CHAPTER I
INTRODUCTION AND DESIGN OF THE STUDY

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INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

From early 1970s a debate has been going on these lines when Driver (1996)\(^1\) argued that loyalty involved more than a behavioural measure of repurchase. In recent times, researchers like Dick and Basu (1994)\(^2\) have also questioned this assumption by pointing out that this approach confuses the “number of a brand’s devotees with the degree of their devotion to it”. This approach only leads to the conclusion that the big brands will continue to remain big, with no hope for smaller brands to ever capture greater market shares.

Alternative approaches of looking at brand loyalty have been suggested in recent times. These studies have pointed out that repurchase behaviour may be more of a result of the constraints facing the respondents like the brand being the only one available at the store near their home, rather than because of a conscious effort on their part to stick with one particular brand. Thus researchers in recent times have focused on analyzing and comprehending another dimension of brand loyalty, viz. Attitudinal Loyalty (referred to as Mental Loyalty in certain studies). This loyalty construct instead of focusing


on whether or not a consumer repurchases a product, looks at the consumer’s perception of the brand.

The link between respondent satisfaction and respondent loyalty has also been established. Completely satisfied respondents are strongly loyal respondents (Jones and Sasser 1995)\(^3\). They argue that even in markets with little competition, providing with outstanding value is the only reliable way to achieve sustained respondent satisfaction and loyalty. They also recommend that different satisfaction levels reflect different issues and thus require different actions.

Studies have also been carried out to identify intergenerational influence for products and brands to measure the extent of transfer of brand equity and brand loyalty from one generation to another (East, et al., 1995\(^4\); Feltham, 1998\(^5\); Lin et al., 2000\(^6\)). These studies conclude the following findings; intergenerational impacts are at work across a spectrum of consumer behaviour, intergenerational impacts can be measured at different stages of the consumer decision process, Intergenerational influences exist within a


tumultuous, differentiated market place and not all brands within a product category are equally likely to benefit from intergenerational influences.

Thus, a rethinking seems to be on, about the previously obvious benefits of building brand loyalty with the costs of various loyalty programs being compared with the economic benefits accruing from it.

This rethinking has led to the suggestion that there is need for ‘smarter’ loyalty building programs (Yim and Kannan, 1999)\(^7\). Company’s loyalty strategy should differentiate between respondents who are likely to be more brand loyal than those who are not, based on the fit between their needs and attitudes and the company’s offerings. The focus should be on building long term relationship with the former while the company should look to milk the latter till they stick with the brand.

Studies have also been carried out to look at the impact of the different incentives offered in loyalty programs (Wood, 2004)\(^8\) and have found that more the incentive is compatible with the brand and the less tangible it is, greater is the likelihood of leading to loyalty rather than drawing attention to itself.

McKinsey in a recent report by Tim Gokey and Harold Yin suggests that the need is to look beyond brand loyalty to managing respondent migration.


Marketer should analyse the respondent profile and decide which respondents to retain, upgrade or let go off. The focus of this approach is the economic value added by the respondent. They suggest segmenting respondents into six ‘Loyalty Profiles’ and then developing programs for each one separately.

1.2 Fast Moving Consumer Goods (FMCG)

Fast moving consumer goods is a classification refers to a wide range of frequently purchased consumer products including: toiletries, soaps, cosmetics, teeth cleaning products, shaving products, detergents, other non-durables such as glassware, bulbs, batteries, paper products and plastic goods such as buckets. Three of the largest and best known examples of FMCGs companies are nestle, unilever and procter and gamble. Examples of FMCG are soft drinks, tissue paper and chocolate bars. Examples of FMCGs brands are coca-cola, Kleenex, Pepsi and Believe.

The FMCG sector represents consumer goods required for daily or frequent use. The main segments of this sector are personal care (Oral Care, Hair Care, Soaps, Cosmetics, Toiletries), household care (fabric wash and household cleaners), branded and packaged food, beverages (health beverages, soft drinks, staples, cereals, dairy products, chocolates, bakery products) and tobacco.
1.3 Indian FMCG Sector

The Indian FMCG sector is an important contributor to the country’s Gross Domestic Product. It is the fourth largest sector in the economy and is responsible for five per cent of the total factory employment in India. The industries generate employment for 3 million people in downstream activities, much of which is disbursed in small towns and rural India. The low-middle income group accounts for over 60 per cent of the sectors sales. Rural markets account for 56 per cent of the total domestic FMCG demand. Many of the global FMCG majors have been present in India for many decades. But in the last ten years, many of the smaller Indian FMCG companies have gained in scale.

1.4 Current Scenario of FMCG Market in India

In India companies like ITC, HLL, Cadbury and Nestle have been a dominant force in the FMCG sector, well supported by relatively less competition and high entry barriers. As per the consumer survey by KSA-Technopark of the total consumption expenditure, almost 40 per cent and 8 per cent were accounted by groceries and personal-care products respectively. Rapid urbanisation, increased literacy and rising per-capita income are the key growth drivers for the sector. Around 45 per cent of the population in India is below 20 years of age and the proportion of the young population is expected to increase in the next five years. The companies like HLL and ITC have dedicated initiatives targeted at the rural market; these are still at a relatively
nascent stage. Currently, organized retailing accounts for just 3 per cent of the
total retail sales and is likely to touch 10 per cent over the next 3 to 5 years.
Given the aggressive expansion plans of players like Pantaloon, Trent
shoppers’ shop and Shoprite, the FMCG sector has a bright future.

1.5 Brands and products produced in FMCG Market in India

The companies in India produce a wide range of products under various
brand names. For example, the Nestle India produce Milk products, beverages,
prepared dishes, cholates and confectionaries and others under the brand names
of Nestle everyday dairy whitner, Nestle everyday ghee, Nestle curds, Nestle
cereal, Nestly milk, Nescafe Classic, Nescafe Sunrise, Maggi – 2 minute
Noodles, Nestle Kit Kat, Nestle Munch, Nestle Milky Bar, Nestle Bar-one,
Polo, Nestle Éclairs etc.

The HLL (Hindustan Lever Limited) produces personal-care, fabric
care, beverages and foods under the brand names of Lux, Pears, Lifebuoy,
Liril, Hamam, Breeze, Dove, Rexona, Ponds, Fair and Lovely, Sunsilk, Clinic
plus, Pepsodent, Close-up, Axe, Rexona, Lakme, Aysh, Surf Excel, Rin,
Wheel, Brooke Bond, Lipton, Bru, Annapurna, Kissan, Kwality Walls etc.

The Glaxo Smithkline produces Aquafresh, Eno and Horlicks. The
Colgate Pamolive India Limited produces oral care products namely Colgate
tooth paste, Tooth powder, Whitening products, Palmolive Shower Gel,
Shower Cream, Bar Soap, Liquid hand wash, skin care and household care
products namely Axion Surface Clean. The Britannia Company produces Britannia Treat, Tiger, Good Day, Marie Gold, Milk Bikies, Little Hearts and Nice Time in the FMCGs sector in India. The Dabour India deals with personal care products like Amla hair oil, Amla lite hair oil, Health care products like Dabur Masla, Dabur Lal Thail, Glucose D. etc., and food products like Pure natural honey and a fiery red-pepper sauce.

The Godfrey Philips deals with cigarettes namely Four Square, Jaisalmer, Red & White, Tipper, North Pole, Prince, etc. and cigar brands namely Don Diego, Har-a-tampa, etc. The Godrej company manufactures and markets edible oils, Vanaspathi, fruit drinks, fruit nectar and bakery fats. The Nirma company deals with bath, detergent soap and powder, idozied salt, dish wash bar under the brand name of Nirma. The ITC is the market leader in cigarettes in India. Its highly popular portfolio of brands includes Wills, Insignia, India Kings, Gold Flake, Navy cut, Scissors, Capstan, Berkeley, Bristole and Flake. ITC made its entry into the branded and packaged food business in 2001. It launched so many brands in the confectionery, staples and snack food segments.

1.6 NEED FOR THE STUDY

Building a base of loyal respondents, who would prefer the brand in all conditions, is one of the most important ways in which a marketer can secure his brand from the fierce competition in the market place today. At the same
time, any marketer who looks at loyalty as just repeated purchases of his brand, is being extremely myopic. Loyalty towards a brand must go beyond tangible incentive-stimulated purchases which should be directly linked to the brand itself to form a sustainable proposition. Thus, the need is to build a sense of attachment with the brand, which goes beyond the inducements and directly links the respondent to the brand.

Brand personality is one such important construct that a marketer can use to develop that crucial link with the respondent. If a marketer can make the brand appeal to a person, someone that the respondent identifies with and is attracted to then there be a greater likelihood of the respondent being loyal to the brand than by any tangible inducement based programs.

This study will attempt to understand how a marketer can use the Brand Personality construct to build sustainable loyalty towards his brand. For this, the following relatively unexplored areas will be studied:

- Why and in what sense do brand loyalties exist?
- Insights into individual motivations for brand loyalty formation and persistence are not yet explored.
- Where should a company direct its resources to inculcate loyalty amongst respondents or other alternatives such as a price cut, increased advertising or increasing distribution coverage?
• How to choose the right respondents and right industry for building loyalty?

• Given that the product is a low involvement product, how likely is it that an intangible incentive will prompt the respondent repeat-buy the product?

• How can relationship marketing be used to leverage the personality of a brand to inculcate loyalty?

• How does one ensure consistency of communication of the brand personality to the respondents to minimize respondent dissonance?

1.7 STATEMENT OF THE PROBLEM

The brand loyalty is an asset to the company. In fact, the cost of acquiring new respondents is higher than the cost of retaining the existing respondents. Hence, all companies are trying to retain their existing respondents. This is possible only when there is a brand loyalty among the respondents. But it is a difficult task. In the case of Fast Moving Consumer Goods Market, there is a frequent entry of new brand and new companies. The consumers are also using and buying the FMCGs at frequent intervals. They are having so many alternatives, choices and brands. Hence, it is very difficult to establish the brand loyalty among them in FMCGs market. But some companies have achieved it, while some others are trying to achieve it. In order to achieve it, there is a higher need for a detailed analysis on the level of brand loyalty, factors influencing brand loyalty, the various types of brand loyalty and the linkage between them. The companies who have been doing all the
above said things continuously, achieve the brand loyalty but others are struggling. Hence the researcher has made an attempt to focus this problem to exhibit the brand loyalty behaviour among the respondents in FMCGs.

1.8 RELATED REVIEWS

1. Brand Loyalty behavior

Bloemer and Kasper (1995)\(^9\) stated that brand loyalty implies a deep-seated commitment to brands and there is a sharp distinction between repeat purchases and actual brand loyalty. They asserted that repeat purchase behaviour is the actual re-buying of a brand whereas loyalty includes antecedents or a reason or fact occurring before the behaviour.

Fred and Paul (2000)\(^10\) found that the power distance is the willingness to accept that those with power are entitled to it and those without power ought to accept the way things are and just go along. This is an Asian Cultural Tendency. Big Market share brands are the Kings of their brand world and consumers from cultures with high power distance tend to believe in them implicitly.

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Kurt et al., (2008)\textsuperscript{11} found that the respondents’ risk aversion is significantly related to the two forms of loyalty. When brand affect and brand trust are introduced into the model, the previously highly significant relationship between domain-specific risk aversion and attitudinal loyalty become in significant and the risk aversion repurchase relationship becomes much weaker, while risk aversion strongly influences brand trust and brand affect.

Yang et al., (2005)\textsuperscript{12} analysed the brand choice behaviour with the help of market presence, brand diversity, purchasing frequency, and foreign versus domestic preference. The only aspect of brand choice behaviour seemingly to give practical implication to foreign companies that have already been operating and are planning to enter Chinese market is the frequency of differential of foreign versus domestic brand between the older and the younger consumers in China.

2. Brand Loyalty in FMCG’s Market

Malcom Wright (2002)\textsuperscript{13} showed that the retail payment instruments have a significant positive impact on the purchase loyalty on FMCG goods.

\begin{itemize}
\item \textsuperscript{11} Kurt-Mat-zler, Sonja Grabner and Sunja Ridmon (2008), Risk aversion and brand loyalty: the medicating role of brand affect”, \textit{Journal of Product and Brand Management}, 17(3), pp.154-162.
\item \textsuperscript{13} Malcom Wright (2002), Patterns of purchase loyalty for retail payment methods, \textit{International Journal of Bank Marketing}, 20(7), pp.311-316.
\end{itemize}
The use of payment methods by shoppers is very stable across different retail categories, suggesting that retail payment methods are a mass market, rather than one that is segmented by retail category.

Ica Rojsek (2001)\textsuperscript{14} revealed that Slovenia consumers are more loyal to local than foreign products and are thus similar to other Eastern European consumers. There are no significant differences between young and old consumers in their degree of loyalty. The brand is perceived as a main indicator of the quality of the product. Slovenia consumers of FMCG are less price sensitive than other Eastern European Consumers, although price elasticity would need closer examination.

Radhika (2002)\textsuperscript{15} found the linkage between the shopping habits and brand loyalty in FMCGs market. The changing composition of consideration set, and the changing contexts against which the decisions are being made, could keep the relative position of the brands within the set, making a subtle but proposed impact on the final branded loyalty.

Shelty (2010)\textsuperscript{16} found that brand loyalty is extant in younger age groups as well as older generations, although their intensity of loyalty varies.


\textsuperscript{15} Radhika Chadha (2002), “Of shopping habits and brand loyalty”, \textit{Business Line}, Thursday, October 10\textsuperscript{th}, p.8.

brand loyalty in shampoo market is moderate. The brand loyalty is positively correlated with the affective commitment/emotional attachment for the brand. The brand loyalty for this product reflects that loyal behaviour is purely based on choice and preference for the brand, rather than being based on high switching costs or unavailability of brand choice.

3. Linkage between Customer satisfaction and brand loyalty:

Jose and Hans (2001)\textsuperscript{17} identified the linkage between respondent satisfaction and brand loyalty. The manifest satisfaction is positively related to brand loyalty. It is stronger than the positive relation between latest satisfaction and brand loyalty. The manifest satisfaction is the outcome of explicit evaluation whereas the latest is the outcome of implicit evaluation.

Elif et al., (2005)\textsuperscript{18} found that the important reasons for women’s brand loyalty towards cosmetic products are the product-skin matching, satisfaction capacity of the product, reasonable pricing, popularity of the product, brand name and wide availability of the product.

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Nadin et al., (2009)\textsuperscript{19} indicated that brand affect, brand quality and respondent loyalty are significantly and positively related to respondents’ brand extension attitude. The mediator role of brand loyalty is inevitable in between brand trust, affect, quality and respondents’ brand extension culture.

Reast (2005)\textsuperscript{20} stated that when the extended brand is launched the expected loyalty factor will drive trail if the consumer is loyal to the parent brand there is a good chance that they will try the extended brand.

Fandos and Flavian (2006)\textsuperscript{21} mentioned that it would seem reasonable to suppose that the level of quality associated with intrinsic attributes may rise in the process of consumption, thereby increasing the consumer’s loyalty and possible repeat buying intention.

Chaudhri and Holbrook (2001)\textsuperscript{22} found that the brand attitude can be measured via brand trust and brand affect. Brand attitude is the highest level of brand association and frequently forms the basis of consumer behaviour.


Martinez et al., (2004)\textsuperscript{23} revealed that perceived brand quality before an extension influences consumer’s attitude towards the extensions. Additionally, when they are moderated they become more important.

Ali et al., (2010)\textsuperscript{24} found that innovation has a significant positive correlation and impact on respondent’s satisfaction among the mobile phone users. But the innovation has no significant correlation and impact on the brand loyalty.

Java Beans et al., (2008)\textsuperscript{25} confirmed that the relation between loyalty and satisfaction is moderated by two factors namely commitment and trust as consequences of service quality and respondent satisfaction.

Yu and Hong (2002)\textsuperscript{26} showed that genders, participant’s perception of product performance and their performance were significantly related to product satisfaction.

\begin{itemize}
\end{itemize}
Goode et al., (2005)\textsuperscript{27} mentioned that the respondent’s satisfaction plays a key moderating role in the relationship between price increases and repurchase intentions.

Chu and Desai (2001)\textsuperscript{28} revealed that nature and degree of respondent based brand equity is noticed through the strength and uniqueness of brand associations stored in memory.

Goi and Lea (2010)\textsuperscript{29} identified the dimensions of respondent-based trend equity for Malaysian brands with the help of factor analysis. They identified that these are perceived quality, brand association, brand loyalty and brand awareness. The brand awareness, brand associations, perceived quality and brand loyalty have a positive impact on brand equity.

Rodoula (2005)\textsuperscript{30} investigated the effect of perceived product quality on product involvement, consumer’s overall satisfaction and purchase intentions. The findings confirmed the role of product quality on consumer behaviour, leading to the identification of the effects that different levels of perceived quality have on involvement, overall satisfaction and purchase intentions.


4. Profile of customers and brand loyalty

Yang and Peterson (2004)\(^{31}\) examined the moderating effects of switching costs of respondent loyalty through both satisfaction and perceived value measures. They found that the moderating effects of switching costs, on the association of respondent loyalty and respondent satisfaction and perceived value are significant only when the level of respondent satisfaction or perceived value is above average.

Arvind Sabay and Sharma (2010)\(^{32}\) found that the younger age group loves its brands and is more passionate about them while the older group develops strong brand relationship, but is relatively more rational about its relationship with the brands, profitable to various factors like maternity, financial constraints, independence and increased responsibility.

Simon and Walker (2001)\(^{33}\) classified the respondents into loyals, habituals, variety seekers and switchers based on brand commitment and brand support in grocery brands. The risks associated with moving out of a brand and into an alternative are key to developing brands, the respondents of which are loyals in any ending sense.

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Hsin, et al., (2009)\textsuperscript{34} identified that the relations among the brand awareness, perceived quality and brand loyalty for purchase intention are having a significant and positive effect. The perceived quality has a positive effect on brand loyalty whereas perceived quality will mediate the effects between brand awareness and purchase intention. The trend loyalty will mediate the effects between brand awareness and purchase intention.

Wong and Sidex (2008)\textsuperscript{35} measured the brand loyalty with the help of some factors namely product quality, style, brand name, store environment, service quality, promotion and price. There is a significant positive relationship between these factors with sports wear brand loyalty. They noted that the Malaysians prefer brand name, product quality, price promotion, store environment and service quality as relevant factors attributable to brand loyalty.

Leung (2001)\textsuperscript{36} mentioned that the impact of sales people on consumer relationship will generally result in long term orientation of consumers towards the store or brand. Trust in sales people appears to relate to overall perception


of the stores service quality, and result in the consumer being totally satisfied with the stores in the end. Additionally, personalization significantly influences consumers, experience and evaluation of service, and in turn, affects the brand loyalty of consumers.

5. Brand loyalty in retailing

Allen et al., (2011)\textsuperscript{37} identified that respondents’ loyalty to retail brand(s) has greater influence on their purchase behaviour than manufacturers brand(s). They also revealed that attitude towards store brands directly influences one’s propensity to switch to retail brands, and moderates relationships between loyalty to manufacturer/retail brands and ones propensity to switch to retail brand(s).

Keller (2003)\textsuperscript{38} discussed that retailers are often quite successful in promoting their own store brands for the purpose of increasing the loyalty of their respondents and to generate higher margins and profits.

Mininni (2007)\textsuperscript{39} indicated that retail brands are being offered as part of the total retail shopping experience environments. He further noted that the

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added bonus of establishing unique positioning and increased profitability has whetted retailer’s appetite for more private label brand development.

Davis (2000)\(^40\) mentioned that through development and implementation of brand management strategies, some forms have the potential to steadily increase their sales by 30-50 per cent.

Hanf and Belaya (2008)\(^41\) mentioned that retailers began to recognize that people are loyal to brands, because brands add value to their purchase. Such a unique personality added to the image of the branded product. This personality could also be reflected in the retailer itself, and in the retailers’ branded product(s).

Hu and Chuang (2009)\(^42\) commented that many retailers and wholesalers have their own brands, as well as carry manufacturer brands because, at least in part, the manufacturing firm typically provides the advertising. This makes it unnecessary for the retailer to spend funds to market their own branded products, in that the manufacturers’ advertising will draw respondents into the retailers’ store(s).


Choi and Coughlan (2006)\textsuperscript{43} noted that store brand products in 77 of 250 super market product categories have greater market share than the strongest manufacturer brand.

Anisimora (2007)\textsuperscript{44} cited the positive ramifications of respondent loyalty toward a brand by stating that such loyalty reduces a firm’s cost of serving respondents, reduce consumers’ price sensitivity, and increases their favourable word of mouth, all of which increase a firm’s financial performance.

Paswan et al., (2007)\textsuperscript{45} revealed that consumers who do manage to get their preferred service brand tend to be satisfied with the features of the obtained brand and exhibit higher levels of brand loyalty towards that brand. In comparison, consumers who end up with a service brand that is not their first choice seem to have lower levels of satisfaction with and loyalty towards the obtained brand.


Hong et al., (2009)\textsuperscript{46} revealed that the perceived quality was found to positively influence satisfaction and brand loyalty in both Korean and Chinese context. The power of satisfaction significantly lies in its ability to reinforce brand loyalty formation atleast in a Korean and Chinese context.

Yong (2008)\textsuperscript{47} identified that a Chinese single woman with fashion self-concept has consistently adverse attitude to conservative calculator, calculating consumer and emotionally loyal consumer. Single women with consumption behaviour of feeling expression disdain towards calculating consumer, support emotionally loyal consumer. Married women with consumption behaviour of achievement expression are both calculating consumers and emotionally loyal consumers.

Feffrey (2008)\textsuperscript{48} showed no significant difference in brand loyalty and word-of-mouth between African Americans and non-African-Americans and no significant preference for black-owned goods and services. Additionally, it was found that while a majority of African American consumers believe that

\begin{itemize}
\item Hong Youl Ha, Sunder Janda and Sang-Kyu Park (2009), “Role of satisfaction in an integrative model of brand loyalty”, International Marketing Review, 26 (2), pp.198-220.
\end{itemize}
the most American firms have ties to slavery, this does not act as a factor in the purchase decision.

Even though, there are so many studies related to brand loyalty, its linkage with its antecedents, and consequences of brand loyalty related to consumer durable and non-durable goods, there is no exclusive study related to FMCGs, especially in Indian context. Hence, the present study has made an attempt to fill up the research gap with the help of the proposed research model.

**Figure 1.1**
The proposed research model is given below

![Diagram](image)

Based on the proposed research model the objectives of the study are drawn.
1.9 OBJECTIVES OF THE STUDY

The objectives of the present study are:

i) to exhibit the profile of the respondents;

ii) to measure the brand personality among the respondents;

iii) to analyse the various antecedents of brand loyalty behaviour among the respondents;

iv) to examine the level of brand loyalty among the respondents;

v) to evaluate the various types of brand loyalty among the respondents;

vi) to examine the impact of brand loyalty factors on the level of various types of brand loyalty among the respondents and

vii) to summarise the findings of the study, conclusions and policy implications.

1.10 PRODUCT CATEGORY CHOICE

The FMCGs vary from respondent non durables to consumer durables. Since the present study has made an attempt to explore the brand loyalty behaviour towards the FMCGs, a special care was taken to limit the number of products for the study. The choice of the products was made by keeping the following in mind:

1. The category of product should be an established one where respondent’s tastes and preferences are established and not evolving;

2. The categories should have enough players so that the respondents have options;
3. Switching costs should not be too high so that loyalty is not forced upon the respondents;

4. The consumable category should be a small purchase cycle and high purchase frequency.

Hence, the products in the present study are categorized into toiletries, cosmetics, teeth-cleaning products, shaving products, soft drinks, health drinks chocolates, and fabric wash. The consumer durables are excluded from the analysis and cigarettes are also excluded because the usage may be seen among the male respondents.

1.11 RESEARCH DESIGN

Research design is the blue print of the various methods for conducting the research projects. It includes the procedures for obtaining the information needed, the way in which they are processed and the method of presentation of the result to solve the research problems. Even though, the research designs are too many, the present study has followed the ‘descriptive’ research design.

Since the present study has made an attempt to explain the level of brand loyalty behaviour among the respondents towards FMCGs market and also its causes, antecedents and types of loyalty, it is descriptive in nature. Since, the study also focuses on the cause and effect relationship between the various determinants of brand loyalty behaviour and the level of brand loyalty in
FMCG market; it is also diagnostic in nature. Hence, the applied research
design of the study is both descriptive and diagnostic in nature.

1.12 Population of Kanyakumari District

Kanyakumari district is purposively selected for the present study. It is
divided into nine important blocks and four municipalities. The number of male
and female population in these blocks and municipalities are given in Table 1.1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Blocks/ Municipality</th>
<th>Population</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1</td>
<td>Agastheeswaram</td>
<td>73260</td>
<td>75159</td>
</tr>
<tr>
<td>2</td>
<td>Rajakamangalam</td>
<td>68119</td>
<td>69135</td>
</tr>
<tr>
<td>3</td>
<td>Thovalai</td>
<td>55057</td>
<td>55662</td>
</tr>
<tr>
<td>4</td>
<td>Kurunthencode</td>
<td>81823</td>
<td>83247</td>
</tr>
<tr>
<td>5</td>
<td>Thuckalay</td>
<td>82488</td>
<td>84774</td>
</tr>
<tr>
<td>6</td>
<td>Thiruvattar</td>
<td>80220</td>
<td>81399</td>
</tr>
<tr>
<td>7</td>
<td>Killiyoor</td>
<td>78663</td>
<td>77724</td>
</tr>
<tr>
<td>8</td>
<td>Munchirai</td>
<td>89122</td>
<td>88103</td>
</tr>
<tr>
<td>9</td>
<td>Melpunam</td>
<td>88578</td>
<td>90957</td>
</tr>
<tr>
<td>10</td>
<td>Nagercoil municipality</td>
<td>102907</td>
<td>105272</td>
</tr>
<tr>
<td>11</td>
<td>Padmanabhapuram municipality</td>
<td>9967</td>
<td>10108</td>
</tr>
<tr>
<td>12</td>
<td>Colachel municipality</td>
<td>1996</td>
<td>11791</td>
</tr>
<tr>
<td>13</td>
<td>Kuzhithurai municipality</td>
<td>10069</td>
<td>10434</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>832269</strong></td>
<td>843765</td>
</tr>
</tbody>
</table>

Source: Annual credit plan, 2011-2012, K.K.district, Tamil Nadu.
Out of the total population, 49.66 and 50.34 percent are male and female population respectively. The highest population is seen in Nagercoil municipality and Melpuram block. The lowest population is noticed in Padmanabhapuram and Kuzhithurai municipalities.

1.13 SAMPLING PLAN OF THE STUDY

The sampling plan of the study consists of determination of sample size and distribution of sample size in the population. The sample size is determined by

\[ n = \left( \frac{Z \sigma}{D} \right)^2 \]

where

- \( n \) – Sample size
- \( Z \) – \( Z \) statistics at five percent level = 1.96
- \( \sigma \) – Standard deviation of brand loyalty among the people in pilot study – 0.6045
- \( D \) – Degree of error acceptance – 0.05

\[ n = \left( \frac{1.96 \times 0.6045}{0.05} \right)^2 = 561.52 = 562 \]

The sample size of 562 was distributed among the population with the help of application of stratified proportionate random sampling. The classified strata are area and gender of the population. The distribution of the samples is presented in Table 1.2.
### TABLE 1.2
Distribution of Sampled population

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Blocks/ Municipality</th>
<th>Number of population</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>1.</td>
<td>Agastheswaram</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>Rajakamangalam</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>3.</td>
<td>Thovalai</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>4.</td>
<td>Kurunthencode</td>
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<td>5.</td>
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<td>6.</td>
<td>Thiruvattar</td>
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<td>7.</td>
<td>Killiyoor</td>
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</tr>
<tr>
<td>8.</td>
<td>Munchirai</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>9.</td>
<td>Melpuram</td>
<td>30</td>
<td>32</td>
</tr>
<tr>
<td>10.</td>
<td>Nagercoil municipality</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>11.</td>
<td>Padmanabhapuram municipality</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>12.</td>
<td>Colachel municipality</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>13.</td>
<td>Kuzhithurai municipality</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>279</strong></td>
<td><strong>283</strong></td>
</tr>
</tbody>
</table>

Out of the total sampled respondents, 50.04 percent are females and the remaining 49.96 are males. The higher number of samples are noticed in Nagercoil municipalities and Melpuram block whereas lesser number of samples are seen in Padmanabhapuram and Kuzhithurai municipalities.
1.14 COLLECTION OF DATA

The required data for the research work have been collected with the help of a structured interview schedule. The schedule consists of four important parts. The first part covers the background of the respondents whereas the second part includes the personality traits and brand personality among the respondents. The third part of the schedule includes the various antecedents of brand loyalty behaviour among the respondents and the fourth part covers the various components of brand loyalty behaviour and various types of brand loyalty behaviour among the respondents. The relevant variables were drawn from the review of previous studies and also from the views of experts in the marketing of FMCGs.

A pre-test was conducted among 50 male and 50 female respondents at Nagercoil town. Based on the pre-test, certain modifications, additions and deletions were made. The final draft of the schedule was prepared to collect the primary data from the respondents.

1.15 FRAMEWORK OF ANALYSIS

The statistical analysis has been selected and used to process the collected data according to the requirements of the study. The analysis is selected according to the scale of data and the objectives of the study. The included statistical analysis and its application are presented below:
1. T-test

The ‘t’ test is one of parametric tests to analyse the significant difference among the two groups of samples. It is applied when the criterion variable is in interval scale. The ‘t’ statistics are calculated by

\[
t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(n_1 - 1)\sigma^2_{s1} + (n_2 - 1)\sigma^2_{s2}}{n_1 + n_2 - 2} \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}}
\]

which is compared with the degree of freedom of \((n_1 + n_2 - 2)\).

where \( t \) = ‘t’ statistics

\[
\bar{X}_1 = \text{mean of the first group of sample}
\]

\[
\bar{X}_2 = \text{mean of the second group of sample}
\]

\[
n_1 = \text{number of samples in the first group}
\]

\[
n_2 = \text{number of samples in the second group}
\]

\[
\sigma^2_{s1} = \text{variance in the first sample}
\]

\[
\sigma^2_{s2} = \text{variance in the second sample}
\]

The ‘t’ test has been applied to test the significant difference among the male and female respondents regarding the various aspects related to respondents’ personality, trend personality, brand loyalty, antecedents of brand loyalty and types of brand loyalty by paired comparison.
2. **One way Analysis of Variance (ANOVA)**

The One Way Analysis of Variance is applied when the criterion variable is in interval scale and the number of group of samples included for the study is more than two. Then ‘F’ statistics is calculated by

\[
F = \frac{Trss/dF}{Ess/dF} = \frac{\text{Greater variance}}{\text{Small variance}}
\]

Compared with the F(K-1;N-k) degree of freedom

Where

- \( F \) = ‘F’ statistics
- \( N \) = Number of sample size
- \( K \) = Number of groups included
- \( Trss/df \) = Variance between groups and
- \( Ess/df \) = Variance within groups.

The one way ANOVA has been applied to examine the significant association between the profile of respondents and their level on the various aspects related to brand loyalty behaviour in FMCG market.

3. **Exploratory Factor Analysis (EFA)**

The Exploratory Factor Analysis is used when the researcher wants to narrate the variables into handsome factors and also find the relationship between the variables and narrated factors. It is also called as narration analysis. Whenever the variables related to a particular event are unmanageable
or plenty and also in interval scale, the factor analysis has to be executed to narrate these variables into factors. Before applying the factor analysis, the validity of data for factor analysis has to executed with the help of Kaiser-Mayer-Ohlin (KMO) measure of sampling adequacy and Bartlett’s test of sphericity. The acceptable KMO measure of sampling adequacy is 0.5, whereas the acceptable level of significance of chi-square value is upto 0.05 per cent level. In the present study, the factor analysis has been executed to identify the important factors in brand loyalty and antecedents of brand loyalty.

4. Confirmatory Factor Analysis (CFA)

The Confirmatory Factor Analysis has been executed with the help of LISREL 8 software package. It is applied to test the reliability and validity of the variables included in each construct. In the present study, the CFA has been applied to test the reliability and validity of variables in all concepts generated in the present study related to the trend loyalty behaviour.

5. Discriminate Analysis (Two group model)

The Discriminate Analysis is used when the dependent variable is in nominal scale and the independent variables are in interval scale. It is used to identify the important discriminate variables among the two groups formulated in the study. The unstandardized common discriminate function was estimated by

\[ Z = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + \ldots \ldots + b_nx_n \]
where

\[ Z = \text{Discriminant criterion} \]
\[ X_1, X_2, \ldots X_n = \text{Discriminant variables} \]
\[ b_1, b_2 \ldots b_n = \text{Discriminant coefficients} \]

The Wilks Lambda was calculated as a multi-variant measure of group difference over discriminating variables. The relative discriminating power of the variables was calculated by

\[ I_j = K_j (\bar{X}_{ij} - \bar{X}_{j}) \]

where

\[ I_j = \text{the important value of jth variable} \]
\[ K_j = \text{unstandardized discriminant co-efficient for the jth variable} \]
\[ X_j = \text{mean of the jth variable for jth group} \]

The relative importance of a variable \( R_j \) is given by

\[ R_j = \frac{I_j}{\sum_{j=1}^{n} I_j} \]

In the present study, the Two Group Discriminant Analysis has been administered to identify the important discriminant brand loyalty factors among the male and female respondents regarding the various aspects related to brand loyalty behaviour.
6. Multiple Regression Analysis

The multiple regression analysis is applied to analyse the impact of independent variables on dependent variable when both the variables are in interval scale. The linear regression model is fitted by

\[ Y = a + b_1x_1 + b_2x_2 + \ldots + b_nx_n + e \]

where

\[ Y \quad = \text{Dependent variables} \]
\[ X_1, X_2, \ldots X_n \quad = \text{Independent variables} \]
\[ b_1, b_2, \ldots b_n \quad = \text{Regression coefficient of independent variables} \]
\[ a \quad = \text{intercept and} \]
\[ e \quad = \text{error term} \]

In the present study, the Multiple Regression Analysis has been administered to find out the impact of personality, antecedents of brand loyalty and components of brand loyalty on the level of brand loyalty among the respondents.

1.16 LIMITATION OF THE STUDY

The present study is subjected to the following limitations.

1) The study is confined to Kanyakumari district.

2) The population is classified on the basis of the gender.
3) Even though, the products related to FMCGs are too many, the present study confines its scope to toiletries, cosmetics, and teeth cleaning products, shaving products, soft drinks, health drinks, chocolates and fabric wash.

4) The variables related to personality, trend personality, antecedents of brand loyalty, level of brand loyalty and type of brand loyalty were drawn from the review of previous studies.

5) The data collected from the respondents are subjected with the limitation of memory bias, and

6) The linear relationship between dependent and independent variables was assumed.

1.17 CHAPTERISATION

The present study is classified into six chapters for neat and clear presentation.

The first chapter gives the introduction of the study, need for the study, statement of the problem, review of literature, research gap, proposed research model, objectives, methodology, limitations and chapterisation.

The second chapter covers the definitions, meanings, measurement and variables used to measure the various concepts used in the research work.

The third chapter exhibits the background of the respondent, consumption behaviour in FMCGs market, personality of the respondents and their brand personality.
The fourth chapter discusses the various antecedents of brand loyalty behaviour among the respondents, association between the profile of respondents and their views on the various antecedents and the discriminant antecedents among the rural, semi-urban and urban respondents.

The fifth chapter explains the measurement of the level of brand loyalty, various types of brand loyalty, linkage between the personality traits, brand personality, antecedents of brand loyalty behaviour and the level of brand loyalty among the various groups of respondents.

The sixth chapter covers the summary of findings, conclusion, managerial implications and scope for future study.