Chapter - 4

CONCEPTUAL FRAMEWORK OF BRAND SWITCHING BEHAVIOUR AND CUSTOMER LOYALTY

CHAPTER – 4

CONCEPTUAL FRAMEWORK OF BRAND SWITCHING BEHAVIOUR AND CUSTOMER LOYALTY

This chapter elaborately presents the conceptual frame work of brand switching behavior, customer loyalty and explains the factors influencing the satisfaction of customer which matures to loyal customers. Customer loyalty refers to a customer's commitment or attachment to a brand, store, manufacturer, service provider or other entity based on favourable attributes and behavioral responses, such as repeat purchases. The basic perspective of loyalty describes the behavior of the customer towards the product or service and customer loyalty as an attitude, or pre-disposition to behave. There are different variations in the term loyalty is used, in terms of sales, profits or visit of customer to the point of sale. Among the customer base 20% of the customers forms the 80% of the revenue to organisations. Service organisations treat such customers with special offers with exclusive benefit options to these loyal customers like gold, silver and platinum customers. Customers in the study "of the processes involved when individuals or groups Select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires". In the marketing context, the term 'customer' refers not only to the act of purchase itself, but also to patterns of aggregate buying which include pre-purchase and post-purchase activities.

Pre-purchase activity consists of growing awareness of need and wants, search for the service providers for the product or service from different sources of information. Post-purchase activities involves the evaluation of the purchased service or product, reduction of any anxiety accompanies the purchase of expensive or infrequently bought items. The behavioural brand loyalty approach explored the consistency of customers in repurchasing of brands. It measures the proportion of purchases – the number of times the most frequently purchased brand is purchased, divided by the total number of times the product category is purchased.

Customers may not represent a 100 percent of time in purchasing the brand, but the behavioural view presents a different classification in terms of brand loyalty such as undivided loyalty which states that the customers are selecting the same brand every time on purchasing a product or service. An occasional switchers as customers selecting the same brand over time, but may want a change of pace. Switch loyalty as a customer who has experienced a change of decision on brand, while divided loyalty as a customer who is loyal to more than one or more brand. The indifference part of customer is who used to perceive much little difference in brands and who cares less about the brand of the product and bothers about the quality of product. Organisations give more importance on churn rate, the rate at which new customer try a product or service and try to stop the purchase. CRM at the point of sales helps the organisation to calculate the churn rate of customers from the history of purchases, sequence of purchases and most recent purchases to predict the probability of consumers purchasing one brand over alternative choices. The customer relationship management is a collective theory leaning upon the initial strategies of the marketers and customer loyalty exhibited towards the service providers. When the customers stick on to certain fixed brands for their product requirements characterized by quality of service, CRM helps in providing the support services to address the feedback of the customers. CRM thus delivers the benefits to both for organizations and for customers.

4.1   BRAND SWITCHING BEHAVIOUR

Measuring the loyalty in terms of purchases, repeated purchases, sequence of purchases and most recent purchases may sometime result not because of loyal, instead may be of other factors like, the availability of products, price volatility, convenience and inertia of habit. The attitude of loyal customers involves much more on repeat purchases. This holds a lot of factors on preference or attitude of the service provider towards customer satisfaction and after sales support. An attitude of the customers involves individual's affective, cognitive and behavioural attitude. To identify these factors organisations employ lot of research to identify the level of emotional belief and feelings about their product and services offered. Attitude of customers is a psychological process of evaluation, decision-making towards purchase

and a strong predisposition towards overall liking of a brand. **Jagdish. N. Sheth, Banwaari Mittal, and Bruce.I.Newman,[54].** The emotional component along with the loyalty plays a important role in providing a framework on the customers loyalty which would differentiate loyalty into latent loyalty and inertia. Inertial loyalty can also be termed as "spurious loyalty", **Baker, Michael J.[55]**, which states that the customers to be of no strong attitudinal influence towards the product. These customers exhibit low involvement as well as perceive indifferent towards the product, stores or brand. In turn, latent loyalty customers are strong towards the product or service, but their purchase frequency is very low, situational factors force these customers in attitudinal decision. Thus loyalty which can be termed as a behavioural patterns resulted from attitudinal predispositions that are modified over a period of time. Customers who reveal inertia may be costly to encourage them to switch to a new product than who exhibit no loyal or behavioural pattern.

4.2   COMMITTED CUSTOMERS

Loyal customers, with regular purchases, strong on behavioural attribute, are very important to any organisations. Those customers are very profitable to organisation, not only from the revenue generated from those customers, they will spread a positive word of mouth about the product they enjoyed from the organisation. Relationship commitment is an enduring valuable relation between customer and the organisation which implies an attitude and positive response towards the organisation, **Ellen Garbarino and Mark.S.Johnson[56]**. A strong commitment and positive relations between a customer and organisation is a mutually beneficial to both. The relationship has a value and has to be preserved for the long term transactions. Transactions are discrete events result in no feeling of relationship and no anticipation of future interactions. Customers focused towards the transaction tend to seek maximum benefit from the current interactions. But committed customers may be willing to negotiate and even compromise to maintain the relationship for a long period of time. Thus relationship characterized by cooperative actions, compromises and sharing of benefits and costs for future plans. Thus the basic objective of relationship is to build trust, loyalty which leads to fulfilling the marketing objective of the organisation, **Uta juttner and Hans Peter Wehrli[57]**. The

main aspect of relationship is considered based on the richness of interactions, which are necessary to initiate, maintain and develop the relationship for long - term benefit. The more transactional may exhibit a low trust, but committing a limited number or resources in maintaining the relationship. Switching cost is low and there is low level of relationship, in contrast committed relationship characterized by trust, friendship, similar goals and a synergy in learning and knowledge sharing, **Michael Harvey and Cheri Speier[58]**. The committed customers are highly meticulous in expressing their loyalty before they commit themselves for the need of the product, behaviour at the time of purchase and behaviour after purchase. These factors collectively affect customer loyalty in the sense of high quality service at lower price.

4.3   FACTORS INFLUENCING BRAND SWITCHING BEHAVIOUR

Every marketer tries to identify the factors for customer loyalty. Following are some of the factors that decide the customer to shift as loyal customers or as dissatisfied customers. **(Jagdish. N. Sheth, Banwaari Mittal, and Bruce.I.Newman[54].**

CUSTOMER SATISFACTION

Customer satisfaction results from the difference of comparison between the pre-purchase and post-purchase expectations of the customers. Fulfillment of expectations is confirmation. If fulfillment is not satisfied, the customers may complain, may cease to buy the product some times, may spread a bad image about the organisation. It is the role of the organisation to measure and manage the customer satisfaction with the experience of the customer in terms of brand, product, organisation and location, **Richar.L.Oliver[59]**. Marketers have to measure the discrepancy between expectations and performance of the product, and should be minimized to great extent. The organisations have to delight the customers which surprise with fulfillment more than the expectations of their needs and wants. The organisation has to understand the degree of discrepancy and should find the causes for customer dissatisfaction.

Satisfied customers may not be loyal, which shape satisfaction as complex, and exist in different levels, **Hans Kasper, Piet Van Helsdingen and Wouter de Vries[60]**. It may be stated that loyal customers may be stated as desired level – what should be done, adequate level – what will be done. Each customer has a tolerance Zone, which states that expectations range from minimally acceptable to unacceptable performance. There are several explanations on the customer satisfaction. The satisfied customer may also have a positive experience with the competitor offerings, such relative satisfaction should also be considered in customer loyalty. Customer may also expect a variety of offering which may not be with the existing provider. With the competition in the market and the availability of information about competitor's product features may also make the customer to change their expectations.

EMOTIONAL BONDING

Another aspect of customer loyalty requires a close and emotional relation between the organisation and customer. Customers should have a positive brand affinity, with the organisation, **Arjun Chaudhuri and Morris B.Holbrook[61]**. In many cases, organisations try to maintain a positive relation with the customers with their brands they develop or acquire. Brand equity plays a major role in terms of maintaining the positive relations with the customers which goes beyond functional aspects but also a sense of closeness when they see others using the same brand. Many organisations find it difficult to have emotional bonding with loyal customers. CRM plays a major role for a rational consumers to establishing a feeling of closeness, affection and trust as true emotional bonding based on trust and respect, **Tony Cram[62].** CRM systems attempt to build emotional binding with customers. The CRM subsystems may sometimes limit the bonding with the customers. Personal contacts are very important in relational bonding process and contain many subtle issues that affect customer willingness to buy. Non-verbal signals, friendships and personal interactions are the major factors for building trust and may be short-changed as efforts to reduce labor cost by building strong relations, **Michael K.Rich[63].**

TRUST

Trust forms an another important factor for emotional bonding, which exists when one party has confidence on the exchange partner, **Robert Morgan and Shelby D.Hunt[64].** Trust can be defined as willingness of the customer to rely on organisation or brand to perform its stated functions. Trust reduces uncertainty / risk and is viewed as a carefully planned process and instantaneous response, **Arjun Chaudhuri and Morris. B.Holbrook[61].** Trust creates a belief in the minds of customer a sense of reliable and integrity. It creates a sense of honest, fair and sense of responsibility about the organisation. The organisation has to create a positive mind - set with lot of aspects like timely delivery, value added service, maintaining open and honest communication by keeping the expected service.

4.4   CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

The main function of the organisation is to bring buyers and sellers together to create customer. Keeping or maintaining the customers is also equally important for the long term relations and ultimately benefit of the organisation. The term relationship management communicates to the customers the long - term vision of the organisation in maintaining the relations. Marketers should be able to understand that the sale is not the end of the process, rather it is the beginning of the relations between the organisation and the customers. In the increasing proportions of transactions, the relationship intensifies in the subsequent sales. The principle of the customer relationship starts when the customer receives more than what he expects from the service provider which satisfies and pleased by the value added service rendered by the organisation. Satisfied customer tends to utilize the service of the organisation whenever he needs a product or similar product offered by the organisation. As the firms tries to serve the customer in the same manner whenever he tries to utilize the service, helps the organisation to maximize the lifetime value of the customer relationship, **Theodore Levitt[65].** With this relations the buyers can purchase promises of satisfaction from the firms and prefer to do business with firms they trust, **Patricia.M.Doney, and Joseph.P.Cannon[66].** It is an advantage for the organisation also as the relation is able to increase the sales and reduce marketing cost in the long

run, **Mary. J.Bitner**[67]. The firms should understand that no two buyers will buy for the same reason, and doing repeat business with the existing customer is beneficial for both the customer as well as for the long - term business perspectives. So it is the responsibility of the marketers to utilize the resources available in the organisation to create, interpret, and maintain relationship with the customers, **Regis McKenna**[68].

CRM or Customer Relationship Management in simplest definition, is a process to compile information that increases understanding about the customer and increases organisation relationships with its customers. CRM consists of analysis and action **Tony Cram**[62]**.** Which uses the advancement of the information technology to provide an comprehensive, reliable and integrated view of its customers base so that the organisation process can maintain relations and interactions for the mutual benefit. The CRM strategy should help the organisation to individualize and personalize the relations with the existing as well as with the potential customers and to increase the profitability from the relations, **Herb Edelstein**[69]**.** Thus CRM is to enhance customer service, improve customer satisfaction, and ensure customer retention, by aligning business process with the use of information technology.

The CRM system maintains the information about the customer, customer characters, buying behaviour, previous sales transactions, marketing effectiveness and market trends, **Stewart Deck**[70]**.** An effective CRM system should help the organisation to provide sufficient information to the customer which matches his requirements, so that the product offerings, can reach the exact users. In the recent times, the CRM system can be accessed by the customer to know and verify his transactions with the organisation.

A CRM approach is an another step in marketing, focusing towards an integrated system aiming at customer needs, enhancing profits in the long-term benefits of both organisation and customers. The integrated system should provide all the information about the customer available in the different functional areas of the organization as customer and suppliers. From the time the first transaction was made the organisation is able to generate different information about the customer such as his demographic profile, his likes and dislikes which will help the organisation to

personalize the offerings. There are lot of potential uses of CRM with the customers data, but the customers privacy should not be disturbed. The ultimate aim of building an effective CRM is to have a mutually beneficial relations in the form of customers experience by offering personalized product and services, **Christian Gronroos**[71]. But organisations find it difficult to build information about the customer. It requires array of skills from data capture, processing and analyzing. This should also follows with the security of data and with the touch of personalization, **Debabroto Chatterjee, Rajdeep Grewal and V.Sambamurthy**[72]. Though CRM is a technological development, organisations should think it as a tool exclusively for customer focus.

4.5   POTENTIAL BENEFITS OF CRM TO ORGANISATIONS

In the traditional concept of marketing, the entire business process of organisation revolves around customer. All the customers may not be the same, some may require great deal of effort service and cost more to retain them. The basic fact is that different customers represent different levels of profit to the organisation. With CRM tools it is possible for the organisation to calculate the lifetime value of the customer by comparing the cost spend to acquire the customer with that of the profitable transactions, positive word-of-mouth about the organisation and the potential future profits from the customer. The CRM has lot of benefits to the customer as well as to the organisations. It provides a profitable way of attract, maintain and retain the customer in an cost effective manner and also reduces the cost of transaction. For customer it helps in proving a one point of contact for his needs.

An effective CRM system helps the organisation to understand the customer through his purchasing patterns and addressing the customers feelings. This will satisfy the customer, creating a trust and in the continuing process will be able to retain the customer where the organisation can concentrate on getting new customers. Customer retention is a costly affair and it varies in different industries. CRM helps the organisation to have high share of customers, the organisation customizing and selling more service and product to the customer rather than selling one product. Thus the CRM helps to retain the customers, reduce the cost of maintaining the customers

and helps enhanced customer loyalty at the same time creating value to customers, **Warren Karlenzig[73]**.

4.6   POTENTIAL BENEFITS OF CRM TO CUSTOMERS

Customers also tend to benefit from the CRM systems as like organisations. CRM helps in continuity of relations with the organisation, which reduces the analyzing the alternatives in the pre-purchase behaviour of customers. If the customer is satisfied with the continuous link by meeting his needs over time, it helps to reduce the perceived risk of dealing with the new vendor or organisation. An effective CRM system provides a different types of touch point like telephone contact, e-mails, customer help desk or mail to interact and to know more about the customers needs. CRM system provides a touch of personalization by identifying the name, purchase patterns and can forecast the customer's future needs. To certain extent, CRM system also helps in one-to-one marketing to tailor made the offerings, **Don Pappers and Martha Rogers[74]**. Thus for a customer CRM helps to satisfy his needs, increase the value of relationship and reduce the risk associated with interactions with new organisations.

The above mentioned concepts of CRM and its correlation with consumer behavioural aspects give a rich interlocking picture in the present marketing theory at the national and international level. This forces us to study the consumer behaviour and its theoretical framework elaborately, justifying the aim of the research.

4.7   CONSUMER BEHAVIOR

Bennett, Peter D and Kassarjian Marold H[75], define consumer behavior as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts". Simple observation provides limited insight into the complex nature of consumer choice and researchers have increasingly sought the more sophisticated concepts and methods of investigation provided by behavioural sciences in order to understand, predict, and possibly control consumer behaviour more effectively. Psychology, social Psychology and sociology are the disciplines most

widely employed in this endeavour to identify the factors considered by the customer's expectations, to satisfy them and to retain them for the long - term benefit of the organisation.

In order to develop a framework for the study of consumer behaviour it is important to begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced the organisations to identify basic factors to fulfill the expectations of the customers **Boyd, Harper W., Jr. and levy, D. and Sidney, J[76].** Paradigms in consumer research can be broadly classified as a set of fundamental assumptions that researchers make about what they are studying and how they study it **Chhabra T.N. and Grover S.K[77]**. As described below, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate the various perspectives on consumer behaviour.

Research, that studies consumer behaviour as a sub discipline of marketing with the aim to identify how consumer research can be put to use in marketing practice, regards the field of consumer behavior as an applied social science. Accordingly, the value of the knowledge generated should be evaluated in terms of its ability to improve the effectiveness of marketing practice. According to this perspective, marketing management inevitably rests upon some conception of how consumers behave and of the consequences their reactions to product, price, promotion, and distribution strategies are likely to have for the attainment of corporate goals. In affluent competitive economies successful marketing depends above all on matching the marketing mix, which results from the integration of these strategies with the willingness of consumers to buy and in doing so more effectively than one's rivals. The consumer-oriented management which results from such matching, is a response to the enormous discretion exercised by purchasers in these economies. Moreover, the choices made by consumers have consequences not merely for competing companies within a given, traditionally-defined industry; because of the high levels at which discretionary income is running, companies are increasingly forced to compete across the conventional boundaries of markets and industries **Chisinall, peter M[78].**

Recently, though, some researchers have argued that consumer behaviour should not have a strategic focus at all. It should instead focus on the understanding of consumption for its own sake, rather than because the knowledge generated can be applied by marketers, **Chisnan, Peter M[79].** While this view has emerged relatively recently, it has encouraged many to expand the scope of their work beyond the field's traditional focus, on the applied benefits of undertaking consumer studies. This more critical view of consumer research has also led to the recognition that not all consumer behaviour and/or marketing activity is necessarily beneficial to individuals or society. As a result, current consumer research is likely to include attention to the "dark side" of consumer behaviour, such as addiction, prostitution, homelessness, shoplifting, or environmental waste, **Costa, Janeen Arnold[80].** This activity builds upon the earlier work of researchers who have studied consumer issues related to public policy, ethics, and consumerism. There is a growing movement in the field to develop knowledge about *social marketing*, which involves the promotion of causes and ideas, such as responsible drinking, energy conservation, and population control.

4.8   FACTORS INFLUENCING CONSUMER BEHAVIOUR

1. Cultural Factors

    a. Culture

    b. Subculture

    c. Social Class

2. Social Factors

    a. Reference Group

    b. Family

    c. Roles and Status

3. Personal Factors

    a. Age and stage in the life - cycle

    b. Habit

       c. Occupation and economic circle

       d. Lifestyle

       e. Personality and self concept

4. Psychological Factors

       a. Motivation

       b. Perception

       c. Learning

       d. Belief and Attitudes

       e. Involvement – take printout and income.

CULTURE

Culture plays a predominant role in developing buying motives and characters of the customers, has been implicitly accepted by researcher, and specific research has been lacking. "The customer is culture-bound. Probably there will not be enough dried octopus, codpieces and hookahs sold in Omaha in 1970 to support a single person's activities for a week, yet at one time or another and in one place or another, these have been standard items of consumer use. All of them satisfy normal human wants that are in our culture directed in part toward the purchase of shrimp, hairdressing, neckties, and cigarettes", **Leon, G. Schiffman and Leslie La zar Kanuk[81].** Thus culture provides approved specific goal-objects for any generalized human want. For the potential usefulness of cultural anthropology in understanding buying behaviour the reader is referred to **Loudon, David L and Della, Bitta Albert[82].** For an excellent review of the effects of culture on attitude formation and change in non-marketing and some marketing contexts, the reader must look up **Luck, J.David and Rubin, Ronald, S[83].** Each culture consists of smaller subcultures that provide more specific identification and socialization of their members. Subculture includes nationalities, religions, racial groups and geographic regions. When subcultures grow large and affluent enough, companies offer designed specialized marketing programs to serve them. Such programs are known as diversity marketing.

Virtually all human societies exhibit social stratification. Stratification sometimes takes the form of a caste system where the members of different are reared for certain roles and cannot change caste membership. More frequently it takes the form of social clan, relatively homogeneous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interest and behaviour. Social class has recently received some attention in its relevance to consumer behaviour. Much of the work has been related to the six classification of social class given by **Majumdar, Ramanuj[84].** Warner has classified society into upper-upper, lower-upper, upper-middle, lower-middle, upper-lower, and lower-lower, based on variables related to income, source of income, education, occupation, and neighbourhood. **Mehendra, Mohan[85],** have extensively studied the differential buying habits and communication sources of consumers belonging to different classes. Martineau argues that a person belonging to a lower class is ill-at-ease when she shops at a place usually visited by the higher class people. **Prabhat, Pankaj K[86],** points to the differences in value systems, interpersonal attitudes, self-perceptions, and daily life among classes which are reflected in choice of media, shopping habits, and context of advertising.

In consumer behaviour, the notion of a "trickle-town" theory based on the ordinal class concept has been in vogue for some time. The theory suggests that people belonging to lower classes emulate or imitate the behaviour of people belonging to the upper classes, and in the process, an innovation is gradually diffused from higher to lower classes, **Rao S.L. and Natarajan I[87].** However, the trickle-down theory has been criticized on many grounds, **Reynolds, F.L. and Wells W.D[88].** Perhaps the most logical objection would come from the level-of-aspiration theory, **Shrivastava P.K[89],** which suggests that one's expected aspiration is tempered with reality, and that an individual therefore brings his aspirations to his level of reach in order to avoid constant frustrations. Also, the theory of social interaction **William, Stanton J.[90],** for a good statement suggests that a person may be more satisfied in an interaction situation where there are similarities of "exogenous factors" such as age, education, background, etc. **Adi Godrej[91],** provides some evidence which suggests that whatever influence occurs is probably within a given class, and that within each class one can find two groups — the minority which is

above-average and the majority which is the average. Finally**, Agarwal, Muthukumaran and sharma**[92]**,** also found that there are opinion leaders at all levels of social class rather than a concentration in one class.

REFERENCE GROUPS

A person's reference groups consist of all the groups that have a direct (face to face) (or) indirect influence on persons attitudes (or) behaviour. Groups having a direct influence on a person, are caused membership groups. Some membership groups are primary groups, such as family, friends, neighbours and co-worker, with whom the person interacts fairly continuously and informally. People also belong to secondary groups such as religious, professional and traces union groups, which tend to be more formal and resource continuous interaction. The theory of social interaction by **Anderson, A.R.**[93]**,** has received attention in buyer behaviour through reference group influences on buying decisions.

Bernhardt K. and Kinnear T[94]**,** suggest a possible dual effect of a reference group on the consumer in determining (1) his goals, and (2) specific courses of action. The former will be reflected in buying or not buying a product class, while the latter will influence the type and brand within a product class. **Berry L.L**[95]**,** have studied the effects of reference groups in the purchase of clothing. In an experimental study, **Burns, Alvin C, and Mary Carolyn Harrison**[96]**,** found that conformity to existing norms of the group was probably the cause for lack of interest in new products among the respondents. On the other hand, **Crask, Melvin R and Reynolds D Fred**[97]**,** has argued that it may be better to advertise new products against which there are no taboos rather than advertise existing products.

Based on the reference group hypothesis, **Curtis, William H**[98]**,** suggested a tentative theory of opinion leadership and two-step flow of communication. The later states that the flow of information from the company reaches a certain small segment of each class — called the opinion leaders - through the mass media. In the next step the information flows from the opinion leaders to the masses of each class. The theory provides some interesting implications for marketing strategies, especially in connection with the diffusion of innovations. Based on the theory the Bureau of

Applied Social Research conducted a study of the diffusion of knowledge and adoption of a miracle drug among physicians in a small town. A series of articles have been published on the study by **Darden, W.R. and Ashton, D[99],** While the study did confirm the importance of personal influence, the theory of opinion leadership did not work well.

FAMILY

Family refers to two or more persons related by blood, marriage of adoption who reside together, **Elliot Stu art[100],**consumer behaviour experts agree that the family exerts the major influence on the consumer behaviour of its members (see for example, **Girish, Punj and David, Stewart W[101].** The family shapes its members personality characteristics, attitudes and evaluate criteria, i.e., the way its members look at the world and they relate to it. Family members constitute the most influential primary reference group, **Gollule, J. and Javitz, H[102].** The family is the most important consumer-buying organization in society, and family members constitute the most influential primary reference group. The family has been researched extensively. We can distinguish between two families in the buyer's life. The family of orientation consists of parents and siblings. From parents a person acquires an orientation toward religion, politics, and economics and a sense of personal ambitions, self-worth, and love. Even if the buyer no longer interacts very much with his or her parents, their influence on the buyer's behaviour can be significant. In countries where parents live with grown children, their influence can be substantial. A more direct influence one very day buying behaviour is the family of procreation namely, one's spouse and children.

The family of procreation consist of one's spouse and children who have a more direct influence on everyday buying behaviour **Gorden, Bivens E. and Carol, Volker.B[103].** Marketers are interested in the roles and relative influence of the husband, wife, and children in the purchase of a large variety of products and services. These roles vary widely in different countries and social classes. Vietnamese Americans, for example, are more likely to adhere to the traditional model in which the man makes the decision for any large purchase. Similarly, successful ads for

Korean Americans usually feature a man in his thirties or forties unless the ad is for an especially female product, such as jewellery.

PERSONAL FACTORS

A buyer's decisions are also influenced by personal characteristics. These include the buyer's age and stage in the life cycle, occupation, economic circumstances, lifestyle and personality and self-concept.

AGE AND STAGE IN THE LIFE - CYCLE

Age groups can be very a useful means of understanding and segmenting an apparel marketing for the factors of age and the way individuals think and behave. Further individuals based on age groups differs in attitudes and values.

People buy different goods and services over a lifetime. They ate baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Taste in clothes, furniture, and recreation is also age related. Consumption is shaped by the family life - cycle. Nine stages of the family life - cycle are listed, along with the financial situation and typical product interests of each group. Marketers often choose life-cycle groups as their target markets. Yet target households are not always family based. There are also single households, gay households, and cohabiter households. In addition, some recent research has identified psychological life-cycle stages. Adults experience certain "passages" or "transformations" as they go through life. Marketers pay close attention to changing life circumstances - divorce, widowhood, remarriage - and their effect on consumption.

OCCUPATION AND ECONOMIC CIRCUMSTANCES

Occupation also influences consumption patterns. A blue-collar worker will buy work clothes, work shoes, and lunch-boxes. A company president will buy expensive suits, air travel, and country club membership. Marketers try to identify the occupational groups that have above-average interest in their products and services. A

Company can even tailor its products for certain occupational groups. Computer software companies, for example, design different products for brand managers, engineers, lawyers, and physicians.

Product choice is greatly affected by economic circumstances: dispensable income (level, stability and time pattern), savings and assets including the percentage that is liquid, debts, borrowing power, and attitudes toward spending and saving. Marketers of income-sensitive goods continuously monitor 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, so they continue to offer value to target customers.

PERCEPTION

Perceptions are shaped by three sets of influences: the physical characteristics of the stimuli, the relation of the stimuli to their surroundings and conditions within the individual. While the first two sets of influences are both related to stimuli, the last set of influences is the only reason that makes perception a personal trait. Factors that influence this frame of reference include learning experiences, attitude, personality and self - image **Webster Frederick E. Jr.[104].**Further, **Wells, William D and Douglas, Tigert[105],** found that there is a large body of literature on perception discussing how people's perceptions are influenced by various factors. These factors are people's mood (or) frames of mind physical abilities to experience sensation, their personalities and motivations, the social and physical context of the stimuli being perceived, and the physical composition of the stimuli. Eilkie emphasized the two key factors that determine what is perceived and how it is perceived stimulus characteristics help us to understand what properties of a stimuli cause it to receive more attention that it otherwise might. Further, he discussed how these properties lead to a particular forms of treatment by CIP (Consumer Information Processing) system. Consumer characteristics on the other hand, refer to the influences that our physical, and conceptual systems have on what we perceive and how we perceive it.

Some researchers have employed the perception phenomenon in understanding buying behaviour that when brands of beer are given in unmarked

bottles, beer drinkers are unable to identify the brands. Brand perception as developed by company promotion is, therefore, quite important in keeping customers loyal. Several studies have been reported on the identification of cola beverages based on taste only. Generally, the respondents have not been able to do better than by chance, suggesting that brand preference may be based on brand perceptions developed by marketing and social factors.

CONCLUSION

This chapter presented the conceptual framework of Customer Relationship Management and its influence on customer loyalty. It is also explored the concepts pertaining to consumer behavior and its impact on framing the customer relationship management strategies. The customer loyalty and its various components of brand knowledge, brand awareness and brand association are also theoretically explored.