Introduction
I. INTRODUCTION

In the era of liberalisation and globalisation, markets all over the world are going through a metamorphosis. The present day consumers are regularly exposed to newer life-styles, products and services unprecedented due to the impact of media and communication explosion. Simultaneously, thanks to the continuously increasing disposable incomes, there has been a radical shift in the attitude and aspirations of the consumers. Consequently, multifaceted and segment specific newer brands are regularly flooding the markets world over. In most of the categories, consumer goods more particularly Fast Moving Consumer Goods (FMCG's) are jostling for shelf-space in the overcrowded marketplace, super markets, malls, and various retailing outlets have been catering to the ever increasing needs of the modern day consumers. In short, contemporary consumers are being offered umpteen number of choices in each and every product segment which is never seen before.

We are living in an age of brands. Today, there are normally no inanimate or dump products. They have transformed into brands with a personality of their own. They can be warm or friendly, cold or distant, old fashioned or sophisticated, stylish or shabby, and so on. This aura or ethos is what distinguishes a brand from a commodity.

Like outstanding individuals, the strongest brands, have more than personality-they have character, depth, and stand out in a crowd. This character has to be sustained and protected from a number of short-term demands so that the core image is not diffused. 'Brand itself has become a powerful brand in the common marketing practices!" A couple of decades back, hardly such a scenario was prevalent. Thanks to the ongoing liberalisation process and gradual emergence of India as a market destination for the international majors, there is a big assortment of brands in almost all product and service categories and brand competition has developed as one of the most significant features of the Indian marketing scenario in recent years. In an age of brands, the brand name is naturally a major marketing tool and one of the most important components of the total product/service personality. Against such a backdrop, the present chapter provides a conceptual review of brand loyalty. In the process, it examines various facets of brand, branding and brand loyalty besides discussing the nature, process and factors of brand loyalty.

1.1 BRAND : AN INTRODUCTION

There is legend that the practice of branding products originated when an ancient ruler decided that goods should bear some sort of symbol so that, if something should go wrong, buyers and the authorities would be in a position to identify the culprit. Forced to identify their brands with themselves, the story goes, producers started taking keen interest in their products and with all sincerity tried to make them better than those of their competitors’, thus reversing the negative intent of the King’s order. Whether the story is true or not, it makes the point that branding serves many purposes within our society. It necessarily helps buyers to determine which manufacturer’s products are to be avoided and which are to be sought.

The contemporary world is gradually becoming a small place and perhaps provokes all and sundry to use the term ‘global village’ liberally often. Technological innovations, crumbling trade barriers, global flow of capital and technology; information explosion, intensity of market competition, changing life styles and the demand for new products and services are posing formidable challenges and unprecedented opportunities to the business organizations world over. Most of the challenges to the modern business centers around competition. As a matter of fact, competition is one of the most important features of business in recent years. Once the business is able to weather competition successfully, unprecedented opportunities become a legion. “For achieving success in a ruthless competitive market, organizations strive hard to develop deep pockets lineage with the customers. In the process, those companies that have spent more time and effort in building strong brand allegiance are observed to be more in getting new markets for their products and services”.

Branding serves both the buyers as well as the sellers by making the process of exchange a pleasant-experience and need-fulfillment exercise. Branded goods and services possess the ability of ready marketability, thus considerably facilitating task of the seller. It helps the sellers to attract and build loyal customers and to show that the firm stands behind what it offers. Any brand/firm that has earned an association with quality and reputation is able to make new product/service launch somewhat easier.

Branded products/services offer a host of need-fulfillment and use satisfaction experiences which buyers are hardly able to resist. Without branding, buyers would not be in a position in recognizing products/services that have proved to be gratifying in the past. In many cases, consumers do have little knowledge about the physical semblance of products or salient characteristics of the service they buy most frequently. For many such consumers, purchases are made chiefly on the basis of the brand/firm reputation and goodwill which more or less an assurance that the product/service meets certain standards.

In the free enterprise and market system economy that most of the world is accepting as a way of economic life, branding is an important characteristic of the buying and selling of products, services and even ideas. Even societies that have tried to do away with branding in the past (like former Soviet Union and few other East European countries) have found that citizens will somehow determine which products are 'good' and which are 'bad'.

1.2 BRAND : MEANING AND DEFINITION

A name becomes a brand when consumers associate it with a set of tangible or intangible benefits that they obtain from the product or service. Simply stated, brand is an outcome of company's marketing efforts, product performance, and customer satisfaction. A strong brand stands for many things: quality, design, product(s), position, image, and value for money and confidence.

Brand is defined differently by many authors but the word brand is comprehensive, encompassing other narrower terms. A brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition".

Recognising that homogeneity of product offered identification of a given producer's output at the point of sale, manufacturers' resort to branding as a means of distinguishing their product from that of their competitors.

---


6 American Marketing Association (AMA).
A good brand name can evoke feelings of trust, confidence, security, strength and many other desirable characteristics. Brand can also be a medium through which consumers identify their experiences with the product offerings of a company. "The name of the company may be forgotten but the brand name remains in the mind of the consumer. And this brand name along with its associations, initiates future purchases".7

A brand is inclusive of both tangible and intangible benefits provided, it is the entire customer experience about the product or service. It includes all the assets critical to delivery and communicating the experience, the name, the design, the advertising, the distribution channel, the reputation.8

A brand should convey the essence, character and purpose of a company and also its products and services. A brand is a complex mixture of attributes, its visible face is its packaging and visual identity, its voice is its advertising, but its actual personality is something that really exists only in the mind of the consumer. Brand, however, unlike commodities, are made for imagination, and are thus infinitely sustainable so long as the investment in marketing is maintained.

What distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum total of consumers' perception and feeling about the product’s attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand.9

To the consumer brand provides important functions. Brands identify the source or maker of a product and allow the consumer to assign the responsibility to a particular manufacturer or distributor, most important, brands take on special meaning to the consumers. Because of the past experience with the product and its marketing program over years, consumers find out which brand satisfies their needs and which does not. As a result, brands provide a shorthand device or means of simplification of their product decision.10

---

10 Jacob Jacoby, Jerry C Olson and Rafael Haddock, “Price, Brand Name and Product Composition.
To the consumers brand is the function of:

1. Identification of source of product.
2. Assignment of responsibility to product maker.
3. Risk reducer.
4. Search cost reducer.
5. Promise, bond or pact with maker of product.
7. Signal of quality.

1.3 MARKETING IMPLICATIONS OF BRANDING

Learning and brand loyalty are closely linked as most current purchases are based on past buying experience. If the experience with a particular product/service is satisfying and gratifying, consumer response for the same would most likely be in the form of repeat purchase. If the experience is otherwise, the consumer response most likely be in the form of switching the brand. One of the main aim of marketing is to develop a group of people who will repeatedly purchase/search for the particular brand and wait for the brand in Out of Stock Situation (OSS).

Brand loyalty, to a significant extent, is the net outcome of the desire of the consumer to minimise the risk involved in purchasing decisions. Such a phenomenon always works to the advantage of established brands which are well-entrenched in the psyche of the consumers as well as in the market. New entrants of the market try hard to break the habitual response of the consumers. As a result, sales promotion measures like free samples, discounts on bills, coupons and introductory offers are undertaken to make a dent on the loyalty base so that consumers are induced to shift their base to competing brands. The aim is to follow up a new response with an acceptable reward in order to increase the probability of the response being repeated. This is a tough job if the market leader is well established and has deep pockets of brand loyalty. Most often brand leaders are in the habit of adopting a conservative strategy of not juggling around too much with a winner. However, at times it becomes imperative for the brand leader to innovate and extend the brand in order to maintain its market stand.

---

Brands can reduce the risk in product decisions. Consumers may perceive different types of risks in buying and consuming a product:

1) **Functional risk**: The product does not perform up to expectation.

2) **Physical risk**: The product poses threat to physical well-being or health of the user or others.

3) **Social risk**: The product results in embarrassment from the others.

4) **Psychological risk**: The product affects the mental well-being of the others.

5) **Time risk**: The failure of the product affects in an opportunity cost of finding another satisfactory product.

6) **Financial risk**: The product is not worthy the price paid.

Consumers can certainly handle these risks in a number of ways, but one way is obviously to buy well-known brands, especially those with which the consumers have had favourable experience.

Brands provide a number of valuable functions to their firms. Fundamentally they serve an identification purpose, to simplify product handling or tracing. Operationally, brands help to organise inventory and accounting records. A brand can retain intellectual property rights, give legal title to the brand owner. Brands can signal a certain level of quality so that the satisfied buyers can choose the product again.

### 1.4 IMPORTANCE OF BRANDING

Brands are of great significance to the buyers and sellers as well. From the buyer's standpoint, branding helps in identifying and recognising the product, thus speeding up the shopping process. Brands also offer buyers fairly good protection.

---

against risks. By purchasing branded goods that have a high degree of market acceptance and with which the buyers are familiar, they are sure of getting at least minimum standards of quality and to some extent reasonable price.

1.5 BRANDING AND BRAND-BUILDING

Brand building is also the result of relentless endeavour rendered by the companies. As a matter of fact, building a brand's personality is the single most difficult task in marketing.

To build strong brands, a company must build a relationship between the brand and customer. Relationship arises from the customer’s experience of the brand. As the relationship grows stronger, so does the brand. Building strong brands is indeed expensive and long-term phenomenon. Once developed and nurtured, such brands add value to the company. These brands consequently contribute significantly to the company's earnings and profitability\(^\text{18}\). Starting from a basic brand which just represents a product, companies strategically build the brand which represents numerous products and gets associated with life-styles. Additional power and value can be added to the brand by building a global image of a brand which have special credibility and authority. Think of the best names in any business. How did they get to be the best names? Imagination, innovation, quality and style had a lot to do with it.

Most brands do not take root. And from those that survive birth, most limp into category of 'also ran'. Only a handful of them are successful and from these occasionally, over the years springs a market leader. Brand warfare is different: the brand warrior identifies the key conquest as the customer, not the rival. Beating the rival follows inexorably from winning over the customer’s heart and mind so the process of nurturing a brand is a crucial aspect of the warrior's attack.

Banding is ultimately about securing the future of a company, its products and services, by building loyalties using emotional as well as rational values. Companies which are rated by marketers as the rising stars for the future are those with very clearly positioned confident corporate brands. These companies deliver through their core competencies and more importantly have a coherent core value and emotional brand proposition for the consumers. Ultimately, successful brand building involves

identifying with the customer’s desires and giving what he or she wants as the value (price and quality) plus the characteristics of image being sought, aspired to, or accepted.

Kapferer’s model of brand identity is emphasized on the dimensions of: Physique, Personality, Culture, Relationship, Reflection and Self-image.¹⁹

Picture of sender

By Physique Kapferer means what others refer to as “function”, and is wider than the mere physical characteristics of the brand. Personality is widely used as a main dimension in fnmg markets. Culture can belong either to the brand itself or to the parent company. Because in most product markets people buy repeatedly, they have relationship with the brand. By reflection we mean the type of user and the brand appears to be aimed at. Self-image is the internal version of the reflection. Thus strong brand is one that has consistent, coherent identity.

The brand image can be developed in one of the following ways²⁰:

1. How a brand is manufactured,
2. The brand features,
3. The benefits of the brand,
4. Organization-based association,
5. The overall differentiation attributed to the brand,

For some organisations, the primary focus of brand strategy development is placed on brand building, developing and nurturing activities. Many other companies use branding strategies in order to increase the strength of the product image. Factors that serve to increase the product image strength include (1) Product quality, (2) Consistent advertising and other marketing communications in which brands tell their story often and well. The distribution intensity whereby customers see the brand wherever they shop and brand personality where the brand stands for something.

Strong brands continuously provide relevant information and reasons to buy the product to the customer in a creative and motivating manner which will directly or indirectly drive sales growth. The basic attributes of winning brands obviously are ubiquity, equity, value positioning/pricing, consistency and innovation.

In India, most of the marketers hardly realised the importance of branding until recently. There was no need for them to give it a second thought as the consumers in general, did not have much of a choice in terms of better products in a closed market. Things started changing with the opening up of the economy in the wake of economic liberalisation and opening of the country's gates to global competitors since the early nineties. There are significant demographic changes in the consumer profile. Most markets are growing in size and power and there is upgradation of Indian markets in terms maturity, taste, quality, and information. Also the consumer buying processes are changing. Consumers are now more demanding, educated and better informed. They now have higher exposure to quality products and their expectations are increasing.

Some of the Indian companies however, in the meantime have built a strong brand equity over the years. Most of them have realised that brands do have values and, should be viewed as assets of the firm. Many leading industrial houses have been able to develop enduring connections with their customers. Tata, Kirloskar, Bajaj, Mahindra, Godrej, to name a few. Well known Indian brands, include Asian Paints, Amul, Nirma, Park Avenue, Titan, VIP, Amul, and others. These are the brands that have withstood the tests of the time. In the recent past, some of the brands launched by Arvind namely, Newport, Ruf & Tuff, jeans have become runaway success. Brands like Titan, VIP, Amul have really worked out their strategies so well to keep the MNCs at bay. So gradually many marketers in India are learning the nuances of marketing and the art of brand building to stay afloat in highly competitive markets.
1.6 BRAND LOYALTY OF THE CUSTOMERS

Customer loyalty is one of the most important issues facing business today. With fast technological advancements it also becomes increasingly difficult to sustain product advantages beyond a reasonable period of time. At the same time, modern day consumers are also becoming better informed and more discerning. They recognise and expect excellence in popularizing their products. In such an environment, successful marketers are those who recognise these changes in the consumers. They listen to and understand their need and take steps to meet their expectations. Today's marketers therefore search for strategies to maintain a set of satisfied customers popularly termed as brand loyal. Brand loyal consumers, as a matter of fact, provide the basis for a stable and growing market share of a company. Therefore interest of the product marketers hovers around the ways and means to develop and sustain brand allegiance for their products and services.

Brand loyalty never just happens; Brand managers have to make it happen. Sometimes even when a product is not promoted, it presents an attractive image to a particular consumer segment.

1.7 FACTORS OF BRAND LOYALTY OF CUSTOMERS

The brand choice is a decision usually based on the brand's image and value (price and quality, or the perception of quality). The decision to remain loyal to the brand over time is based on these considerations:

- value (price and quality)
- image (both the brand's own 'personality' and its reputation)
- convenience and availability
- satisfaction
- service
- guarantee or warranty.

Brand loyalty is the brand feeling of the customers and is the emotional response and reaction to the brand. The six important types of brand -building feelings:21

---

1) Warmth:-The brand evokes soothing types of feelings and makes consumer feel a sense of calm or peacefulness.

2) Fun:- Upbeat types of feelings make consumers feel amused, lighthearted, joyous, playful, and so on.

3) Excitement:- The brand makes the consumer feel energized and that they are experiencing something special.

4) Security:- The brand produces a feeling of safety, comfort and self-assurance.

5) Social approval:- Consumers feel that others look favourably on their appearance, behaviour.

6) Self-respect:- The brand makes consumers feel better about themselves; consumers feel a sense of pride, accomplishment, or fulfillment.

The first three types of feelings are experiential and immediate, increasing in the level of intensity. The latter three types of feelings are private and enduring, increasing in level of gravity.

In terms of value, long-term use of the brand in one sense, suggests loyalty, but much of the responsibility for keeping this going lies with the manufacturers brand manager. Brand loyalty is not totally customer-driven, nor does it occur in isolation. A lessening of quality standards will disappoint even the most loyal supporters, as well a price change that appears unwarranted. In some cases, it is helpful to advertise the manufacturer's suggested retail price.

The image of a company or brand has direct bearing on its market share. Products promoted as environment friendly have built strong brand loyalty among a large segment of the marketplace. Similarly, personality and reputation of the brand considerably influences brand loyalty. The reason some people drive or walk a considerable distance past one service station or fast food restaurant to get another is brand loyalty. Certainly price and quality are factors, but in most cases, the overriding reason is the brand, the brand of choice and its image that the customer has to come to identify with.

Convenience and availability contribute significantly in creating brand loyalty. A company may run huge ads, touting great sale prices, and special discounts, but if

---

the location of the business is not convenient, it may not able to create brand loyalty. Similarly, easy availability is another important factor of brand loyalty.

Satisfaction is one of the crucial contributors of brand loyalty. This is the reason why certain established brands continue to enjoy loyal consumers for years together; whereas others are replaced with the latest version of the product indicating frequent brand switching. Satisfaction can be very often defined as the collective embodiment of all the other factors of brand loyalty: value, image, convenience, service and guarantee.

Service is one of the most overused words and under-delivered commodities in the business. Most surveys reveal that what a customer wants from every product or service category is service. Business from the days of the yore has been promising to provide better service to its customers through advertisements and signage, yet seems fully inadequate to the task. Reasons for a high level of dissatisfaction can often be traced to over promising. Promising a level of service that the organisation cannot deliver often backfire and leave a lasting smudge on a brand that might be otherwise worthy. Many studies revealed that brands that are not significantly better than lower-priced competitive brands often enjoy repeat business and brand loyalty because of good service.

While not everyone takes advantage of guarantee or warranty, the mere fact that it is offered adds the perception of greater value to a product. When someone never needs to utilize a guarantee, the result should be an increase in the level of brand loyalty.

From the consumer point of view, once consumers feel satisfied at the post-purchase level, they cling on to a particular brand of product/service. In other words, if the experience with a product or service at the post-consumption level is found rewarding, the consumer response is most likely to result in a testimonial to others as well as repurchase as and when the need for the same arises. As a part of the positive dis-confirmation at the post-purchase level of the consumer decision process, such behaviour is termed as brand loyalty. Basically, brand loyalty symbolises the positive attitude created in the minds of the consumers towards a particular brand to others. Brand loyalty is therefore one of the most important and interesting aspect of the consumer behaviour. This is also a crucial area of exploration for the marketers for their survival and growth in a competitive environment. Almost all marketing
strategies are inextricably related directly or indirectly with the level of brand loyalty. Marketers are therefore increasingly interested to probe deep into the inner world of consumers by exploring the most plausible factors contributing to brand loyalty in order to develop appropriate marketing strategy.

Brand loyalty is a phenomenon which has been both fascinating and intriguing to the marketers. For some, brand loyalty is myth. For others, certain consumers have a monogamous relation with some brands. Whatever the case maybe, every marketer has consumers who are extremely loyal, moderately loyal and fickle to its product/service. Every company seeks to have a steady group of unwavering customers for its products and services. Contrary to popular notions, the most loyal consumers may not be the heaviest users. Therefore low usage normally does not worry intelligent marketers unduly. However, such marketers always try to find out what their most loyal consumers have in common so that more of them can be acquired by developing appropriate marketing strategies.

In many cases, brand loyalty is hard to measure because it may depend on the availability of competing and identical products/services. Most often, the reasons for faith in a product are often too personal to be of much help to marketers in performing market segmentation analysis and thereby examine brand allegiance. A major goal of the contemporary marketers is to learn how and why of brand loyalty. Brand loyal consumers provide the basis for a stable and growing market share and can be a major intangible asset reflected in the purchase price of a company.

A study of consumer purchase habits reported that brands with larger market share have proportionately larger group of loyal buyers. Similarly, brand loyalty in big ticket durable purchase is relatively low (only one out of three repurchases the same brand in a particular product category) although category repurchases comprise two of every three sales in a product category, on an average. Whereas in the frequently purchased item like cereal, people switch brand as often as ten times a year and a new brand has only six months to establish himself before losing out to a more popular competitor. Thus, brand survival is one in three cases. Therefore, brand loyalty is a challenging goal each marketer seeks to attain.

Over the past few years, the track of brand loyalty seems to have accelerated because of the interplay of the following factors:
• Sophisticated advertising appeals and heavy media support.
• Parity of products in form, content and communication.
• Price competition from private and generic labels.
• Sales promotion tactics of mass displays, coupons, and price spirals that appeals to consumer impulse buying.
• General fickleness of consumers in buying behavior.

1.8 DEVELOPING BRAND LOYALTY AMONG CUSTOMERS

Behavioural scientists who favour the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase. Cognitive researchers, on the other hand, emphasize the role of mental process in building brand loyalty. They believe that consumers engage in extensive problem-solving behaviour involving brand and attribute comparisons, lead to a strong brand preference and repeat purchase behaviour. Involvement theory suggests that frequent exposure to TV commercials that are rich in visual cues and symbolism and short in duration, buttressed by strong in-store displays, creates a type of brand loyalty for low involvement purchases.

1.9 BRAND MANAGEMENT

Brand Management steps

- Identify and Establish Brand Positioning and Values
  - Mental maps
  - Competitive frame of reference
  - Point of parity point of difference
  - Core brand associations
  - Brand mantra
- Plan and Implement Brand Marketing Programs
  - Mixing and matching of brand elements
  - Integrating brand marketing activities
  - Leveraging secondary association
- Measure and interpret Brand Performance
  - Brand value chain
  - Brand audits
  - Brand Tracking
  - Brand equity management system
- Grow and Sustain Brand Equity
  - Brand product matrix
  - Brand Portfolio and Hierarchies
  - Brand Expansion Strategies
  - Brand Reinforcement and revitalization

Some studies have indicated that there is little difference in demographics among consumers who are brand loyal and those who are not. Others have found that brand-loyal consumers are older, have higher income, and greater perceived risk. Some ethnic groups appear to be fiercely loyal to certain brands that have traditionally catered to their specific market. For example, Hispanics have been loyal to Goya products for generations making it extremely difficult for other food marketers to gain a foothold in the Hispanic market place.

1.10 NATURE OF CUSTOMER LOYALTY FOR BRANDS

The study of repeat purchase behaviour for nine products based on a Chicago Tribune purchase panel that there were four brand loyalty patterns as follows:

1. Undivided loyalty is exhibited by families purchasing Brand A in the following sequence: AAAA
2. Divided loyalty is exhibited by the family purchasing Brand A and B in the following sequence: ABABAB.
3. Unstable loyalty is shown by the family buying Brand A and B in the following sequence: AAABBB.
4. No loyalty is shown by families buying brands ABCDEF in the following sequence: ABCDEF.

On the basis of products studied, it was concluded that the majority of consumers tend to purchase a favourite brand or set of brands. Although the degree of loyalty varied by product, the percentage of consumers exhibiting some brand loyalty was rather high. Efforts to group products by a type of merchandise classification (for example foods and non foods) showed no relationship to brand loyalty although a definite relationship was discovered between strength of brands and nature of the loyalty shown. Loyalty appears to be high for well established products in which little or no change have occurred and low where product entries are frequent.

Various other studies have used these and other measures of brand loyalty and has generally concluded that brand loyalty exists and is a relatively widespread phenomenon. Most studies however suffer from a lack of comparability because of differing conceptions of brand loyalty until consumer behaviour researchers agree on a common definition.
1.11 FACTORS EXPLAINING CUSTOMER LOYALTY FOR BRANDS

Numerous studies attempting to explain brand loyalty have been largely inconclusive to this point that the following results appear to be indicated.

1. Some economic demographic and psychological variables are related to brand loyalty but tend to be product specific rather than general across products.

2. Loyalty behaviour of an informal group leader influences the behaviour of other group members.

3. Some consumer characteristics are related to store loyalty, which in turn is related to brand loyalty.

4. Brand loyalty is positively related to perceived risk and market structure variables such as the extensiveness of distribution and market share of the dominant brand, but inversely related to the number of stores shopped.

5. Effect of out of stock conditions—A potentially important influence on brand loyalty is the possibility of brand substitution. It has been found that between 19 per cent and perhaps 33 per cent of shoppers presold by an advertisement campaign change their minds and switch to another brand when they get inside the supermarket.

Thus customers' reactions to OOS conditions may be either short or long run nature, including switching brands, substituting product class, shopping at other stores, postponing purchase or altering choice behaviour for later decisions.

1.12 BRAND SWITCHING BY CUSTOMERS

Many marketing managers are concerned with a growing trend towards brand switching. Markets in which first-time purchases are rare, advertising if it works at all affects brand shares by inducing, switching or retaining customers who otherwise might switch. Among the reasons given for the decline in brand loyalty, consumer boredom or dissatisfaction with a product, the dazzling array of new products that constantly appear in the market-place and increased concern with price at the expense of brand loyalty are very important. Advertisement also plays a vital role in the direction of brand switching. The three possible consequences advertising exposure can have on the brand choice behaviour of a household are (1) It can increase the

probability that the household will change brands. (2) It can induce the household to stay with the brand last purchased (leading to repeat purchasing). (3) It can have no effect on choice probabilities.

Major triggering influence on brand substitution is exposure to another alternative. This new information in effect causes the consumer to re-examine established beliefs and attitudes, with the result that intentions may shift. Some brand switching occurs as a result of a lowered price, but this does not necessarily signal any real change in beliefs and attitudes. At times, the consumer has a set of alternatives perceived about equally and a reduced price can readily lead to a temporary shift in choice. Restoration of relative price parity, however is generally accompanied by a return to the brand purchased most frequently, all things being equal.

"Out Of Stock" (OOS) conditions can also be an important situational determinant for brand switching. But, on the whole the possibility of a substitute brand to be purchased depends upon the degree of brand loyalty that exists in that product category. If the purchase is strictly based on low involvement and habit, there is high possibility of loyalty shift. Nevertheless research undertaken some year ago showed that as high as 62 per cent of those shopping in supermarkets refused to buy a substitute brand in most of the fast moving consumer goods.

The most important factor here is the awareness of the manner in which situational factors can affect choice. It is always possible on the part of the marketer to take into account the influence of controllable factors such as out of stock and minimize the extent of brand switching to a great extent for the marketer.