Chapter - II

Review of Literature
A brief report of literature review is presented here. Kenneth and Runyon hold the view that self is in terms of individual's conscious feelings and attitude about themselves as persons. Self-concept gradually emerges through interaction with other people and self-concept is subject to change. Self-concern again depends upon clarity of experience provided by new perception, the way the revised concept fit into existing self-organization and the relation of revised concept fit into existing self organization and the relation of revised concept to individuals needs. The basic purpose of all human activity is protection, maintenance and enhancement not of the self but the self-concept of symbolic self, and here lies the importance of self-concept for marketing.

DEBONO, KENNETH G and PACKER MICHELLE (1991) examined the relationship between self-monitoring and reaction to image oriented versus quality oriented advertisements. Respondents in the study are classified as either high or low self-monitors on the self-monitoring scale. High self-monitors evaluated image-oriented advertisements to be of higher quality. The more image-based on the advertisement tended to be, the
more self-oriented they were, the mere self-relevant high self-monitors considered them to be and the more quality-oriented they were, the mere self-relevant low self-monitors though they were.

**DONALD R. LICHTENSTEIM, SCOT BURTON and ERIC J. KARSON (1991)** in their study examined the differential effects of two types of semantic cues *viz.* i) Cues can noting that an advertised price discount exhibits low consistency over time and ii) Cues can noting than an advertised discount is highly distinctive vis-à-vis competitors. On consumer perception of reference prices with offering price held consent, semantic cues that cannot high distinctiveness are more effective in influencing consumer’s price related evaluations. When the external reference price that cannot low consistency, for manipulations of offering prices with external reference price held constant, however semantic cues cannoting high distinctiveness exert more relative influence or price related cognition when offering prices are high.

**KOKTA THOMAS. L. (1992)** in his study has attempted to analyze of effect of price, advertising and reputation signals on perceived quality. The research deals with market where consumer uncertainty regarding product quality exits. The influence of the extrinsic cues *viz.*, price,

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Advertising and reputation has been investigated in an experimental setting using multi-item measure. The results indicate that all the three signals affect consumer's quality perception and that they only have an indirect influence on purchase intent.

**ROWE, DIBE GAYLE** (1991)\(^4\) examined the relationship between purchasers self-concept and decision frames. In this study a new self-concept called the purchaser's self-concept is developed. The self-concept relates specifically to consumer behaviour in a possible self or envisioning dimensions, which represents the tendency of people to envision their potential self in relation to products have of how they trend to act in a purchasing situation. Each of two dimensions is hypothesized to influence reference point formation and subsequently the customer desire for the product. The result of the study show that the positive environing of the purchase or use of a product will tend to increase the desire for the product, also the study presents that interventions to enhance envisioning can increase the effect of envisioning on the formation of possible selves and the desire for the product.

BRAND LOYALTY

LESTER GUEST (1953, 1961) conducted a follow-up study of brand preference and use for 15 products. He checked the brand preference and purchase of a sample of respondents over a 20 years interval. His data suggests that subject to the intervention of other factors, a rather high degree of brand loyalty for certain products persist over many years. He concluded that there was a little indication that sex, intelligence or marital status was related to preference agreements and only slight indication that a few more subjects in the higher socioeconomic status group have greater preference agreements opposed to the 1953 results that older subjects have more agreements than year the younger ones.

An experiment on brand choice was also conducted by CHARTLTON AND ENRENBERG (1976). The purpose of the research was to investigate how people change their buying habit over time. The study was conducted during 25 consecutive weeks in which house-wives were given opportunities to buy one package of laundry gents and tea each week. The marketing variables manipulated in the experiment were

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5 LESTER GUEST “brand loyalty: Journals of market research, 1979
price, sales promotion, advertising and out stock conditions and the introduction of new brands.

The study confirms previous findings concerning bias behaviour under stationary conditions. Additionally, the findings provide insight into consumer brand choice behaviour under dynamic marketing situations.

ALFRED E KUEHAN (1962)\(^7\) in his study, "Consumer Brand choice as a learning process" used frozen orange juice purchase from Chicago Tribune panel of 650 house-holds. He found that brand loyalty was higher for heavy purchases than for light purchase and the probability of repurchases decreases at a constant rate with the passing of time.

JACOB JACOBY AND DEVID B KYNER (1963)\(^8\) did a study, "Brand Loyalty Versus Repeat loyalty by Repeat Purchasing". He provides a fuller understanding of dynamics of brand loyalty by reporting an experiment involving the purchase of candy bars by children. The result implies that the marketer should not only be concerned with the number of repeat purchase but also with the underlying reasons for such behaviour.

They included ROSSCUNNINGHAM'S\(^9\) (1956) study, "Brand loyalty what, where ho much" which used 66 family sample from the Chicago Tribune panel and purchase histories for 6 common grocery

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\(^7\) ALFRED E KUEHAN, Repeat buying. New York, American Elsevier Publisher coy, Inc 1962.
\(^8\) JACOB JACOBY AND DEVID B KYNER, et. al.
products and head ache tablets. He defines brand loyalty according to the proportion of purchases that a house-hold devoted to the purchased most frequently is brand loyalty. His data indicates a considerable degree of brand concentration. He found that the proportion of purchases that a house-hold devoted to the brand it purchased most often varied widely across products. He also found that knowledge of brand preference of other family member did not significantly affect whether respondents had a regular brand that was purchased more than others.

\( \checkmark \) Day (1969)\(^{10} \) has put forth a 'Two dimensional concept of brand loyalty'.

He started that brand attitudes as well as purchase are needed to measure brand loyalty. Statistical analysis of purchases of convenience food brands shows that the "true", loyal buyers are very conscious of the deed economics when buying confident of brand judgment and heavy use of the product.

\(^{10}\) Day, "Two Dimensional concept of brand loyalty journal of advertising", Vol.9 1969.
ADVERTISING RESEARCH FOUNDATION (1964)\(^{11}\) conducted a study “Are there consumer types” toilet tissue purchasing behaviour for 3206 members of the J. Walter Thomson panel. The Edward personal preference was administered to both husband and wife to investigate the relationship between personality characteristics and economic variable with brand loyalty.

The result indicated that no association was found between personality characteristics and toilet brand loyalty and there was no relationship between socio-economic variables and brand loyalty.

JAMES E STAFFORD (1966)\(^{12}\) conducted a study on “The group influences on consumer brand preferences”. It utilized a systematic random sample of 10 housewives from one censes tract in Austic, Texas. Each housewife was asked to nominate four people with whom she would like to go shopping. The respondents were asked to choose from four unknown brands which were identical except for the label.

Using 3 consecutive choices of the same brand as the measure of brand loyalty, investigator found no significant relationship between the level of group cohesiveness and number brand loyalty.

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\(^{11}\) "Foundation of advertising Theory and Practice", Delhi, Himalaya publishing House, 1964

\(^{12}\) JAMES E STAFFORD, “Consumer Learning and Brand Loyalty”, 1966.
The group cohesiveness and leadership were combined. The investigator found that the degree and extent of brand loyalty was closely related to the branded behaviour of the informal leaders.

FRANK MASSY AND LODAHL (1967)\textsuperscript{13} used the same panel except that they analysed beer, coffee and tea instead of toilet tissue in their study "Is brand choice a useful basis for marketing segmentation".

The results indicated that for beer at best less than 10\% of the variations in brand loyalty across customer are accounted for by these personality characteristics. For coffee and tea less than 5\% of the variation was accounted for by these personality characteristics. For coffee and tea less than 5\% of the variation was accounted for by these personality characteristics.

They also found that socio-economic variables were not related to brand loyalty and relationship between brand loyalty and total activity factor was .00 for coffee while those for tea and beer 0.36 and 0.09.

The following researches given below mainly investigate about the influencing factors and they also find about their effect on brand loyalty.

CHAKRAPANI (1972)\textsuperscript{14} conducted a study in personality and brand loyalty. A data for brand loyalty index was computed for comparison with scores on the Maudsley personality Inventory. Results indicate that personality is related to repeat purchase behaviour. Three of the four hypothesis tested were confirmed:

a. Brand loyalty is a general response tendencies and is manifested in various degrees of all products.

b. Sample who are more brand loyal scored are lower on extroversion neuroticism, than those who are less brand loyal.

c. Extraverts are more likely than introverts to try a variety of brands. The hypothesis that introverts are more likely to return to the brand than extroverts was not supported to a statistically significant degree but the observed trend was in the expected direction.

A behavioral theory of brand loyalty is designed by MARCH ROBERT MICHEL (1977).\textsuperscript{15} This theory proposes that are three classes of


motivation of consumer brand loyalty. Learned brand loyalty were shoppers are characterized by strength and independence, especially in decision making and high perceived risk, conditioned brand loyalty, found among shoppers with low self esteem, a fear of change subject to certain brand choice demands from reference group members, and economic brand loyalty, when it is money saving rather than psychological and social influence factors that initiate (negative) brand loyalty.

In conclusion the results are that there is support for three factor theory of brand loyalty provided that.

a. Between product market differences in structure and activities are regarded as second order determinants of brand loyalty and

b. Conditioned brand loyalty is hypothesis occurring where there is genuine reference group conformity effect on brand choice. More ever some evidences are found to suggest another source of difference in brand loyalty motivation between products lies in market structure and activity variation. These differences inferred are linked to cognitive (learned) difference between products and as well as absolute level of brand loyalty for a product.
CLIFFORD ELLIOTT AND JAMES C GOODWIN (1978) \(^{16}\) conducted a research using three products (Bread, soft drinks and green beans) to investigate the impact of the consumer's age and formal education upon brand loyalty.

The results indicated that education level is inversely related to brand loyalty. There is no significant relationship between age and brand loyalty.

An indirect finding is that more highly educated persons are more likely to switch brands in response to price reduction.

SHELUGA et.al., (1979) \(^{17}\) conducted a study on "preference search, choice- An integrative approach. "This study described "a frame work for integrating a process descriptive method of a information search" with methods of estimating attribute and product preference consumer choice for a product variable was examined with 35 university students who participated in 3 preference scaling, tasks, one week before competing an information search and decision making task. For the post search preference

\(^{16}\) CLIFFORD ELLIOTT AND JAMES C GOODWIN, "Brand loyalty". A further Examination. Journal of marketing American marketing Association, 1978

ordering, subjects ranked line drawing of the test stimuli in order of preference. Results show that consumers make rational decisions based on searched information. But do not necessarily make predicated product choice decisions when all available product varieties and attribute information are taken into consideration.

The recent studies were done by ANN (1983)\textsuperscript{18} on Consumer learning and brand loyalty when the brand is unknown. The thesis explored the effects of consumer learning about product quality on a firm’s optional pricing strategies under different market structures.

\textbf{MR. MUSTAFA}\textsuperscript{19} in his study, “Changing focus” states that, the Hindustan Lever Limited top five – power brands are among the top ten most heavily advertised brands in the country today. A few years back, FMCG was about 65\% of the Hindustan Lever Limited’s business. Today it’s 95\%.

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\textsuperscript{18} ANN, “Consumer Learning and Brand Loyalty”, when the brand is unknown, dissertation abstracts international, 1983.
\textsuperscript{19} MR. MUSTAFA, ‘Indian Management, vol 42, Oct 2003, p.28
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SOUMIC NAG\textsuperscript{20} in his article, “Exploring the brand Identify” mentions that managing a brand identify has become a Herculean task nowadays. The key to building a successful brand is to flesh out a detailed identified for it making it coherent. There are six facets of brand identify. They are physique, personality. Culture, self-image, reflection and relationship. A strong brand is the one, which has a consistent and clear identity. Another suggests that the brand managers should pay more attention of developing a detailed identity for the brand.

Dr. P. INDRASENA REDDY\textsuperscript{21}, in his article, Marketing challenges for the new millennium – 4 case for brand equity valuation, focused that, certain brands like colgate, Amul, Britannia, Life boy, Ariel, Horlicks, Lux, Pondi’s are held in high esteem by the Indian consumers. According to the author building strong brands is an expensive and long-term phenomenon. Once developed and nurtured, such brands and value to the company, which owns them. These brands are also the major source for a company’s earnings and profitability companies are now investing heavily in building ‘power

brands’ or mega brands. Powerful brands make such as lasting impact on the consumer that it is almost impossible to change his preference even if cheaper and alternative products are available in the market.

C. RAJENDRA KUMAR\textsuperscript{22}, in his article, “Ten commandments of Branding strategies” states that, the brand image forms a specific figure in consumer’s mind at the very first time. Sometimes brand extensions may result in failure. For example, in the mid go’s ponds launched toothpaste with strong brand image in talcum powder, talc but not toothpaste. Building and properly managing brand equity has become a priority for companies of all sizes, in all types of market. From strong brand equity flows customer’s loyalty and profit. Brands constitute a large part of intangible assets that company own. Today companies are beginning to recognize the balance sheet value of their brands.

\textsuperscript{22} C. RAJENDRA KUMAR, “Indian Journal Marketing” Oct – Nov 2003, p.25.
Customer retention done through a loyalty programme can help building a
direct marketing database. "The cost of retaining a customer is just one
tenth of the cost of acquiring a new states ABHIJIT BHANDARI\textsuperscript{23} chairman
of royal images direct marketing limited.

\textit{DUNIL JAIN}\textsuperscript{24} in his article on "from FMCGS to SMCGS mentions
that the new challenge facing big marketers is that smaller and nimbler firms
are making rapid inroads is the well-known FMCG. Brand market share
resulting in the decline of their market share. Most of the new products
introduced by small challengers have become highly successful. The study
cites the covin kore form Chennai and its polpular 'Chik' brand of shampoo
as an example. The estimated turnover of the little-known company is
around 200 crores per annul. It has been pointed out that the big FMCG
firms are rather slow to react to these competitors who may father skip away
at vital market share."

\textsuperscript{23} ABHIJIT BHANDARI, “Marketing Loyalty pay” A & M.Journal, 31 Dec 2000 p.22