Chapter IX

Impact of Economic, Social, and Cultural factors on Brand Loyalty towards Bath Soap
CHAPTER - IX

IMPACT OF ECONOMIC, SOCIAL, AND CULTURAL FACTORS ON BRAND LOYALTY TOWARDS BATH SOAP

INTRODUCTION

Constructive state policy in the field of consumption plays an important role in sustainable social and economical development of a country. On the level of macroeconomics the state regulates the consumption process by means of fiscal policy, building the socially-oriented budget of the country, creating a fair taxation system for the population that stimulates domestic demand and economic activity.

Human resources in an economy form a significant input in the production process of goods and services. The input-output relation with reference to human resources becomes favourable when the economies of all the productive sectors possess optimum man-power allocation. The first five year plan recognized the need of a sound agricultural base for national self-sufficiency in food and adequate supply of industrial raw materials as an essential condition of economic development through industrialization. Special emphasis was laid on community development programmes to meet this end which is based on integrated approach to all aspects of rural life which supposed to be interrelated and ultimately linked up with the growth of agricultural production.

Most of the people who reside in villages are directly or indirectly depend on agriculture. Agricultural production is socially interlinking the relations of people.

The economy always has an impact on marketing, whether it is weak or strong. Interestingly, marketers may be affected positively or negatively by a strong or weak economy. Making lemons out of lemonade can benefit certain types of businesses in a weak economy, a strong economy can be negative for others. The bottom line: it pays to understand the market and the effect the economy will have on them.

Culture is maintained by society's transmission of customs followed and moves through the process of accumulation and socialization. These processes are
similar to those employed by small groups in ensuring normative behaviour of members, how we act toward others, what is important to us, eat and otherwise buy and consumers are greatly influenced by our culture.

**IMPACT OF ECONOMIC FACTORS ON BRAND LOYALTY**

Economic factors include *Marginal Utility Theory (MUT)* and *Income and Saving Theory (I & ST)*. The MUT states that a consumer will continue to buy such products that will deliver him or her the most utility or maximum satisfaction at relative prices, while the later theory reveals that the purchasing power is the real determinant of buying, which is dependent on disposable income. This concept is used in planning and analysis of demand.

Product choices are greatly affected by one's economic circumstances. Economic stability consist of their spendable income (its level, stability and time pattern), saving and assets (including the percentage that is liquid), debts, borrowing power, attitude toward spending versus savings. Marketers of income-sensitive goods closely watch trends in personal income, savings, and interest rates. If economic indicators point to a recession, marketers can take steps to redesign, reposition, and re-price their products. Some marketers target consumers who have lots of money and resources, charging prices to match.

The economic factors that influence buying behaviour are many, such as price, income, distribution of income, competition with substitutes, utility, and consumer preferences.

Consumer with high income is characterised by an active type of consumer behaviour, and the consumers with low income are characterized by tolerant or traditional type of consumer behaviour.

The success or failure of a nation's economy can greatly affect consumer behavior based on a variety of economic factors. If the economy is strong, consumers have more purchasing power and money is pumped into the thriving economy. If the economy is struggling, the reverse is true. A struggling economy affects factors such as employment and interest rates, and the people may lose consumer confidence. Economic impact analysis studies the possible effects of an economic development
project or investment, estimating the possible returns to a business or a community. This activity and the underlying theory provides decision makers with a basis for deciding the feasibility of an activity or investment. In a guide to economic impact analysis, the city of Sacramento, California stated that economic impact is based on a theory that money flowing into a local economy from outside sources benefits that local area. Benefits include new jobs and new revenue. In the case of local governments, additional tax revenues are another positive benefit.

**Chosen brand for the sought benefits**

The chosen brand for the sought benefits from the bath soap is presented in table 9.1.

Table 9.1: Chosen brand for the sought benefits from a bath soap

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Chosen Brand (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lux (0.4) Lifebuoy (2.4) Vivel (1.1) Dettol (1.5) Santoor (1.5) Cinthol (1.8) Any other (1.1)</td>
<td></td>
</tr>
<tr>
<td>Good cleansing</td>
<td>2 (0.4) 11 (2.4) 5 (1.1) 7 (1.5) 7 (1.5) 8 (1.8) 5 (1.1)</td>
<td>45 (10.0)</td>
</tr>
<tr>
<td>Good for skin complexen</td>
<td>2 (0.4) 123 (27.3) 6 (1.1) 5 (1.1) 11 (2.4) 10 (2.2) 12 (2.7)</td>
<td>169 (37.5)</td>
</tr>
<tr>
<td>Good fragrance</td>
<td>7 (1.5) 110 (24.4) 4 (0.9) 3 (0.7) 3 (0.7) 2 (0.4) 4 (0.9)</td>
<td>133 (29.6)</td>
</tr>
<tr>
<td>Brand image</td>
<td>1 (0.2) 5 (1.1) 3 (0.7) 2 (0.4) 21 (4.7) 0 (0.0) 18 (4.0)</td>
<td>50 (11.1)</td>
</tr>
<tr>
<td>Any other</td>
<td>1 (0.2) 4 (0.9) 5 (1.1) 11 (2.4) 20 (4.4) 6 (1.3) 6 (1.3)</td>
<td>53 (11.8)</td>
</tr>
<tr>
<td>Total</td>
<td>13 (3.8) 253 (56.2) 23 (5.1) 28 (6.2) 62 (13.8) 26 (5.8) 45 (10.0)</td>
<td>450 (100.0)</td>
</tr>
</tbody>
</table>

Source: Primary data. \( df = 21 \) \( \chi^2 = 20.477 \) \( p = 0.318 \)

Note: Figures in parentheses indicate percentages to row and column total.

Table 9.1 shows the chosen brand for the sought benefits for the respondents. Out of 450 respondents, 37.5% of them have chosen brand for skin complexion, 29.6% of them for good fragrance, 11.8% of them for any other benefit, 11.1% of them for brand image and 10% of them have chosen for good cleansing.

From Lux brand, 1.5% of them have chosen it for good fragrance, 0.4% each for good cleansing and for skin complexion, and 0.2% each for brand image and any
other benefit from the Lux soap. Out of 253 respondents of Lifebuoy soap, 27.3% of them have chosen it for skin complexion, followed by 24.4% of them for good fragrance, 2.4% for good cleansing, 1.1% for brand image, and 0.9% for any other benefit from the Lifebuoy soap. From the category of Vivel soap, 1.3% of respondents have chosen it for skin complexion, 1.1% for each good cleansing and any other benefit, 0.9% for good fragrance, and 0.7% for brand image to get the benefit. Out of 28 respondents, 2.4% of them have chosen Dettol bath soap it for any other benefit, 1.5% of them for good cleansing, 1.1% for skin complexion, 0.7% for good fragrance, and only 0.4% for brand image benefit from the Dettol bath soap. From Dettol soap, 4.7% have chosen it for brand image benefit, 4.4% of them for any other benefit, 2.4% for skin complexion, 1.5 for good cleansing, and 0.7% for good fragrance to get the benefit. Out of 26 respondents from Cinthol soap, 2.2% of the respondents have chosen it for good complexion benefit, 1.8% of them for good cleansing, 1.3% for any other benefit, 0.4% for good fragrance, and there is no respondents have chosen the branded bath soap to get the brand image benefit. While as 45 respondents from other brand soap, 4.0% of them have chosen it for brand image benefit, 2.7% for skin complexion, 1.3% for any other benefit, 1.1% for good cleansing, and 0.9% have chosen any other branded bath soap to get good fragrance benefit.

It may be clear the majority of the respondents have chosen a bath soap of a brand for getting skin complexion.

The $\chi^2$ test is applied to test the association between benefit sought from the soap and the brand chosen, and found that these the benefit sought does not have any impact on brand selection. Hence, the null hypothesis $H_0$: 'there is no significant association between benefit sought from the soap and the brand chosen' is accepted as 'p' value 0.318 is insignificant at 5% level of significance.

**Impact of income level on the family involvement in purchase decisions**

Involvement of family members in purchase decisions on the basis of their income level is presented in table 9.2.
It is observed from the table 9.2, that majority (45.5%) of the respondents have taken self decision to purchase the bath soap, followed by 18.4% of them by spouse, 4.0% by parents, and 2.7% by children decisions for purchase of the bath soap for their family were taken in those families whose monthly income is less than Rs.5,000.

Out of 93 respondents, whose income lies between Rs.5,000-10,000 per month, for 14.4% of them parents and children had taken decision to purchase the bath soap, for 5.3% of them by spouse, and for only 0.9% by self had taken decision for purchase the bath soap for their family.

Out of 22 respondents from income between Rs. 10001-15000, for about 3.8% of them parents and self have taken decision to purchase of the bath soap, for 1.1% by spouse, and no child respondent had taken decision for purchase of the bath soap for their family.

Among the families whose income lies between Rs.15,000-20,000, for 2.8% of them spouse and self, for 0.2% by parents, and no child respondents have taken decision to purchase the bath soap for their family.

Only 3 respondents have monthly income more than Rs.20,000, out of which for 0.4% and 0.2% self and spouse have taken decision for purchase of the bath soap for their family, and there is no parent and child respondents to take decision for purchase of the bath soap for their family.
More than 50.0% of the respondents have taken self-decision to purchase the bath soap, for 26.7% of them by spouse, for 13.3% by parents, and for 10.0% by children have taken decision for purchase of the bath soap for their family.

It may be observed that the majority of the respondents, who are classified on their income to purchase a branded soap.

The $\chi^2$ test is applied to test the association between decision making by family members and their income level in purchase of the bath soap, and found that the income level does not have any impact on the involvement of family members in the purchase decision, and hence, the null hypothesis $H_0$ 'there is no significant association between decision making by family members and their income level' is accepted as 'p' value 0.417 is insignificant at 5% level of significance.

**Buyer of the bath soap based on income**

Decision maker need not be a buyer of bath soap. The following table 9.3 portrays the actual buyer of the bath soap for the families based on their income:

<table>
<thead>
<tr>
<th>Monthly income (in Rs.)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 5,000</td>
<td>77 (17.1)</td>
</tr>
<tr>
<td>5,001-10,000</td>
<td>183 (40.7)</td>
</tr>
<tr>
<td>10,001-15,000</td>
<td>154 (34.2)</td>
</tr>
<tr>
<td>15,001-20,000</td>
<td>36 (8.0)</td>
</tr>
<tr>
<td>Above 20,000</td>
<td>450 (100.0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Buyer in the family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td>77</td>
</tr>
<tr>
<td>Spouse</td>
<td>183</td>
</tr>
<tr>
<td>Parents</td>
<td>154</td>
</tr>
<tr>
<td>Children</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>450</td>
</tr>
</tbody>
</table>

Source: Primary data. $df = 12 \chi^2 = 16.323 \ p = 0.821$ (insignificant)

Note: Figures in parentheses indicate percentages to row and column total.

Table 9.3 presents the buyer of the bath soap in their family based on their income. Out of 318 respondents, whose income lies below Rs.5,000, for 29.1%, 7.1%, 6.2%, and 6.0% of them spouse, self, parents and children respectively acted as the buyer of the bath soap in their family.

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From the group whose monthly income lies between Rs.5,001-10,000, out of a total of 93 respondents, for large number (8.9%) of the spouse was the buyer of the bath soap in their family, followed by for 7.1%, 3.8%, and 0.9% of them self, parents, and children respectively were the buyers of the bath soap for their family.

In the monthly income category of Rs.10,001-15,000, out of 22 respondents, for 1.8% of them spouse acted as the buyer of the bath soap in their family, while for 1.1% each of them self and children, and for 0.9% of them parents, acted as the buyer of the bath soap in their families.

Monthly income category of more than Rs.20,000, only for 3 respondents (0.7%) of them self was the buyer of the bath soap in their family based, and there is no spouse, parent, and child respondents as the buyers of the bath soap in their families.

For majority (40.7%) of the respondents spouse was the buyer in their family for the purchase of bath soap, for 34.2% of them the parents, while for 17.1% of them the self, and only for 8.0% the children acted as the buyers in their families for the purchase of bath soap.

It could be concluded that for majority of the respondents spouse and parents were the buyer of the bath soap in their family and most of them belong to less than Rs.5,000 income.

The $\chi^2$ test is applied to test the association between buyer of the bath soap and income level of rural buyers, and found that the income level does not have any impact on buyer of bath soap, and hence, the null hypothesis $H_0$ 'there is no significant association between buyer of the bath soap and income level' is accepted as ‘p’ value 0.821 is insignificant at 5% level of significance.

Impact of bath soap's price on rural buyer's satisfaction

Pricing is all around us. Everything has a price. Basically two factors affect the company price decision and strategy, namely internal and external factors.

Internal factors: To a large extent these factors are controllable by the company and, if necessary, can be altered. However, while the organisation may have control over these factors making a quick change is not always realistic. For instance, product
pricing may depend heavily on the productivity of a manufacturing facility (example how much can be produced within a certain period of time). The marketer knows that increasing productivity can reduce the cost of producing each product and thus allow the marketer to potentially lower the product's price. But increasing productivity may require major changes as the manufacturing facility that will take time (not to mention be costly) and will not translate into lower price products for a considerable period of time.

*External factors:* There are a number of influencing factors which are not controlled by the company, including buyer satisfaction but will impact pricing decisions. Understanding these factors requires the marketer conduct research to monitor what is happening in each market the company serves, since the effect of these factors can vary by market.

Buyer satisfaction on the price of the bath soap based on their income level is presented in table 9.4.

Table 9.4: Buyer satisfaction on the price of the bath soap based on their income level

<table>
<thead>
<tr>
<th>Buyer satisfaction on the price</th>
<th>Monthly income (in Rs.) (No. of respondents)</th>
<th>Total no. of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Below 5,000</td>
<td>5,001-10,000</td>
</tr>
<tr>
<td>Highly satisfied</td>
<td>241 (53.5)</td>
<td>20 (4.4)</td>
</tr>
<tr>
<td>Satisfied</td>
<td>28 (6.2)</td>
<td>31 (6.9)</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>10 (2.2)</td>
<td>8 (1.8)</td>
</tr>
<tr>
<td>Highly dissatisfied</td>
<td>39 (8.7)</td>
<td>34 (7.5)</td>
</tr>
<tr>
<td>Total</td>
<td>318 (70.6)</td>
<td>93 (20.6)</td>
</tr>
</tbody>
</table>

Source: Primary data. \( \chi^2 = 16.701 \) \( p = 0.238 \) (insignificant)

Note: Figures in parentheses indicate percentages to row and column total.

Table 9.4 shows buyer satisfaction on the price of the bath soap, based on their income level. In the category of 'highly satisfied', majority of buyers (53.5%) were satisfied with the price of the bath soap, who are below Rs.5,000 monthly income, followed by 4.4%, 2.4%, and 2.2% of them whose monthly income lies between
Rs.5,001-10,000, Rs.10,001-15,000, Rs.15,001-20,000, and above Rs.20,000 respectively.

In the category of ‘satisfied’, majority of buyers (6.9%) were satisfied with the price of the bath soap, whose monthly income lies between Rs.5,001-10,000, followed by 6.2%, and 0.4% of them with a monthly income of below Rs.5,000, and Rs.10,001-15,000; and there is no respondent who was satisfied with the price of the bath soap with their income lying between Rs.15,001-20,000, and above Rs.20,000.

In the category of ‘dissatisfied’, majority of buyers (2.2%) whose income lies below Rs.5,000 were dissatisfied with the price of the bath soap, followed by 1.8%, 1.1%, and 0.4% of them were whose income lies between Rs.5,001-10,000, Rs.10,001-15,000, Rs.15,001-20,000 dissatisfied on the price of the bath soap, and no respondent have dissatisfied on the price of the bath soap in the above Rs.20,000 income category.

In the ‘highly dissatisfied’ category, majority of buyers (8.7%) whose monthly income was less than Rs.5,000 were dissatisfied on the price of the bath soap, followed by 7.5%, 0.9%, 0.7%, and 0.4% of them whose income lies between Rs.5,001-10,000, Rs.10,001-15,000, above Rs.20,000, and Rs.15,001-20,000 respectively were highly dissatisfied on the price of the bath soap.

Based on their income level differences majority (62.6%) of the respondents were highly satisfied on the price of bath soap, while 18.2% of them were highly dissatisfied, followed by 13.6% of them were satisfied, and only 5.6% were dissatisfied on the price of the bath soap.

It could be concluded that majority of the respondents who were highly satisfied on the price of the bath soap are from an income group of less than Rs.5,000.

The $\chi^2$ test is applied to test the association between buyer satisfaction with the price and income level, and found that the income level does not have any impact on buyer satisfaction. Hence, the null hypothesis $H_0$: ‘there is no significant association between buyer satisfaction with the price and income level’ is accepted as ‘p’ value 0.238 is insignificant at 5% level of significance.
Type of house and involvement of family members in purchase decision

Involvement of family members in purchase decision based on type of their house they live in is presented in table 9.5.

Table 9.5: Involvement of family members in purchase decision based on the type of the house they live in

<table>
<thead>
<tr>
<th>Decision making by family members</th>
<th>Type of the house (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned house</td>
<td>Rented house</td>
</tr>
<tr>
<td>Self</td>
<td>116 (25.8)</td>
<td>109 (24.2)</td>
</tr>
<tr>
<td>Spouse</td>
<td>98 (21.8)</td>
<td>22 (4.9)</td>
</tr>
<tr>
<td>Parents</td>
<td>32 (7.1)</td>
<td>28 (6.2)</td>
</tr>
<tr>
<td>Children</td>
<td>24 (5.3)</td>
<td>21 (4.7)</td>
</tr>
<tr>
<td>Total</td>
<td>270 (60.0)</td>
<td>180 (40.0)</td>
</tr>
</tbody>
</table>

Source: Primary data

\[ \chi^2 = 3.107, \quad p = 0.375 \]

Note: Figures in parentheses indicate percentages to row and column total.

Table 9.5 reveals that involvement of family members in the purchase of bath soap based on type of their house. In the owned house category, 25.8% of them had self decision making, 21.8% of them are by spouse, while 7.1% of them are by parents, and only 5.3% of them are children purchase decisions are made.

In rented house category, 24.2% of the respondents took to buy the bath soap, followed by 6.2%, 4.9%, and 4.7% of them wherein parents, spouse, and children respectively had taken purchase decisions.

Majority (50.0%) of the respondents took self decision followed by 26.7%, 13.3%, and 10.0% of them whose spouse, parents, and children respectively took decisions for purchase of the bath soap for their family irrespective of type of the house they live in.

It could be concluded that the majority of the respondents took self decisions to purchase bath soap and most of them possess own house.

The \( \chi^2 \) test was applied to test the association between involvement family members in purchase decision and type of the house, and found no association between them. Hence, the null hypothesis \( H_0 \): there is no significant association...
between involvement family members in purchase decision and type of the house’ is accepted as ‘p’ value 0.375 is insignificant at 5% level of significance.

Buyer of the bath soap based on type of the house he/she lives in

Buyer of the bath soap based on type of the house is presented in table 9.6.

Table 9.6: Buyer of the bath soap based on type of the house they live in

<table>
<thead>
<tr>
<th>Buyer in the family</th>
<th>Type of the house (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned house</td>
<td>Rented house</td>
</tr>
<tr>
<td>Self</td>
<td>64 (14.2)</td>
<td>13 (2.9)</td>
</tr>
<tr>
<td>Spouse</td>
<td>98 (21.8)</td>
<td>85 (18.9)</td>
</tr>
<tr>
<td>Parents</td>
<td>87 (19.3)</td>
<td>67 (14.9)</td>
</tr>
<tr>
<td>Children</td>
<td>21 (4.7)</td>
<td>15 (3.3)</td>
</tr>
<tr>
<td>Total</td>
<td>270 (60.0)</td>
<td>180 (40.0)</td>
</tr>
</tbody>
</table>

Source: Primary data. \( \chi^2 = 1.451 \), \( p = 0.202 \) (insignificant)

Note: Figures in parentheses indicate percentages to row and column total.

If \( P < 0.05 \), association is significant
\( P > 0.05 \), is association insignificant

Table 9.6 shows that the buyer of the bath soap for the family based on type of the house. In the category of ‘owned house’, majority (21.8%) of them were spouse who buy for the family, followed by 19.3%, 14.2%, and 4.7% of them were parents, self, and children respectively that buy the bath soap for the family.

Out of 180 respondents, in the category of ‘rented house’ 18.9% of them are spouse who buy the bath soap for their family, followed by 14.9%, 3.3%, and 2.9% of them for which parents, children, and self respectively buy the bath soap.

Thus, majority (40.7%) of the respondents were spouse who acted as the buyer of the bath soap, 34.2% of them were by parents, while 17.1% were by self, and only by 8.0% of them the children acted as the buyers of the bath soap for their family irrespective of type of the house they live in.

It could be concluded that for majority of the respondents who owned houses, self, spouse, and parents were happened to the buyer of bath soap for their families.

The \( \chi^2 \) test is applied to test the association between buyer of the soap and type
of the house, and found that the type of the house does not have any impact on the buyer of the bath soap. Hence, the null hypothesis $H_0: 0.202$ is insignificant at 5% level of significance.

**Buyer satisfaction on price based on the type of house he or she lives in**

Buyer satisfaction on price based on the type of house is presented in table 9.7.

Table 9.7: Buyer satisfaction on price based on the type of house

<table>
<thead>
<tr>
<th>Buyer satisfaction on price</th>
<th>Type of the house (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned house</td>
<td>Rented house</td>
</tr>
<tr>
<td>Highly satisfied</td>
<td>172 (38.2)</td>
<td>110 (24.4)</td>
</tr>
<tr>
<td>Satisfied</td>
<td>38 (8.4)</td>
<td>23 (5.1)</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>17 (3.8)</td>
<td>8 (1.8)</td>
</tr>
<tr>
<td>Highly dissatisfied</td>
<td>43 (9.5)</td>
<td>39 (8.7)</td>
</tr>
<tr>
<td>Total</td>
<td>270 (60.0)</td>
<td>180 (40.0)</td>
</tr>
</tbody>
</table>

Source: Primary data.  
$df = 3$  
$\chi^2 = 2.016$  
p = 0.321  
( insignificant)

Note: Figures in parentheses indicate percentages to row total.

Table 9.7 reveals about the buyer satisfaction on the price of the bath soap based on their type of the house, the respondent lives in. From the category of 'owned house', majority of buyers (38.2%) were highly satisfied on the price of the bath soap, while 9.5% of them were dissatisfied, 8.4% of them were satisfied, and only 3.8% were dissatisfied on the price of the bath soap.

In the category of 'rented house', majority of buyers (24.4%) were highly satisfied on the price of the bath soap, while 8.7% of them were highly dissatisfied, 5.1% were satisfied, and only 1.8% were dissatisfied on the price of the bath soap.

Thus, majority (62.6%) of the respondents were highly satisfied with the price of bath soap, and 18.2% of them were highly dissatisfied, while 13.6% were satisfied, and only 5.6% were dissatisfied on the price of the bath soap.

It may be concluded that majority of the respondents who were highly satisfied (63.0%) on the price of the bath soap own their houses.
The \( \chi^2 \) test is applied to test the association between buyer satisfaction on the price of the bath soap based on their type of the house, and found that there does not any relation between them. Hence, the null hypothesis \( H_0: \text{there is no significant association between buyer satisfaction on the price of the bath soap based on their type of the house} \) is accepted as ‘p’ value 0.321 is more than 0.05, and hence, insignificant at 5% level of significance.

**Buyer of the bath soap based on possession of land**

Buyer of the bath soap based on possession of land is presented in table 9.8.

**Table 9.8: Buyer of the bath soap based on possession of land**

<table>
<thead>
<tr>
<th>Buyer in the family</th>
<th>Possession of land (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Self</td>
<td>25</td>
<td>52</td>
</tr>
<tr>
<td>Spouse</td>
<td>53</td>
<td>130</td>
</tr>
<tr>
<td>Parents</td>
<td>55</td>
<td>99</td>
</tr>
<tr>
<td>Children</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td>152</td>
<td>298</td>
</tr>
</tbody>
</table>

Source: Primary data.  

\[ \chi^2 = 2.763 \quad p = 0.311 \]

Note: Figures in parentheses indicate percentages to row and column total.

(ina insignificant)

If \( P<0.05 \), association is significant  
\( P>0.05 \), is association insignificant

Table 9.8 shows that the buyer of the soap for the family based on possession of land. In the category of ‘yes’, majority (36.2%) of them were parents who buy for the family, followed by 11.8%, 5.5%, and 4.2% of them for which spouse, self, and children respectively that buy the bath soap for the family.

Out of 298 respondents, in the category of ‘no’ 28.9% of them are spouse who buy the bath soap for their family, followed by 22.0%, 11.5%, and 3.8% of them for which parents, self, and children respectively buy the bath soap.

Thus, for majority (40.7%) of the respondents soaps were bought by spouse, and 34.2% of them were by parents, while 17.1% were by self, and for only by 8.0% of them the children acted as the buyers of the bath soap for their family irrespective of possession of the land.
It could be concluded that for majority of the respondents who have land, self, spouse, and parents were happened to the buyer of bath soap for their families.

The $\chi^2$ test was applied to test the association between buyer of the bath soap and possession of land, and found that the type of the house does not have any impact on the buyer of the bath soap. Hence, the null hypothesis $H_0$ that 'there is no significant association between buyer of the bath soap and possession of land' is accepted as 'p' value 0.311 is insignificant at 5% level of significance.

**Buyer satisfaction on price based on possession of land**

Buyer satisfaction on price based on possession of land is presented in table 9.9.

Table 9.9: Buyer satisfaction on price based on possession of land

<table>
<thead>
<tr>
<th>Buyer satisfaction on price</th>
<th>Possession of land (No. of respondents)</th>
<th>Total no. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Highly satisfied</td>
<td>75 (16.7)</td>
<td>207 (46.0)</td>
</tr>
<tr>
<td>Satisfied</td>
<td>30 (6.7)</td>
<td>31 (6.9)</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>10 (2.2)</td>
<td>15 (3.3)</td>
</tr>
<tr>
<td>Highly dissatisfied</td>
<td>37 (8.2)</td>
<td>45 (10.0)</td>
</tr>
<tr>
<td>Total</td>
<td>152 (33.8)</td>
<td>298 (66.2)</td>
</tr>
</tbody>
</table>

Source: Primary data.

Note: Figures in parentheses indicate percentages to row total. (insignificant)

If $P<0.05$, association is significant
$P>0.05$, is association insignificant

Table 9.9 portrays the buyer satisfaction on the price of the bath soap based on their possession of land. From the category of ‘yes’, majority of buyers (16.7%) were highly satisfied on the price of the bath soap, and 8.2% of them were highly dissatisfied, while 6.7% of them were satisfied, and only 2.2% were dissatisfied on the price of the bath soap. In the category of ‘no’, majority of buyers (46.0%) were highly satisfied on the price of the bath soap, and 10.0% of them were highly dissatisfied, while 6.9% were satisfied, and only 3.3% were dissatisfied on the price of the bath soap.
Thus, majority (62.6%) of the respondents were highly satisfied with the price of bath soap, and 18.2% of them were highly dissatisfied, while 13.6% were satisfied, and only 5.6% were dissatisfied on the price of the bath soap irrespective of possession of land.

It may be concluded that majority of the respondents were highly satisfied (63.0%) on the price of the bath soap based on the possession of land.

The $\chi^2$ test was applied to test the association between buyer satisfaction on the price of the bath soap based on possession of land, and found that there does not any relation between them. Hence, the null hypothesis $H_0$: 'there is no significant association between buyer satisfaction on the price of the bath soap and possession of land' is accepted as 'p' value 0.403 is more than 0.05, and hence, insignificant at 5% level of significance.

**IMPACT OF SOCIAL FACTORS ON BRAND LOYALTY**

In any sociological investigation, the discussion of the socio-economic background of the respondents is an essential undertaking. Because of such a discussion provides the study in proper perspective and brings out the social composition, and the economic status of the respondents. Not only from the point of view of identification of the informant group, but also from the angle of correcting the responses with the social characteristics of the group wider study, the discussion of the social-economic dimensions of the respondents has became an integral part of the sociological endeavour.

Social life is the essence of human life. It grows out of constant patterning of social interaction and relationship among human beings as such. The social life is a composite whole or web of diverse social institutions and phenomena. According to Lowie (1950) "The study of social organization deals primarily with the significant grouping of individuals". Man does not live alone and at the same time he has to meet his basic needs like food and shelter and social needs like companionship, recreation, religions activities etc. He thus forms a group or association with the help of other men and builds up certain institutions with the help of which he satisfies his needs.

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The social structure is constantly renewed by the social life i.e., the actual relations of persons and groups of persons change continuously and a study of the structure of society should include this aspect also. New members are added to a community by birth or immigration or marriage. Membership is lost when there is death or emigration or divorce. Thus the structure is continuously changing while the general structure remains relatively constant over a longer period, i.e., the nature of social relations between persons change very slowly.

Changes occur in social structure to help the new challenges posed by the scientific and technological advancement. Modernization of social structure is a relatively slow process than the modernization an individual, and it slower in case of rural society.

A social factor is a force exerted by other people that affect buyer behaviour, as it involves the activities of people motivated by group's pressures as well as by individual desires. Sociologists and socio-psychologists have attempted to explain the behaviour of a group of individuals and the manner in which it influences and conditions individual's behaviour in the market place. Similarly anthropologists explain the influences of culture on consumer behaviour. Some of the social factors that can influence the consumer behaviour are social class.

The social and cultural factors that influence the buying behavior of consumers are inclusive of culture, social class, reference group, family, demographics and geography. Culture is an amalgam of tangible factors and intangible traditions that enunciate the lifestyle of a particular group of people. As for social class, it defines the income group the individual belongs too and that, in turn, is heavily dependent on the income earned, which is a great factor in determining buying behaviour. The third factor is the reference group. As is obvious from the name it is the group from whom the consumer seeks reference. It could range from people like one's parents, members of the family whom the individual feels close to, close friends, celebrities who endorse the brand etc. People whom we trust, their opinion means a great deal to us and affects many decisions of ours including buying behavior. Regarding family, this determinant is totally different from the erstwhile one as this one focuses on the norms and
preferences of the family in which the individual lives and is brought up. Moreover this determinant is on a collective and unconscious basis as the individual's buying decision is taking effect from the ambience of his family and the unconscious way he has grasped the values that have been given to him by his family. Coming to demographics, these are small and specific details about the individual such as age, gender, education, income, occupation etc. Also the geographical location in which the consumer resides also determines the buying behavior depending on sub-factors like climatic conditions, availability of resources, surroundings etc.

**Social class:** Social class refers to the social position that an individual occupies in society. Thus, the social standing is the characteristics and possess such education, occupation, ownership of property and source of income, as the illustrated in 9.1 figure. This leads to the division of society into a hierarchy of social classes ranging from high status to low status so that, members within each of the social classes have relatively the same status as each other.

![Figure 9.1: Social standing – how it is derived and how it influences behaviour?](image)


This hierarchical aspect of social classes is important to marketing because consumers in a particular social class develop preferences and consumption patterns that are unique to them. They tend to purchase certain products because they are favoured by members of their own social class or a higher social class. They might also be found avoiding some products because they are perceived to have associations as lower class products. Consistent with this behaviour, social class has been defined
as the relatively permanent and homogeneous divisions or strata in society, which
differ in their status, wealth, education, possessions, values, beliefs and attitudes,
friendships and manner of speaking. Status differences also exist between the social
classes in terms of diverging amounts of prestige, power and privilege. Social class is
used in fact, to describe status differences and social value systems in a society. The
term status is used to convey the idea that different positions in a society have
different values to it. Status is, in other words, a socially identified position, along
with a socially ascribed role, that results in particular patterns of behaviour for
individuals. Consumer products frequently serve as external symbols of this
identification process. The concept of social class involves families rather than
individuals. A family shares many characteristics among its members that affect its
relationships with outsiders namely, the same house, a common income, and, similar
values. This means that, if a large group of families are approximately equal to one
another and closely differentiated from other families, they called a social class. Thus,
social class could be considered as large groups in a population sharing approximately
the same lifestyles, who are stratified according to their social status and prestige.
Behaviour is restricted so that members of a social class tend to socialize both
formally and informally with each other, rather than with members of other classes.
Social class associations also tend to occur in class related patterns.

Social class and social influences: Social influence pertains to the extent to which the
consumer is aware of other people and groups while making decisions, and the extent
to which they influence the decisions that they make. Certain products are associated
with particular social classes and individuals and, these in turn, are used as a reference
point by others.

There are two types of social influences. First, there is normative influence
and this involves the influence of social factors in the decisions that consumers make.
The pressure of normative social influence can be so strong that, it may frequently
lead to consumer conformity, that is consumers acting like sheep and striving to be
accepted by buying only socially approved products and brands. In the marketing
system consumer opinion is indirectly encouraged because the process of mass
production is being made available at dramatically lower-costs, and along with social 
influence, this is strongly suggestive of pushing consumers towards conformity. A 
second type of social influence is informational influence. The consumers often 
obtain information from other people and groups about products, stores, movies and 
restaurants, for instance. They may be influenced by such information but do not 
ecessarily feel pressured to behave in any particular way. Information may be given 
directly through various types of verbal or other communication or, indirectly, through 
observation.

Traditionally, one of the chief determinants of social class was income. Income 
aside, social class is an indicator of life style and its existence exerts a strong influence 
on individual consumers and their behaviour. There is evidence to suggest that 
whatever income level a consumer reaches during his or her lifetime, basic attitudes 
and preferences do not change radically. As consumers, we usually identify with a 
particular class or group, but often it is not the actual social class that is revealing, but 
that which the consumer aspires to. Income and/or education allows young people to 
cross social class barriers and adopt life styles which are different from those of their 
parents. They will tend to absorb the influences of the group to which they aspire and 
gradually reject the life styles of their parents and relations. It can thus be seen that 
occupation is a strong determinant towards an individual’s behavioural patterns, which 
includes buyer behaviour.

The social class is a composite of many personal and social attributes rather 
than a single characteristic such as income or education. The number of categories of 
social class varies. They are ordered in a manner that begins with some type of elite 
upper class and ends with a lower class as follows:

i. Upper-upper class
ii. Lower-upper class
iii. Upper-middle class
iv. Lower-middle class
v. Upper-lower class
vi. Lower-lower class
The percentage of population accounted for in each social class appears to fluctuate but is concentrated in the middle and lower classes. The concept of mass marketing can, for instance, be applied to the middle classes but not to the affluent upper-upper. The upper-upper is, however, a desirable target market for specialty products marketing by firms. Such products can appeal to the cultivated tastes of a very small number of affluent consumers. In addition, four target groups have been identified by marketers for their use. These include a broad upper class, a white collar middle class, an affluent working class and poorer lower class is presented in figure 9.2.

Figure 9.2: Requirements for a social class system

<table>
<thead>
<tr>
<th>Upper class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle class</td>
</tr>
<tr>
<td>Working class</td>
</tr>
<tr>
<td>Lower class</td>
</tr>
</tbody>
</table>

Source: Hawkins, DI; Best, RJ; and Coney K.A., Consumer Behaviour, Implications for marketing strategy.

The social classes are described for marketing purposes, in terms of the social groups form which they are drawn in society.

- **The upper-upper social class:** This is the wealthy, aristocratic, landed class. It serves as a reference for the social classes below. It is not a major market segment, because of its small size.

- **The lower-upper social class:** This is the newer social elite. Money is relatively new. It is an achieving group, drawn from professionals and, includes the successful, and wealthy executive elite, doctors, and founders of large businesses. It constitutes a major market for specialized luxury products.
The upper-middle class: This class consists of the moderately successful. It consists of the professionally educated managers, intellectual elite and successful professionals, doctors, lawyers, and professors, owners of medium-sized businesses and managerial executives, and also younger men and women who are expected to reach these occupational status levels. Housing is important to this class, and also the appearance of products in general.

The lower-middle class: It is represented by the common man, and the highly paid individual worker. It includes the small business owners and non-managerial workers. Persons in this class tend to have high school educations and some college education, but do not reach high levels in their organizations.

The working class: This is the largest of the social classes, and is composed of skilled and semi-skilled workers.

They are blue (Khaki) collar workers but have sufficient money for consumer products, and along with the middle classes, they represent the market for mass consumer products.

Within each of these social classes, there are both, underprivileged and over privileged members depending on whether their incomes are above, or below, the average for the class. For many products, the groups of interest to the marketer are the middle and working classes, by afar the largest segment of the market.

Social class and lifestyles: An individual’s lifestyles, beliefs and values are based not only on his or her current status but also on the status of his or her parents. The socialization pattern creates a tendency for individuals to live a certain lifestyle. Lifestyle characteristics are generally assumed, therefore, to reflect social class, and are closely associated with it. Because of this, it is possible to think of the social classes as subcultures where each class has its own distinguishing mode of behaviour with its own values and lifestyles. For example, the upper-upper class may be socially secure and not find it necessary to purchase the most expensive brands to impress other people. The middle and lower classes on the other hand may tend to engage heavily in conspicuous consumption.
Lifestyles differences should therefore be considered when choosing appropriate marketing appeals to communicate with members in these different social class groupings. This does not imply that members of the same social class will necessarily have homogeneous behaviour. In fact, it is observed that there is considerable variation in the way individual members within each social class, realize their goals and express their values, in terms of their consumption pattern.

*Social class and buying behaviour:* People's buying behaviour is strongly influenced by the social class to which they belong, or, aspire to belong, rather than by income alone. Social class measures have also been linked to demographic and geographic data using the principle that people of similar social classes live in geographic clusters. Class differences in status are commonly symbolised by food, housing, clothing, furnishings and even at religious gatherings. Particularly in societies where wealth dictates status, possessions become a substitute indicator of an individual's worth. Social class and relative standing within a class also decide the kinds of purchases with regard to house, car, clothing, food, furniture and appliances, consistent with what is expected by their peers are presented in figure 9.3.

The social classes also differ in how much they search for information prior to and, during shopping. The upper and middle classes tend to engage in more information search prior to buying. For example, prior to purchasing appliance they will read more newspapers, brochures and test reports. In contrast, lower class consumers are more apt to rely on instore displays and on salespersons. Lower class consumers have less product information.

The upper classes respond to more sophisticated appeals that offer objects as symbols related to status and self. Advertising to the upper classes is, therefore, more effective when stressing abstract product benefits. Lower status people have been found to be more responsive to advertising that depicts relationships and offers solutions to practical problems in daily life. They respond to advertising of a strong visual character, and straight-forward, literal approaches. Message positioning thus become important when addressing members of the different social classes (figure 9.3).
### Figure 9.3 Life-style orientations and purchasing tendencies of the different social classes

<table>
<thead>
<tr>
<th>Social class</th>
<th>Life-style orientation</th>
<th>Purchasing tendencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper class</td>
<td>Good taste, Graceful living, Good things in life, Individual expression, Interest in arts, Culture</td>
<td>Quality merchandise, Expensive hobby and recreation equipment, Art, Books, Travel</td>
</tr>
<tr>
<td>Middle class</td>
<td>Respectability, Conformity, Propriety social esteem</td>
<td>Items in fashion, Items related to self-presentation, Nice clothing, and home, Items for children</td>
</tr>
<tr>
<td>Working class</td>
<td>Fun-oriented, Parochial, Unsophisticated taste, Focus on possessions, not ideas</td>
<td>Newest appliances, Sporting events, Newest and biggest items</td>
</tr>
<tr>
<td>Lower class</td>
<td>Close family relationships, Not interested in world affairs, Neighbourhood-oriented, Immediate gratification</td>
<td>Status symbols, Products enhancing self-esteem, Pseudosymbols of prosperity, such as used scooters, Readily available products</td>
</tr>
</tbody>
</table>


**Social class and market segmentation**: Social class has thus been found better than income for expressive types of consumer behaviour such as private club membership, ownership of farm houses, type of automobile owned, type of stores patronized, and also the particular brands purchased. It is, therefore, necessary that, promotional messages, distribution channels and, retail outlets be effectively related to social class membership. However, social class has not always been successful in market segmentation and there has been a long controversy as to whether social class or income is a better variable for segmentation. The choice between the two appears to depend on the product and the situation. Social class variable has been found superior to income variable for the purchase highly visible symbols and expensive objects such as living room furnishings. What is important for market segmentation is that, within each social class, there will be similarly shared values, attitudes and behaviour patterns.

Income has been found to be a better predictor for major kitchen and laundry appliances and products that required substantial expenditure but are not status
symbols, lastly, the combination of social class and income have been found superior for product classes that are visible, serve as symbols of social status and require moderate expenditure like television sets, cars and clothing.

*Family:* Market research traditionally uses the individual consumer as the unit of analysis, but there are types of purchasing decision where the family becomes the decision-making unit. Studies of this phenomenon attempt to describe the various roles played by family members and the complexity of interactions that take place in reaching a collective decision. Family roles influence decision-making far beyond the normative compliance effects. In terms of its functions as a reference group, the family differs from other groups in the following respects:

- *Face-to-face contact* on a daily basis.
- *Shared consumption* of such items as food, housing, car, TV sets, and other household durables.
- *Subordination of individual needs* to the common welfare. There is never a solution that will suit everybody.
- *Purchasing agents* will be designated to carry out the purchasing of some items. As the number of working parents grows, pre-teens and young teens are taking an ever-increasing role in family shopping.

The family is perhaps the strongest reference group for most people because of its intimacy and relative permanence. Strong associations means that individuals within this group will influence each other.

*Family life cycle:* A popular tool for analyzing family purchasing behavior is the family life-cycle, which describes the typical changes that take place in families over a period of time. Traditionally, the family life-cycle has concentrated on life-stage events such as marriage and the arrival of children, and schooling and the departure of children (often referred to as the 'full nest' and 'empty nest' life stages). However, given the evident changes in demographics, the family life-cycle is no longer a straightforward linear model, but something resembling a complex network of life patterns that may be connected by (out), non-traditional or repeated life stages.
The family life cycle traditionally contains six stages, although more recently different divisions have been quoted. These divisions are:

1. **Unmarried**: Here, financial commitments and family responsibilities tend to be low, with disposable income being high. These younger unmarried consumers tend to be more leisure-orientated and more fashion conscious. This segment thus comprises a very important market for many new and innovative products.

2. **Young newly married couples - no children**: This group focuses its expenditure on those items considered necessary for setting up home.

3. **Young married couples with children**: Outlay here is children-orientated, and there is little surplus cash for luxury items. Although they are receptive to new product ideas, this group sees economy as being the over-riding factor when making purchases.

4. **Older married couples still with children at home**: Disposable income will probably have increased, often with both parents working and children being relatively independent. In some cases children may be working and the parents are able to engage increasingly in leisure activities often in the form of more than the 'standard' annual holiday. Consumer durables, including major items of furniture, are often replaced at this stage. Such purchases are often made with different motivations to the original motivations of strict functionality and economy that was necessary at an earlier life cycle stage.

5. **Older married couples with no children living in the home**: Here, disposable income can be quite high. However, tastes are likely to be firmly rooted reflected in unchanging purchasing patterns. Thus marketers will have difficulty when attempting to change predispositions, so the best policy will be through attempts to refine and add value rather than to introduce new concepts and ideas.

6. **Older retired couples and single people** At this stage, most consumer durables have been purchased although occasional replacements will be
required. Purchasing is low and patterns of purchasing are conservative and predictable. This group of consumers is increasing rapidly. Such people tend to be less reliant solely on the ‘State pension’, many having subscribed to occupational pensions from former employers, which boosts the State pension. This allows this group to lead more active lives and the tourist industry now actively targets this particular market segment.

In the past the tendency was for clearer demarcations of purchasing responsibility in terms which partner was responsible for which purchases. Nowadays, this distinction is far less clear cut as family roles have tended to merge in terms of women taking on traditionally viewed male roles and vice versa. Marketers should, therefore, engage in research before determining whom to target for their marketing efforts.

Integrating all the possibilities discussed, we get the following depiction of the family life cycle shown in figure 9.4:

Figure 9.4: Philip Kotler’s family life cycle

![Family Life Cycle Diagram](image)

Source: Philip Kotler, Marketing management – Analysis, planning, implementation and control, 2000.

Generally, there are two main themes in the family life cycle, subject to significant exceptions:
• As a person gets older, he or she tends to advance in his or her career and tends to get greater income (exceptions: maternity leave, divorce, retirement).

• Unfortunately, obligations also tend to increase with time (at least until one’s mortgage has been paid off). Children and paying for one’s house are two of the greatest expenses.

Note that although a single person may have a lower income than a married couple, the single may be able to buy more discretionary items.

Family decision making: Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals are information gatherers/holders, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favors their chosen alternatives. Influencers do not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The decision maker(s) have the power to determine issues such as:

• Whether to buy;
• Which product to buy (pick-up or passenger car?);
• Which brand to buy;
• Where to buy it; and
• When to buy.

However, that the role of the decision maker is separate from that of the purchaser. From the point of view of the marketer, this introduces some problems since the purchaser can be targeted by point-of-purchase (POP) marketing efforts that cannot be aimed at the decision maker. Also note that the distinction between the purchaser and decision maker may be somewhat blurred:

• The decision maker may specify what kind of product to buy, but not which brand;
• The purchaser may have to make a substitution if the desired brand is not in stock;
• The purchaser may disregard instructions (by error or deliberately).
It should be noted that family decisions are often subject to a great deal of conflict. The reality is that few families are wealthy enough to avoid a strong tension between demands on the family’s resources. Conflicting pressures are especially likely in families with children and/or when only one spouse works outside the home. Note that many decisions inherently come down to values, and that there is frequently no “objective” way to arbitrate differences. One spouse may believe that it is important to save for the children’s future; the other may value spending now (on private schools and computer equipment) to help prepare the children for the future. Who is right? There is no clear answer here. The situation becomes even more complex when more parties, such as children or other relatives are involved.

Some family members may resort to various strategies to get their way. One is *bargaining* one member will give up something in return for someone else. For example, the wife says that her husband can take an expensive course in gourmet cooking if she can buy a new pickup truck. Alternatively, a child may promise to walk it every day if he or she can have a hippopotamus. Another strategy is *reasoning* - trying to get the other person(s) to accept one’s view through logical argumentation. Note that even when this is done with a sincere intent, its potential is limited by legitimate differences in values illustrated above. Also note that individuals may simply try to “wear down” the other party by endless talking in the guise of reasoning (this is a case of *negative reinforcement* as we will see subsequently). Various manipulative strategies may also be used. One is *impression management*, where one tries to make one’s side look good (example, argue that a new TV will help the children see educational TV when it is really mostly wanted to see sports programming, or argue that all “decent families make a contribution to the church”). *Authority* involves asserting one’s “right” to make a decision (as the “man of the house”, the mother of the children, or the one who makes the most money). *Emotion* involves making an emotional display to get one’s way (example, a man cries if his wife will not let him buy a new rap album).

*Reference groups:* This can be described as group of people whose standards of conduct mould an individual’s dispositions, beliefs and values. This group can be
small or large. Reference groups can range from the immediate family to the place of work. They can also be found in a person’s social life. An individual is unlikely to deviate too far from the behavioural norms laid down by the members of a club or hobby group. Reference group theory does not state that individualism cannot exist within a group, but it does suggest that even rigid independent thinkers will at least be aware of what is considered ‘normal’ within a group.

In a small group like the family the advice and opinions of those who are regarded as knowledgeable will be highly regarded. Such people are termed ‘opinion leaders’. Extraneous to groups influences might also be at work in opinion forming, and here there is the existence of opinion leaders who are outside of the immediate group. Their opinions are taken up by ‘opinion followers’. In the case of a number of products, a deliberate direct appeal is made to the so-called ‘snob appeal’. This is done by using a marketing strategy of making a company’s products acceptable to opinion leaders, or famous personalities (who are paid for their endorsement) in the hope that other sectors of the population will follow them.

A reference group is any person or group that serves as a point of comparison (or reference) for an individual informing either general or specific values, attitudes or a specific guide for behaviour. Reference groups serve as frames of reference for individuals in their purchase or consumption decision. These also serve as benchmarks for specific or narrowly different attitudes.

Reference group influences

Humans are inherently social animals, and individuals greatly influence each other. The group influence on the individual is the so called – the term comes about because an individual uses a relevant group as a standard of reference against which oneself is compared. Reference groups influence consumer behaviour in two ways:

i. They set levels of aspiration for the individual, that is they offer cues as to what lifestyle should be led.

ii. They define items appropriate for a member of the group to lead that lifestyle.
A reference group is in other words, a group to which a person will compare himself or herself, to determine his or her own relative standing. The reference groups are usually small groups, and are not as broad as an entire social class. The reference group concept was, in fact, originally developed in connection with small groups. These include the family, close friends, neighbours, religious groups, work groups and also, athletic groups. The family is recognized as an important reference group. In addition, various family members may play different roles in the purchase consumption process. Like the family, there are several other social groups that have an enormous influence on their lives. They regulate their lives through establishing standards of dress and conduct, and the accomplishment of tasks on a face-to-face basis. Reference groups come in different forms:

- **The aspirational reference group** refers to those against whom one would like to compare oneself. For example, many firms use athletes as spokespeople, and these represent what many people would ideally like to be.

- **Associative reference groups** include people who more realistically represent the individuals' current equals or near-equals – for example, coworkers, neighbors, or members of churches, clubs, and organizations.

- Finally, the **dissociative reference group** includes people that the individual would not like to be like. For example, the store literally named The Gap came about because many younger people wanted to actively dissociate from parents and other older and uncool people.

- **Reference groups** come with various degrees of influence. **Primary** reference groups come with a great deal of influence – for example, members of a fraternity or sorority. **Secondary** reference groups tend to have somewhat less influence – for example, members of a boating club that one encounters only during week-ends are likely to have their influence limited to consumption during that time period.

Another typology divides the reference groups into informational, normative and identification reference groups.
• **Informational influence:** This influence occurs when a consumer is influenced by the product information someone provides. A person's power to exercise this influence on another person comes from his or her expertise. There are four types of expert referents: (a) professional advisors, such as doctors, tax accountants, and car mechanics; (b) product enthusiasts, such as computer buffs who get excited whenever new software is released; (c) market mavens - individuals who are generally knowledgeable about the marketplace happenings and possess information about a range of products, prices, distribution outlets, and even special promotions in effect at the time; and (d) other experienced consumers.

Much word-of-mouth communication occurs simply because members are inclined to share their views on products. Salespersons also frequently exercise this influence because consumer naturally expect them to possess product information; besides, often they are the only product experts conveniently available precisely when consumer need such advice - at the point of purchase. The choice of the suit is influenced by the salesperson, and this influence is informational in nature.

• **Normative influence:** This influence occurs when a consumer's decision or action is based on his or her desire to conform to the expectations of someone else. The force behind this influence comes from the referent's power to reward to punish the consumer's behaviour. There are four types of normative referents:

  a. Parents and family members: Parents and family members exercise influence on youngsters because they have the power to reward or punish them. Children and adolescents may not watch, read, eat, wear, or drive what their parents do not approve.

  b. Friends and peers: Identifying the power of reward and sanction that friends and peers possess is straightforward. If they want to keep their friends, then they must keep them happy. They must fit in, or they may become an outcast or a target of ridicule.
c. Regulatory bodies and other public institutions: Government and other regulatory bodies simply mandate, under threat of punishment, certain behaviours (which include consumption behaviours).

d. Work organisations: Employers exercise referent power because they control a resource of great value to public – their wages.

Identificational influence: This influence occurs when a consumer emulates the behaviour of another person. The force behind this influence is the referent's attractiveness as a role model or as an identity definer. They all have a role model, someone they look up to, someone they admire, someone they aspire to be like. They then emulate his or her tastes, his or her lifestyle, even mannerisms. These referents define for the consumers a self-concept, a personal identity, which they adopt and then enact with the accoutrements that go with that identity and its represents a closure, more dependent relationship than that implied by compliance. In identification, the individual complies to maintain a social relationship.

Influence of reference group on products and brands: Individual often buy particular brands because they observe others buying them, and not necessarily in order to comply with group behaviour. At social gatherings too, people discuss at lengths, products they like and dislike, recounting personal experiences with products they have used. It is necessary to consider carefully, therefore, how much influence reference groups are likely to have for a product or service. Those products or services that have strong group usage or connotation should then be presented in a group context in advertising situations.

It has been suggested that reference group influence on both, product and brand decisions is a function of its conspicuousness. Conspicuousness affects the marketing of goods depending on how products and brands fit into different categories of conspicuousness. There are two dimensions or elements by which conspicuousness is assessed. These are the exclusivity and the visibility of a product. The exclusivity dimension refers to exclusivity in ownership of the product. This means that, if
everyone already owns a product, it is less conspicuous than if only a few people own it. For example, when a maker of designer shirts asserts only 11 men in this would wear this shirt, he by deliberately restricting his output per pattern in imparting exclusivity to the product. The exclusivity dimension of conspicuousness is represented in terms of necessity goods at the left versus luxury goods at the right. This means that products that are necessities will be owned by most consumers and will not be very conspicuous. Products that are luxuries will be owned by the fewer consumers and will be more conspicuous as shown in the following figure. The other is the visibility dimension. This refers to the product and brand being seen and identified by other people. This has its effect primarily on brand decision in figure 9.5.

Figure 9.5: Reference group influence on product and brand

(Combining public-private and luxury-necessity dimensions with product and brand decisions)

<table>
<thead>
<tr>
<th></th>
<th>Necessity</th>
<th>Luxury</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>Weak reference group influence on product (-)</td>
<td>Strong reference group influence on product (+)</td>
</tr>
<tr>
<td>Strong reference group influence on brand (+)</td>
<td>Public Necessities</td>
<td>Public luxuries</td>
</tr>
<tr>
<td>Private</td>
<td>Weak reference group influence on brand (-)</td>
<td>Private Necessities</td>
</tr>
<tr>
<td></td>
<td>Influence: Weak product and brand. Examples: mattress, floor lamp, refrigerator</td>
<td></td>
</tr>
</tbody>
</table>


The visibility dimension of conspicuousness is built into the diagram as a public private dimension. This means that products consumed in public are more conspicuous, while products consumed in private are less conspicuous. For public luxuries, the potential for reference group influence is high. This occurs because few
people own these products in the first place. In addition, since such products have high visibility, the brand or model will also be noticed.

For private luxuries, fewer people own these, so that, having the product will by itself provide exclusivity benefit. However, because they are easily visible and everyone can see whether a person is wearing a wristwatch, the brand may be susceptible to reference group influence. For private necessities, products that are required by almost everyone, reference group influence will be weak on both the product and the brand because such items are not very visible.

Reference group influence will therefore vary depending on whether the products and brands are public necessities, private necessities, public luxuries or private luxuries. According to reference group theory, group influence is greatest for luxury goods that are consumed publicly, and least for necessities that are consumed privately.

1. Influence on product and brand (Public luxuries): Certain groups are more likely to allow smoking, than others. If smoking is the norm, the group is likely to express a preference for a certain brand. Reference group influence is therefore likely to be strong for both the product and the brand.

2. Influence on product only (Private luxuries): Some product categories are so distinctive that owing them is sufficiently representative of group standards, for example, air conditioners, and home computers. Once a family buys a home computer, for instance, friends and neighbours will come into contact with the recently acquired product and the pattern of ownership will spread within the group.

3. Influence on brand only (Public necessities): There are some products that are used by almost everyone. For example, clothing, furniture, magazines, toilet soaps. In such cases, the product is not subject to group influence. The brand becomes an important factor subject to group influence. Thus, one group may emphasize designer clothes as a distinguishing feature. Another may emphasize leisure wear. Another group may read high brow magazines as the norm.
4. No group influence (Private necessities): Some products have low social visibility for both the product and the brand. In such cases reference group influence is weak or absent. Such products are then bought on the basis of product attributes suitable to the consumer. Products low in visibility, complexity and perceived risk such as bread, are not likely to be susceptible to personal influence.

Factors determining the impact of reference groups on the brand loyalty of bath soap among rural buyers

In the present study, factor analysis is applied on opinions expressed by the respondents to group together variables that are highly correlated (Nargundkar 2005). This analysis involves three steps: firstly, extracting factors from a correlation matrix, secondly, deciding how many factors are to be interested, and thirdly, rotating these retained factors. The eigen value or the total variance explained by a factor represents the sum of the squares of the factor loadings of each variable on that factor. It indicates the relative importance of each factor in accounting for the particular set of variables being analyzed (C.K.Kothari 2010). Eigen values greater than 1.0 are considered significant and a total variance greater than 60% is considered satisfactory.

Null Hypothesis $H_0$: There is a significant difference between the reference groups do differ significantly in their impact on the brand loyalty of rural buyers towards bath soap they used.

Tests of sample adequacy: Measure of sample adequacy such as Barlett’s test of sphericity (approx Chi-Square is 14268.103, degree of freedom is 268, significance is 0.000) and the Kaiser-Meyer-Olkin (KMO) sampling adequacy test was used to measure sampling adequacy. The KMO index range from 0 to 1, reaching 1 when each variable is perfectly predicted without error by the other variables. The KMO test interprets that the sampling data is 74.8% adequate for this factor analysis and thus falls in the meritorious range of 0.8 and above (Hair et al., 1998). Since the number of factors that are extracted and retained are different from each other.

Findings: Through SPSS the principal components analysis and Varimax rotation were used for generating and extracting factors, as a result of which four factors (with
Eigen value of more than 1.0 which is considered significant) that accounted for an explained total variance of a significant 61.218% are shown in table 9.10.

Table 9.10: Impact of reference groups on brand loyalty of rural buyers towards bath soap

<table>
<thead>
<tr>
<th>Attribute no.</th>
<th>Factors retained (1,2,3,4 and 5) and variables (15 - as are numbered from 1 to 15 in the questionnaire administered)</th>
<th>Loadings of variables/ attributes</th>
<th>Communalities</th>
<th>Percentage of variance explained and its Eigen value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>My friend forced me to buy this product.</td>
<td>0.799</td>
<td>0.771</td>
<td>Variance explained = 29.285% (Eigen value = 3.469) No. of variables = 4</td>
</tr>
<tr>
<td>7.</td>
<td>I have to do my own shopping.</td>
<td>0.799</td>
<td>0.771</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>The bath soap I own say a lot about how well I am doing in life.</td>
<td>0.797</td>
<td>0.710</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>I would buy a product that is endorsed by a celebrity I like.</td>
<td>0.797</td>
<td>0.710</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>I prefer taking most of my decisions myself.</td>
<td>0.890</td>
<td>0.822</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>I try to keep my life simple, as far as possessions are concerned.</td>
<td>0.890</td>
<td>0.822</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>My mother still buys almost every product that her mother did.</td>
<td>0.881</td>
<td>0.918</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>I decide to buy a particular brand of bath soap because my friends or those with whom I have a social interaction like it.</td>
<td>0.865</td>
<td>0.907</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>I find it hard to break away from the opinions established.</td>
<td>0.498</td>
<td>0.308</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>I purchase a particular brand of bath soap because my colleagues or boss like it and they expect me to buy it.</td>
<td>0.465</td>
<td>0.383</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>I would be happier if I could afford to buy more brands.</td>
<td>0.465</td>
<td>0.383</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>I am attracted to advertisements that use celebrities.</td>
<td>0.789</td>
<td>0.687</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>I select a brand of bath soap because the people whom I consider having good taste of bath soap use it.</td>
<td>0.789</td>
<td>0.687</td>
<td></td>
</tr>
</tbody>
</table>

Contd..table 9.10
Naming of factors and discussion: The five extracted factors have been given appropriate names on the basis of variables represented in each case as shown in table 9.10. These factors representing values of opinion impact of reference groups on brand loyalty of bath soap to rural buyers.

**Factor 1 – Friend, celebrity and own shopping**

The total variance explained in table 9.1 reveals that this factor has explained a highest variance of 29.285% of with eigen value is 4.393. Five variables were loaded on this factor. The researcher has named this factor as 'friend, celebrity and own shopping', as it includes 'my friend forced me to buy this product', 'I have to do my own shopping', 'the bath soap I own say a lot about how well I am doing in life', and 'I would buy a product that is endorsed by a celebrity I like'. The higher factor loadings such as 0.799, 0.799, 0.797 and 0.797 respectively on its attributes helps in identifying attributes associated with factor 1. The above said four attributes have high communalities ranging between 0.710 and 0.771 that indicates that the attributes have very high association among them. It could be concluded that the above attributes are powerful and strong that determined the impact of reference groups on brand loyalty.

**Factor 2 – Affordability, self-decision and simple life**

Factor 2 explains 13.128% of variance in the opinion on the impact of reference groups. The researcher has named it as 'affordability, self-decision, and simple life'. The factor is highly positively and equally loaded on both 'I prefer taking most of my decisions myself' and 'I try to keep my life simple, as far as possessions
are concerned' (0.890). Two out of fifteen variables loaded on significantly to this factor. Among the attributes of factor 2, it could be observed that the above factors played successive roles and it can be concluded that the above two attributes are the most crucial in influencing the decision of rural buyers while choosing a particular bath soap.

**Factor 3 – Foot steps of mother and friends**

Factor 3 explains 9.123% of variance and positively, highly loaded at 0.881 on the ‘my mother still buys almost every product that her mother did’, at 0.865 on ‘I decide to buy a particular brand of bath soap because my friends or those with whom I have a social interaction like it’, at 0.498 on ‘I find it hard to break away from the opinions established’, at 0.465 on ‘I purchase a particular brand of bath soap because my colleagues or boss like it and they expect me to buy it’, and at as low as 0.465 on ‘I would be happier if I could afford to buy more brands’. The researcher has named this factor as ‘foot steps of mother and friends’. The values of communality for the above five attributes indicates that higher amount of variance is explained by the extracted factors. It could be concluded that the above attributes are powerful and strong variables that determined the impact of reference groups on brand loyalty and the variable ‘desire to have affordability to buy more brands’ has shown least loading role.

**Factor 4 – Good taste and advertisements by celebrities**

Factor 4 explains 5.982% of variance and is loaded positively, highly and equally at 0.789 on ‘I am attracted to advertisements that use celebrities’ and on ‘I select a brand of bath soap because the people whom I consider having good taste of bath soap use it’. The researcher has named this factor is ‘good taste and advertisements by celebrities’ The higher value of communality for the two attributes indicates that higher amount of variance is explained by the extracted factors and association between themselves. It could be concluded that these attributes were powerful and strong that determined the impact of reference groups on brand loyalty among rural buyers.
Factor 5 – Decision by main earner in the family

Among the attributes of place towards the impact of reference groups on brand loyalty of the factor 5 explains 3.700% of variance and positively loaded on ‘the main earner in my family has an important say in selecting brands’ and ‘I searched for information about the brand of bath soap from those who work with the products as a profession’ at 0.804 and 0.625 respectively and thus the researcher has named this factor as ‘decision by main earner in the family’. The higher value of communality for the two attributes indicates that higher amount of variance is explained by the extracted factors. The variable ‘main earner is important in selecting brands’ plays a leading role in impact of reference groups and the variable ‘searching information about the product with product professionals’ has shown least leading role.

It can be concluded that the reference groups factor 1 consisting of ‘friends, advertisements by celebrities and own shopping experiences’ was the most influencing one with 29.3 per cent of the total variance explained, while the factor 5 ‘decision by family’s main earner’ is the least influencing one with 3.7 per cent of the total variance explained, that influenced on brand loyalty towards bath soap among rural buyers.

It can be concluded that factor 1 consisting of ‘consumer reports and product characteristics’ was the most influencing one with 27.3 per cent of the total variance explained, while the factor 5 ‘consideration of factors’ is the least influencing one with 6.7 per cent of the total variance explained, that influenced the impact of learning and attitude on brand loyalty towards bath soap among rural buyers.

The formulated null hypothesis $H_054$ is rejected, as all the measured factors not equally important on brand loyalty, and hence, the result is significant. It could be concluded that ‘there is a significant difference between the reference groups do differ significantly in their impact on the brand loyalty of rural buyers towards bath soap they used’.

Reason: Product choice and usage therefore differ among the social classes. Some products and services such as vacations are bought mainly by the upper classes.
Again, the upper classes go for products that provide identification, that are fashionable and, represent good taste. The various social groups thus transmit the norms and values of their social culture to members on a daily basis.

The reasons for shopping have also been found to differ among the social classes. The upper classes tend to shop more for pleasure. Because of this they also tend to shop in stores with a sophisticated, highbrow atmosphere. For example, people in this class are more likely to patronize exclusive boutiques for their apparel needs. Social class thus seems to determine where to shop.

As most of the respondents were either illiterates or had education up to SSC level, their relations with the people in the society were limited and they are doing own shopping. So, they preferred family, friends, and religious groups, etc., as their reference groups.

**Suggestion**: Products may be differentiated in several ways. Some may be represented as being of superior quality, or they may differ in more arbitrary ways in terms of styles and the rural buyers are like one style better than another, while there is no real consensus on which one is superior. Finally, products can be differentiated in terms of offering different levels of service and increasing or decreasing the "sticker price" of a product.

It is suggested the marketers and producers take into account the opinions of the family, friends, and religious groups, as reference groups while designing promotional programs.

Marketing through multi-level marketing channels, kitty parties, social gathering and etc. where people within the same rural community can be encouraged as the influence to make a purchase through the opinions of friends and peer group is more in rural consumers. While marketing to the rural consumer, it is important that positioning of the bath soap brand has to be consistent with the rural consumers' social status appreciation so as to give them psychological satisfaction and should motivate them to continue with the same brand. While planning for rural market company should consider the factors that influenced buying decision, such as life style, buying
capacity of the buyer, etc. as they try different products as suggested by the peers, neighbours, and others.

IMPACT OF CULTURAL FACTORS ON BRAND LOYALTY

Culture can influence consumer thoughts and actions (Herbig, 1998; Trompenaars, 1994), thereby affecting decision-making styles and purchase behaviours. Culture is a complex and widely researched subject (Inkeles and Levinson, 1969; Hofstede, 1980; Trompenaars, 1994; Triandis, 1995) that can be defined as "the collective programming of the mind, which distinguishes the members of one human group from another" (Hofstede, 1980). Through an extensive study of people from 53 countries that has become one of the most cited works in this area, Hofstede (1980, 1994) identified four basic dimensions of differences between national cultures. Although there has been some criticism about Hofstede's research, especially on issues about generalisability of the dimensions (Yeh, 1998), many researchers still utilize this framework when studying cross-cultural influences on attitudes and behaviours (Fam and Merriless, 1998; Liu, Sudharshan and Hamer, 2000; Mortenson, 2002). Hofstede's cultural dimensions prove insightful and are often employed as the basis for cultural differentiation (Liu, Sudharshan and Hamer, 2000). In 1991, Hofstede proposed that the same dimensions that differentiated between national cultures could also be applied to a within-culture context (i.e. subcultures).

Culture is part of the external influences that impact the consumer. Culture includes a set of learned beliefs, values, attitudes, habits, and forms of behaviour that are shared by society and are transmitted from generation to generation within that society. Each society develops a unique culture of learned way of life, which it hands down to future generations. Culture can influence consumers' attitudes and behaviour. While there have been numerous studies on the impact of culture on the marketing mix, few researchers have examined the influences of cultural values on individuals' proneness to brand loyalty.

Since culture greatly affects buyer behaviour patterns, it is of obvious importance to marketer. If the behaviour pattern of cultures was stable and
unchanging, the net effect for marketers would also be stable. However, the behaviour of culture tends to be dynamic rather than static, especially in fast-pace modern societies. In addition, the marketer’s job is made more difficult because numerous sub-culture and contracultures are part of most modern societies.

Sub-culture: Sub-culture is a distinct cultural group existing within a larger culture. Each culture contains “sub-cultures” — groups of people with share values, sub-cultures can include nationalities, religions, racial groups, or groups of people sharing the same geographical location. Sometimes a sub-culture will create a substantial and distinctive market segment of its own. For example, the “youth culture” or “club culture” has quite distinct values and buying characteristics from the much older “gray generation”. The members of a sub-culture tend to adhere to many of the cultural moves of overall society, yet they also profess beliefs, values, and customs which set them apart. An understanding of sub-culture is important to marketing managers because the members of each sub-culture tend to show different purchase behavioural patterns.

Characteristics of Culture: The following are the characteristics of culture:

- Culture is comprehensive: It means that all parts must fit together in some logical fashion. For example, bowing and a strong desire to avoid the loss of face are unified in their manifestation of the importance of respect.
  - ii. Culture is _learned_ rather than being something we are born with.
  - iii. Culture is manifested within _boundaries_ of acceptable behaviour.
  - iv. Conscious awareness of cultural standards is limited.
  - v. Cultures fall somewhere on a continuum between static and dynamic depending on how quickly they accept change.

Culture is a problematic issue for many marketers since it is inherently nebulous and often difficult to understand. One may violate the cultural norms of another country without being informed of this, and people from different cultures may feel uncomfortable in each other’s presence without knowing exactly why (for example, two speakers may unconsciously continue to attempt to adjust to reach an incompatible preferred interpersonal distance).
There is a tendency to stereotype cultures as being one way or another (example, individualistic rather than collectivistic). Note, however, countries fall on a *continuum* of cultural traits. Hofstede's research demonstrates a wide range between the most individualistic and collectivistic countries, for example — some fall in the middle.

Gert Hofstede, a Dutch researcher, was able to interview a large number of IBM executives in various countries, and found that cultural differences tended to center around four key dimensions:

- **Individualism vs. collectivism**: To what extent do people believe in individual responsibility and reward rather than having these measures aimed at the larger group? Contrary to the stereotype, Japan actually ranks in the middle of this dimension, while Indonesia and West Africa rank toward the collectivistic side. The U.S., Britain, and the Netherlands rate toward individualism.

- **Power distance**: To what extent is there a strong separation of individuals based on rank? Power distance tends to be particularly high in Arab countries and some Latin American ones, while it is more modest in Northern Europe and the U.S.

- **Masculinity vs. femininity** involves a somewhat more nebulous concept. “Masculine” values involve competition and “conquering” nature by means such as large construction projects, while “feminine” values involve harmony and environmental protection. Japan is one of the more masculine countries, while the Netherlands rank relatively low. The U.S. is close to the middle, slightly toward the masculine side. (The fact that these values are thought of as “masculine” or “feminine” does ‘not’ mean that they are consistently held by members of each respective gender—there are very large “within-group” differences. There is, however, often a large correlation of these cultural values with the status of women.)

*Uncertainty avoidance* involves the extent to which a “structured” situation with clear rules is preferred to a more ambiguous one; in general, countries with lower
uncertainty avoidance tend to be more tolerant of risk. Japan ranks very high. Few countries are very low in any absolute sense, but relatively speaking, Britain and

*High vs. low context cultures:* In some cultures, "what you see is what you get" – the speaker is expected to make his or her points clear and limit ambiguity. This is the case in the U.S. – if you have something on your mind, you are expected to say it directly, subject to some reasonable standards of diplomacy. In Japan, in contrast, facial expressions and what is not said may be an important clue to understanding a speaker's meaning. Thus, it may be very difficult for Japanese speakers to understand another's written communication. The nature of languages may exacerbate this phenomenon – while the German language is very precise, Chinese lacks many grammatical features, and the meaning of words may be somewhat less precise. English ranks somewhere in the middle of this continuum.

*Ethnocentrism and the self-reference criterion:* The self-reference criterion refers to the tendency of individuals, often unconsciously, to use the standards of one's own culture to evaluate others. For example, Americans may perceive more traditional societies to be "backward" and "unmotivated" because they fail to adopt new technologies or social customs, seeking instead to preserve traditional values. *Ethnocentrism* is the tendency to view one's culture to be superior to others. The important thing here is to consider how these biases may come in the way in dealing with members of other cultures.

*Advertising standardization:* Issues surrounding advertising standardization tend to parallel issues surrounding product and positioning standardization. On the plus side, *economies of scale* are achieved, a *consistent image* can be established across markets, *creative talent* can be utilized across markets, and *good ideas can be transplanted* from one market to others. On the down side, *cultural differences, peculiar country regulations,* and *differences in product life cycle stages* make this approach difficult. Further, *local advertising professionals may resist campaigns imposed from the outside*– sometimes with good reasons and sometimes merely to preserve their own creative autonomy.
Factors determining the impact of cultural factors on the brand loyalty of bath soap among rural buyers

In the present study, factor analysis is applied on opinions expressed by the respondents to group together variables that are highly correlated (Nargundkar 2005). This analysis involves three steps: firstly, extracting factors from a correlation matrix, secondly, deciding how many factors are to be interested, and thirdly, rotating these retained factors. The eigen value or the total variance explained by a factor represents the sum of the squares of the factor loadings of each variable on that factor. It indicates the relative importance of each factor in accounting for the particular set of variables being analyzed (C.K.Kothari 2010). Eigen values greater than 1.0 are considered significant and a total variance greater than 60% is considered satisfactory.

Null Hypothesis H0:5: There is no significant difference between cultural factors and brand loyalty of rural buyers towards bath soap they used.

Tests of sample adequacy: Measure of sample adequacy such as Barlett’s test of sphericity (approx Chi-Square is 17262.411, degree of freedom is 352, significance is 0.000) and the Kaiser-Meyer-Olkin (KMO) sampling adequacy test were used to measure sampling adequacy (table 9.11). The KMO index range from 0 to 1, reaching 1 when each variable is perfectly predicted without error by the other variables.

Table 9.11: Tests of sample adequacy

<table>
<thead>
<tr>
<th></th>
<th>Kaiser–Meyer–Olkin Measure of Sampling</th>
<th>0.816</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii.</td>
<td>Barlett’s Test of Sphericity</td>
<td>Chi–Square 17262.411</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dof 352</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Significance 0.000</td>
</tr>
</tbody>
</table>

The KMO test interprets that the sampling data is 81.6% adequate for this factor analysis and thus falls in the meritorious range of 0.8 and above (Hair et al., 1998).

Findings: Through SPSS principal components analysis and Vari-max method were used for extracting factors and five factors (factor loadings for each of 24 sub-factors,
i.e., with Eigen value of more that 1.0 which is considered significant) that account for an explained total variance of a significant 63.768% are shown in table 9.3.

Table 9.12: Impact of cultural values on brand loyalty of rural buyers towards bath soap

<table>
<thead>
<tr>
<th>Attribute no.</th>
<th>Factors retained (1, 2, 3, 4 and 5) and variables (24 – as are numbered from 1 to 24 in the questionnaire administered)</th>
<th>Loadings of variables/ attributes</th>
<th>Communalities</th>
<th>Percentage of variance explained and its Eigen value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: family relations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.</td>
<td>I change habits and behaviour with time.</td>
<td>0.830</td>
<td>0.812</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>I believe my parents know better than me.</td>
<td>0.825</td>
<td>0.799</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>I do not like to stand out in a crowd.</td>
<td>0.822</td>
<td>0.763</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>I often think about the good old days.</td>
<td>0.817</td>
<td>0.771</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>I have a close relationship with my family.</td>
<td>0.811</td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Price promotions in shops often attract me.</td>
<td>0.811</td>
<td>0.752</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>I search for a lot of information before I buy something.</td>
<td>0.709</td>
<td>0.893</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Being successful is the most important thing to me.</td>
<td>0.660</td>
<td>0.532</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>It is not the cost of the gift that matters to me, it is the honest.</td>
<td>0.660</td>
<td>0.532</td>
<td></td>
</tr>
<tr>
<td>Factor 2: Family prestige and quality of the brands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>I feel an Indian brand is more suited to my needs.</td>
<td>0.890</td>
<td>0.822</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>I feel I have a number of good qualities.</td>
<td>0.890</td>
<td>0.822</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>My family prestige is of utmost importance to me.</td>
<td>0.832</td>
<td>0.773</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>I feel competing in things may sometimes lead to less work getting done.</td>
<td>0.742</td>
<td>0.759</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>I generally buy or consume things which reflect my uniqueness.</td>
<td>0.710</td>
<td>0.709</td>
<td></td>
</tr>
<tr>
<td>Factor 3: Self attention</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>I pay a lot of attention to how I look when I go out.</td>
<td>0.881</td>
<td>0.918</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>The women of the house offer suggestions but the men take the decision.</td>
<td>0.865</td>
<td>0.907</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>My opinions about people can be quite subjective.</td>
<td>0.498</td>
<td>0.308</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>My regular brand is the same as what my parents had used for many years.</td>
<td>0.465</td>
<td>0.383</td>
<td></td>
</tr>
</tbody>
</table>

Contd..table 9.12

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Names of factors and discussion: The five factors named in table 9.12 are explained below:

Factor 4: Cultural practices

This is the most influencing factor with highest eigen value and total variance. This factor is named as 'family relations' as it includes 'I change habits and behaviour with time', 'I believe my parents know better than me', 'I do not like to stand out in a crowd', 'I often think about the good old days', 'I have a close relationship with my family', 'price promotions in shops often attract me', 'I search for a lot of information before I buy something', 'being successful is the most important thing to me' and 'It is not the cost of the gift that matters to me, it is the honest' with higher factor loadings of 0.830, 0.825, 0.822, 0.817, 0.811, 0.811, 0.709, 0.660 and 0.660 respectively with an explained variance of 31.421% and with high communalities ranging between 0.812 and 0.532 indicating that the attributes within this factor have very high association among themselves. It could be concluded that the attributes are powerful and strong variables which determines the impact of cultural values on brand loyalty of rural buyers towards bath soap.
Factor 2 – Family prestige and quality of brands

It has been revealed to be the second most important factor with explained variance of 11.410% of variance. This factor is named as ‘family prestige and quality of brands’, as it includes ‘I feel an Indian brand is more suited to my needs’ (0.890), ‘I feel I have a number of good qualities’ (0.890), ‘my family prestige is of utmost importance to me’ (0.832), ‘I feel competing in things may sometimes lead to less work getting done’ (0.742), and ‘I generally buy or consume things which reflect my uniqueness’ (0.710) with high factor loadings and with high communalities including that the variables are closely associated.

Factor 3 – Self attention

With a total of variance of 8.306% four variables, namely ‘I pay a lot of attention to how I look when I go out’, ‘the women of the house offer suggestions but the men take the decision’, ‘my opinions about people can be quite subjective’, and ‘my regular brand is the same as what my parents had used for many years’ with factor loadings 0.881, 0.865, 0.498 and 0.465 respectively were loaded on to this factor. The researcher has named this factor as ‘self attention’. Their communalities indicate that their paying lot of attention on personal get-up play a leading role and using the brand what parents also used has shown the least role. Hence it should be given top priority to be monitored.

Factor 4 – Cultural practices

Factor 4 explains 4.142% of total variance with eigen value of 1.857. The factor has positively loaded on the significant variables. The researcher has named this factor as ‘cultural practices’. The factor is highly loaded at 0.832 on ‘I never buy items just because I liked its advertisements’, at 0.789 on ‘I often try new brands before my friends and neighbours do’, at 0.688 each on ‘I believe that some people in my locality are more influential than others’, and ‘I am indifferent to most of the cultural practices that indulge in’. Among the attributes non-buying of items based on just liking advertisements play a most leading role against the cultural practices that indulged in has shown least role.
Factor 5 - Cues and security

Factor 5 explains 3.489% of total variance. The factor is positively and highly loaded at 0.826 on ‘In case of uncertainty, I look at others to get cues from them’, and at 0.794 on ‘I believe in saving money for a rainy day’. Hence this factor is named it as ‘cues and security’. The higher values of communality for the two attributes indicate that higher amount of variance is explained by the extracted factors. It could be concluded that the above attributes are powerful and strong variables which determines the impact of cultural values on brand loyalty of rural buyers towards bath soap.

It can be concluded that factor 1 consisting of ‘family relations’ was most influencing with 31.42 per cent of the total variance explained, while the factor 5 ‘cues and security’ is the least influencing one with 3.5 per cent of the total variance explained that influenced the brand loyalty towards bath soap among rural buyers.

The formulated null hypothesis $H_0$ is rejected since all the measured factors are not equally important on brand loyalty, and hence, the result is significant. It could be concluded that ‘there is a significant difference between cultural factors and brand loyalty of rural buyers towards bath soap they used’.

Reason: The rural buyers are changing their regular habits and behaviour with time, due to given preference to their work. They are believing their parents while they are maintaining good relationship with their family. But they are not adjusted to other works in routine daily work. The buyers are spending their timely happily with their family members in search of information from others about gift or offer items that are offered with the purchase of bath soap.

Suggestion: The marketers and producers should concentrate on how rural buyers spend their time to purchase bath soap if available at their work place. The price and promotional offers are of value in rural buyers. The marketers should focus on product differentiation that appeal to rural buyers as they give priority to purchase the bigger bath soap at low-price with different models and to choose product with attractive packing.