td>
<td>Gender and taste</td>
<td>14567</td>
<td>1</td>
<td>.001</td>
</tr>
<tr>
<td>4</td>
<td>Occupation and taste</td>
<td>35.351</td>
<td>3</td>
<td>.001</td>
</tr>
</tbody>
</table>

H0-There is no significant between demographic variables and taste.

H01-There is no significant relationship between age and taste.

H02-There is no significant relationship between income and taste.

H03-There is no significant relationship between gender and taste.

H04-There is no significant relationship between occupation and taste.
The above table depicts that P value is less than 0.05 for age(.006), income(.005), gender(.001), occupation (.001). Null hypothesis (H₀₁, H₀₂, H₀₃, H₀₄) are rejected, hence there is significant relationship between demographic variables (age, income, gender, occupation) and taste.

**Table No: 8**  
**Chi-Square Test**  
**Demographic Variables and Advertisement**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Chi-Square-Comparison between demographic variables and advertisement</th>
<th>Chi-Square Value</th>
<th>Degree of Freedom</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age and advertisement</td>
<td>10.307</td>
<td>3</td>
<td>.016</td>
</tr>
<tr>
<td>2</td>
<td>Income and advertisement</td>
<td>2.986</td>
<td>2</td>
<td>.225</td>
</tr>
<tr>
<td>3</td>
<td>Gender and advertisement</td>
<td>.155</td>
<td>1</td>
<td>.693</td>
</tr>
<tr>
<td>4</td>
<td>Occupation and advertisement</td>
<td>3.039</td>
<td>3</td>
<td>.386</td>
</tr>
</tbody>
</table>

H₀ - There is no significant relationship between demographic variables and advertisement.

H₀₁ - There is no significant relationship between age and advertisement.

H₀₂ - There is no significant relationship between income and advertisement.

H₀₃ - There is no significant relationship between gender and advertisement.

H₀₄ - There is no significant relationship between occupation and advertisement.

The above table depicts that P value is less than 0.05 for age (.016). Null hypothesis H₀₁ is rejected, hence there is significant relationship between demographic variables (age) and advertisement. From the table P value is greater than 0.05 income (.225), gender (.693), occupation (.386). Null hypothesis (H₀₂, H₀₃, H₀₄) are accepted hence there is no significant relationship between demographic variables (income, gender, occupation) and advertisement.

**Research Findings**

Out of 100 respondents 22 were male and 78 were female. Out of 100 respondents 70% of customers are having 4-6 family members, 26% customers are having 2-3 family members and 4% customers are having more than 6 family members. Therefore maximum respondent are from 4-6 family members. Out of 100 respondents, 40% of customers preferred Aavin, 36% of customers preferred Arokya, 8% of customers preferred KC and 9% of respondents were preferred other brands and only 7% of respondents were preferred Vijay. Findings of the study cleared revealed that maximum respondents were preferred Aavin.
The Educational Qualification of the respondents were that the 32% of the respondents were from under graduation, 56% of respondents from post graduation and rest of the respondents are belonging to diplomas, business, student and agriculture categories. Research results were projected that 52% of the respondents are from semi-urban areas, 11% of the respondents are from urban areas and rest of the respondents were belonging to rural areas. Out of total sample, 46% of respondents were influenced by quality of the product and 24% of consumers were influenced by the taste, 22% of respondents were influenced by price and 8% of the consumers were influenced by the availability of the products. Therefore maximum respondents were influenced by Quality of packaged milk brands.

Out of total respondents, 18% were from the income group of less than Rs. 5000, 44% were from the category of Rs. 5000-Rs.10000, 32% of the consumers were from the category of Rs. 10000 & above and rest of respondents were from category of no income. Therefore the results revealed that maximum % respondents were from Rs. 5000-10000 income group. Out of total respondents, 8% of the respondents were preferred 250 ml, 58% of the respondents were preferred 500 ml and 34% of the respondents were preferred 1litre. Out 100 respondent 14% customers were expected the changes in Quality, 28% of the respondents were expected the changes in Price and 32% were expected the changes in availability of the product and 26% of the respondents were expected Taste of the product. Hence the maximum numbers of customers were expecting the changes in availability of the products.

The study revealed that there is a significant relationship between the demographic variable of age factor and price as well preferred size. Further, the researchers found that there is no significant relationship between income and gender factors of demographic variable and price. There is no significant relationship between the demographic variables viz., age and gender with quality of the product. There is a significant relationship between family members and preferred brand.

There is a significant relationship between age, gender and income variables and changes expected. There is a significant relationship between demographic variables and taste & preference of the products. There is no significant relationship between the demographic factor viz., age and advertisement. There is a significant relationship between variables viz., income, gender, and occupation with customer’s opinion about the advertisement for packaged milk brands.

**Suggestions of the Study**

The research results can be suggested that packaged milk needs to bring out some drastic changes to enhance customer attraction and brand loyalty by applying this research outputs. Milk Brands of KC and Vijay should improve their quality and taste. KC and Vijay should concentrate on more advertising strategies in all Medias. The packaged milk brand manufacturers have to ensure the availability of more 250 ml and 500 ml packages because of its overwhelming demand.
Conclusion

Understanding the customer mind is important for the survival and growth of the company by way of attracting and selling the products to them. Competition is inevitable for dairy products - especially packaged milk. Branded milk like Aavin needs to maintain its existing quality and type of distribution channels. Arokya milk brand needs to correct its pricing strategies by compare with other milk. KC packaged milk brand needs to improve their distribution strategies and advertising methods. Vijay packaged milk brand needs to concentrate on taste and design of the package. In order to maintain the customer brand loyalty, packaged milk brands need to strengthen their unique strategies and proposed research model developed by this research.

Note: Due to page restriction of the journal, the authors have not projected demographic table & ANOVA calculations. But the results have been included.

References

5. Keller and Lehmann, (2006). Nevertheless when logos, colour and design are used without an association with unique benefits the brand success is curtailed.
7. Yang, Xiaojing (2006) Marketing; Advertising; Creativity; Perceptions; Consumer attitudes; Consumer behavior; Models; Studies, Indiana University.