

Determinants of Brand Loyalty of Skin Care Products in Rural Areas

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Abstract

The number of consumers using cosmetics, especially skin care products is on the increasing level. It is the state of city consumers. Equally, it is also on the rising trend among rural consumers. It is necessary that the manufacturers must know about perception of the consumers towards the brand loyalty of skincare products and their behavior towards their behavior in purchasing the product. It helps in deciding strategies to be followed in rural areas to increase the usage and in turn purchase of the product for personal use them. Against such a backdrop, the researcher has decided to undertake a study that extends over a wide canvas entailing a comprehensive examination of the brand loyalty behavioural pattern of the women skincare cosmetics consumers to answer the following questions. The main objective of the study is identifying the factors influencing the brand loyalty towards skin care products and to assess the determinants of brand loyalty towards skin care products. The study revealed that brand name, brand price and brand quality are the main determinants of brand loyalty of skin care products in rural areas.

Keywords: Loyalty, brand quality, brand promotion, competitor, expectations.

Introduction

The present day business environment is characterized by increased competition, consumers experience rapid entry of new product and services into the market place. This results in wider choices of better and superior alternatives and opportunities to consumers. These products and services are so replicable and in today's environment, the biggest challenge for companies is to compete in the market place and how to differentiate their products from the competitors.

Under this marketing environment consumers are becoming more and more demanding. In pursuit of achieving the best possible value for their money, modern day consumers are gradually becoming quite choosy about products/services on the basis of their expectations. Hence, the producers are constantly engage themselves to fulfill the expectations and they are, frantically, searching strategies to maintain a set of consumers who are loyal to the products/services that they are offering for sale. This phenomenon is particularly significant for the low priced, daily use, non durable products which are purchased repeatedly by the consumers at frequent intervals.

In such cases, the only feature that will help consumers identify and differentiate the product in the market is the brand and the manufacturers differentiate their products with that of the competitors, using the brand name. Hence, Branding is a tool used by the manufacturers to differentiate their product from the competitors'. Every company tries to develop brand image for their products and they continuously makes serious attempt to develop a brand strategy for their products and services.

Branding, thus, has become an important marketing activity to differentiate their product and gain the brand loyalty of customers. Brand loyalty is created out of repeated purchase by customers. The re-purchasing behavior of customers is an indication of loyalty. However, creation of customers' loyalty depends on the fulfillment of the expectations of the customers by the product groups. Different reasons are attributable in the formation of brand loyalty. Creating brand loyalty has become an important indicator of the success of businesses in the market considering existing competition between the brands. To

create brand loyalty, it is quite important for firms to understand how consumers choose among alternative brands and what motivates them towards a particular brand. .

Much of the competing product has a similar standard in terms of product quality, price, performance, etc which make it difficult to differentiate. Rosenberg and Czepiel (1983) argued that "customer loyalty erodes when there is a wide range of similar nationwide product and retailers". In addition, Bennett and Rundle Thiele (2005) had come up with two reasons for the decline of brand loyalty.

The first is due to the rising of quality levels of products that have risen to a standard where the effect of brand image can no longer clearly differentiate the competing brands within the category. Thus, consumer risk in switching brands is considerably lower today as the quality of substitute brands is no longer a concern. Another reason is related to the positioning of the brands. Many brands still position themselves on the basis of quality and risk reduction, which does not resonate with the modern consumer.

The consumer behavior is always remaining under influence of factors, which stimulates the behavior of consumers towards either remain loyal with existing brand or switch towards other brands. Thus, today's customers are becoming harder to please. They are smarter, more price-conscious, more demanding, less forgiving and approached by many more competitors with equal or better offers. Therefore, the real challenges are not only to produce satisfied customer but also to produce delighted and loyal customers. Otherwise, companies suffer from high customer churn, i.e., high customer defection. The marketing environment has turn out to be a very multifaceted and competitive one and day by day marketing environment is shifting and developing gradually. Thus, it has become essential for business to look for ways of gaining and maintaining brand loyalty by building consumer believes and to give an individual identity to brand loyalty.

Consumer purchases a product to accomplish his needs and has sure amount of expectations from the brand he buys. When he is able to assemble those perceived value from the brand or expectations, he develops a belief and satisfaction towards the brand which is called customer satisfaction. Companies have begun to recognize that it is easier and more cost able to find ways to develop customer satisfaction and maintain current customers instead of paying more attention to engaging new customers.

Review of Literature

R. Sundari, Dr. M. Sakthivel Murugan viewed that women with high and medium brand loyalty are driven by secondary benefits such as ingredients of the product and women consumers, while buying personal care products, considered Product purpose, innovative features, manufacturer's reputation, and the medicinal value of the product. Satendra Thakur and Dr. A. P. Singh showed that three brand image benefit namely functional, social and appearance enhance have positively and significantly related to customer satisfaction and loyalty intention. On the other hand results indicate that there is a positive relationship between customer satisfaction and loyalty intention. Anjali Sharma, Shruti Bhola, Shweta Malyan and Neha Patni indicated that quality and price are the two main parameters for which women may switch from one brand to another brand. Brand image is the major cause, which women choose while purchasing beauty product. J. Vidhya Jawahar and Dr. K. Tamizh jyothi confirmed that age, occupation, marital status have positive influence towards cosmetic products. Burcu Candan , Sevtap Ünal and Aysel Erciş identified that there exists relation between consumption values and brand loyalty of young people in personal care products. Marri Sreenivasulu, Dr. G. Janardhana and Dr. Mamilla Rajasekhar depicted that brand loyalty towards Big Bazaar is positive and all the six antecedents have the significant effect on customer satisfaction as customer satisfaction is positively associated with brand loyalty. A. Hemalatha, Dr. Valsamma Antony and Dr. G. Sivanesan identified that brand name influence brand loyalty towards toilet soaps. In the present changing buying behavior brand loyalty is important for any

organization to ensure that their products is kept in minds of consumers and it will reduce the switching to other brands. Dr. A. K. Singh an Imran Mehraj Dar concluded that the survival of the manufacturer depends on to what extent the expectations of the consumers are fulfilled. Prof. Siddharth Shriram Shimpi and Dr. D. K. Sinha provided evidence and an insight on various variables used for analysis and reveals that texture of product, promised effects, previous usage experience and suitability to skin types have given more significance by Pune men for purchasing male cosmetics products. Yuvaraj reveals that the consumers considered the quality and price of the product at the time of purchase. It is also evidenced from their study that the promised result of the product is also one of the factors considered in the decision making process. Lydia K. Mwai, Dr. Anne W. Muchemi and Consolata W. Ndungu supported the view that brand trust, brand perceived value and price should remain prime focus for the organization to maintain market share in today's competitive business environment.

Problem Identification and Formulation

It is evident from the studies that good amount of researches were undertaken to study various aspects of Brand Loyalty at the International Level.

However, one is yet to come across similar researches in the field of Brand Loyalty at the National Level in India since the concept of Branding is yet to pick up in a developing nation like ours as compared to western more developed nations. As described above, the number of consumers using cosmetics, especially skin care products is on the increasing level. It is the state of city consumers. Equally, it is also on the rising trend among rural consumers. It is necessary that the manufacturers must know about perception of the consumers towards the brand loyalty of skincare products and their behavior towards their behavior in purchasing the product. It helps in deciding strategies to be followed in rural areas to increase the usage and in turn purchase of the product for personal use them. Against such a backdrop, the researcher has decided to undertake a study that extends over a wide canvas entailing a comprehensive examination of the brand loyalty behavioural pattern of the women skincare cosmetics consumers to answer the following questions.

1. What are the factors that affect the brand loyalty in the purchase of skin care products?
2. What is the perception of the rural consumers towards skin care products?
3. What are the factors that motivate them to purchase the skin care products?

Objectives of the Study

1. To study the factors influencing the brand loyalty towards skin care products
2. To assess the determinants of brand loyalty towards skin care products

Scope of the Study

a. Geographical Scope

Geographically, this study covers Women Skincare Cosmetics Users residing in the selected rural area, Arachalur, in Erode District.

b. Functional Scope

The Study is restricted to the Analysis of only the Brand Loyalty aspect in the area of Brand Management and the study is related to women Skincare Cosmetics. Since the Beauty and Personal Care Industry is the aggregation of a wide range of Product Category, manufacturers like Baby care, Bath and Shower Products, Deodorants, Hair care, Skin care, Colour Cosmetics, Men's Grooming Products, Oral Hygiene, Perfumes and Fragrances, Depilatories and Sun care, each of which is an area of analysis separately. The Researcher has decided to focus only on the Skincare Cosmetics Buyers (Women) of the rural area in Erode District.

Research Methodology

In the present study, the factors influencing the brand loyalty are analysed. Firstly, specific and measurable attributes that are expected to influence brand loyalty are identified. These influencing factors capture product and service variables that lead to brand loyalty. It is assumed that improvements in these loyalty factors, in turn, strengthen the brand loyalty and increased consumer satisfaction should lead to greater store sales, via increased likelihood of repurchase and favorable word of mouth. Considering the above nature of the study, methodology for the present study specifies method for acquiring the data needed to structure the problem at hand. It includes selection of the representative, designing questionnaire, collection of data, deciding statistical tools for the analysis and interpretation of data.

Nature and Sources of Data

Since the study is analytical and empirical in nature, it is based both on primary and secondary data. The Primary data were collected by the researcher through a well designed, structured and comprehensive questionnaire developed by the researcher in view of the theoretical literature and the objectives of the research study. The opinion of the respondents towards factors influencing brand loyalty of women skin care products is obtained using 5 point Likert's Scale. This questionnaire was administered to a sample of 150 women respondents residing in the selected area.

The secondary sources of data like Internet, Journals Periodicals, Magazines, Newspapers, Books, Census Reports and Published Reports have been used for Literature Review, Conceptual Reference and analysis of the data collected for better reliability of the study.

Population and Sample Design

Keeping in view the problem and scope of the study, Convenience Sampling method of choosing Women Skincare Cosmetics Buyers was adopted to select the Respondents in the selected area to represent an overall picture of the users of cosmetics. Though the Universe of the study comprised women skincare cosmetics buyers above 18 years of age, the study considered the respondents residing in Arachalur with the simple reason of convenience accounted for the geographic concentration of the sample.

Period of the Study

The study was carried out during the period February, 2016-March, 2016.

Deigning of Questionnaire and Collection of Data

The instrument of this study was generated by reusing, adapting, and integrating items related to the factors influencing the brand loyalty based on the relevant literature. A review of previous studies on customer loyalty provides a basis for developing its scale items.

Sample respondents were approached with the questionnaire as per the convenience of the researcher in the study area to collect the data. Totally 150 respondents were approached and data were collected from them.

Significance of the Study

The findings and conclusions of a study of the kind without doubt provide an empirical basis to the studies of consumer behavior in the future. As a matter of fact consumer, research studies throughout the globe provide a new dimension to the existing literature and throw new light on an unexplored aspect of consumer behavior in rural areas. Therefore, the importance of such studies can hardly be overemphasized.

Limitations of the Study

The researcher is very much aware of the following limitations of the study and she has taken effort to ensure utmost faith in the collection of data and the process of the research

(i) Sampling Approach has been used in this study. As such the study suffers from the Limitations of sampling in general. The specific Limitation of this study has been the inclusion of Rural Respondents alone.

(ii) The present study being part of Behavioural Research as such suffers from the subjectivity biases of the respondents.

(iii) Again this study is limited to the village Arachalur of Erode district in Tamil nadu. So the generalization of conclusions of the study may therefore not have universal applicability as the findings were based on the perceptions of the consumers at one point of time.

(iv) Admittedly, consumer behavior is based on particular product and very often situation specific. It may vary from one product to another or even differ for the same product from one user to another. Therefore, general applicability of the inferences and conclusions of a consumer behavior study like the present one cannot be claimed.

Data Analysis

Data analysis is mainly done to identify the factors determining the loyalty of women skin care products in rural area. The identified factors influencing the brand loyalty are Brand name, product quality, price, promotion, distribution and packaging of women skin care products of different brands. The analysis has been carried out using SPSS 17. The results obtained are in the form of demographic profile of the respondents and regression analysis and the same are furnished here.

Table 1: Distribution of Respondents based on Demographic Profile

S.No.	Variable/Attributes	Percentage of Respondents
Age		
1	Below 20 Years	25.0
2	21 to 30 Years	19.0
3	31 to 40 Years	26.5
4	Above 40 Years	29.5
	Total	100.0
Educational Qualification		
1	Less than SSLC	19.5
2	SSLC / HSC	28.0
3	Graduation	36.0
4	Post Graduation	16.5
	Total	100.0
Occupation		
1	Students	18.5
2	Housewife	29.5
3	Employees	24.5
4	Own Business	21.0
5	Professional	6.5
	Total	100.0
Income		
1	Below Rs.10000	30.0
2	Rs.10000 - Rs.20000	28.5
3	Rs.20000 - Rs.30000	18.0
4	Above Rs.30000	23.5
	Total	100.0

Source: Calculated from Primary data

Classification of Respondents According to Age Groups

The sample is divided into four age groups based on their age. This classification of the sample is very much appropriate as the taste, buying habits and consumption pattern of people vary depend on age group.

In the sample, nearly one-third i.e. 29.5% represent the older age group above 40 years, 26.5% of the respondents are in the age group of 31-40 years, 25% respondents are in the younger age group of below 20 years and 19% of the respondents in the age group of 21-30. It is understood that more number of respondents (29.5%) are in the age group of above 40 years.

Classification of Respondents on the basis of Education

Education plays a vital role in influencing human action, the impulses and motives that sustain and regulate all mental activity and behavior of individuals, both at general as well as at purchasing level. Hence, the respondents of the present study are classified according to their educational status. Based on this classification of respondents, 36% of the respondents have an educational qualification of graduation, 28% of the respondents have either secondary or higher secondary level qualification, 19.5% of the respondents have an educational qualification of less than SSLC graduates and 16.5% are post

graduates. It is clear that graduate respondents are more in number (36%) than other type of respondents in the study.

Classification of Respondents on the basis of Occupation

According to the survey results, 29.5% of the test subjects are homemakers, 24.5% are employees, 10.8% are in service both private and public, 21% respondents are business women, 18.5% of the respondents are students and finally 3% of the respondents are professionals like doctors, lawyers, chartered accountants etc. It is inferred that more number of persons (29.5%) are housewives.

Classification of Respondents on the basis of Monthly Family Income

Income has for long been an important variable for distinguishing market segments in developing economies like ours. It is widely recognized that income is a major determinant as far as choice of products/ services is concerned. Since the employment level among women respondents is not very significant in our country as a lot of them are simple homemakers without their own individual incomes, and given this fact since most women do use skincare cosmetics items, the researcher has considered monthly family income for the analysis. In case of frequently purchased products like personal care, the level of income holds an outstanding significance in segmenting the market. On the basis of Family income on a monthly basis, the respondents are divided into four categories. As seen from above table 4.5., a bulk of the respondents i.e. 30% belong to the lowest income group of below Rs.10,000, followed by 28.5% of them fall in the income category of Rs. 10,000 -20,000, 23.5% of the respondents belong to the income group of above Rs. 50,000 and the rest of 18% of the respondents belong to the income group of Rs. 20,000-30,000. It can be inferred that more number of respondents are in the income group of below Rs.10,000. In can be concluded that more number of respondents (30%) are in the income group of below Rs.10,000.

Table 6: Opinion of the Respondents towards Factor Influencing Brand Loyalty

Factors	Variables	Strongly Agree	Agree	Un-decided	Disagree	Strongly Disagree
Brand name	Image and popularity	24	27	29.5	13.5	6
	Easy to pronounce	24	25	31.5	12.5	7
	Attractive and Remember	23.5	32.5	24	14	6
	Reflects personality	21	28	24	18	9
Product Quality	Good Quality	24.5	9.5	31	21	14
	Matches Skin type	22	24.5	22.5	20	11
	Wide range	15	36	32	11	6
	No harmful chemicals	19.5	27.5	24.5	21	7.5
Price	Provides good value	16	35	33	10	6
	Readiness to pay higher price	28	27	21.5	9.5	9
	Offering required discount	25	32	26	12	5
Promotion	Attractive Advertisement	29.5	33	19	11.5	7
	Advertisement induces purchase	27	28	22	15	8
	Specifically Promoted	29	12.5	32.5	17	9
	Availability of Special discount	27	21	17.5	28.5	6
	Knowledgeable sales staff	19	37	30.5	9.5	4
	Recommendation from friends & relatives	29	28.5	20	12.5	10
Distribution	Available in Store	27.5	31.5	24	12	5
	Sufficient outlets	25	32	21.5	13.5	9
	Widely available	24.5	27.5	24	14.5	9.5
Packaging	Attractive packaging	27.5	9.5	35	15.5	12.5
	Instruction & Contents	26.5	22	18.5	25.5	7.5
	Alternate use	21	37.5	29	8	4.5

Source: Field Survey

From Table 2 it is clear regarding the factor Brand Name, around one-third of the respondents and 19.5 percent each of the respondents are having no opinion towards the attributes image and popularity of the brand name and easy to pronounce the name of the brand respectively and have not agreed the fact that brand loyalty is influenced by these attributes. In case of the fact that the brand name is attractive and easy to remember and its use reflects the personality of the user.

In case of Brand quality, more than half of the people have no opinion towards the quality of the product or not suitable to their skin requirements and the chemicals continued in the products or have not agreed to this.

In case of Brand price, around fifty percent of respondent have no thought that it provides value to their price and around 40 percent of the respondents have no opinion towards payment of higher prices and discounts provided.

In case of promotion around thirty percent of the respondents have no opinion that the brand is specially promoted, and around twenty percent of the respondents have not agreed that attractive advertisement attract the people to buy, special discounts are available and recommended by friends or relatives.

In case of Brand distribution, around one-fourth of the respondents have no opinion towards the attributes viz., brand products are available in store, there are sufficient number of store outlets are widely available.

In case of Brand Packaging, more than 50 percent of the respondents have nop opinion towards the attributes attractive packaging and it contains proper instructions and contents and more than 40 percent have no opinion and not agreed that the package facilitates alternate use.

Table 3a: Regression Results for Factors Determining Brand Loyalty

Model	R	R Square	Adjusted R Square	Std Error of the estimate
1	.865	.860	.748	.675

Source: Calculated From Field survey

Table 3b: Regression Co-efficient

Model	Unstandardised Co-efficient		Standardised Co-efficient	t	Sig.
	B	Std Error	Beta		
Constant	.022	.316		0.068	.000
Brand name (X1)	.405	.092	.415	4.389	.000
Quality (X2)	.334	.094	.314	3.564	.001
Price (X3)	.248	.076	.236	3.257	.002
Promotion (X4)	.267	.067	.434	3.245	.051
Distribution (X5)	.348	.072	.325	3.325	.066
Packaging (X6)	.344	.064	.248	2.768	.072

Source: Calculated From Field survey

From Table 3a with the name Model Summary shows that the coefficient of multiple determinant R Square value is 0.865. That means 86.5% of the variation in the dependent variable i.e., brand loyalty is explained by each of the independent variable. It can be said that the regression equation is useful for making predictions since the value of R Square value is close to 1. So, predictor’s Brand name, quality, price, promotion, distribution and packaging are explaining the dependence Brand Loyalty on it properly. Let's focus on the five predictors, whether they are statistically significant and, if so, the direction of the relationship. The effect of the variable brand presence (b=-0.405, p=.000) is significant and its coefficient is positive indicating that the greater proportion of respondents think that a certain brand name presence in their mind is the main source of their brand loyalty. Next the variable price, it is also significant to predict brand loyalty because the value of b=0.334 and p= 0.001 which is less than 0.005. The variable brand quality is an influential and significant (p=0.002) predictor of brand loyalty. It has a positive relationship with the dependent variable (b=0.248). So the regression equation is $Y = 0.022 + 0.405X_1 + 0.334X_2 + 0.248X_3$ where Y is the dependent variable i.e., brand

loyalty, X1 is the first independent variable brand name, X2 is the second independent variable Brand price and X3 is the third independent variable Brand quality.

Findings

From the data analysis some major findings have come out:

1. Brand loyalty of skin care products depends on brand name of the particular brand. In case of skin care product brand name is the main independent variable for its brand loyalty. When a customer going to purchase skin care product for her always have a preferred brand in her mind and based on that the purchase decision is made. From the responses of the customers it is also evident that they always compare a new brand of skin care product with the brand which is there in their mind. Ultimately they repurchase a skin care brand based on its presence in their mind.
2. Brand loyalty of skin care product also depends on customers' expectation from the brand price. From the responses of the customers it is also evident that they always compare the price of a new brand of skin care product with the brand which is there in their mind. Ultimately they repurchase a skin care brand based on the price they have in their mind.
3. Brand quality has come out as another determining factor of brand loyalty from the analysis of data and from customers' responses. Brand quality which fulfills the needs of the customers makes them to purchase the preferred brand of skin care product repeatedly.

Conclusion

The study findings revealed that favourable name with suitable price of the product and expected quality presence in the product enhances the brand loyalty in the product and the customers will repeat their purchase of the same skin care product in rural areas. However, promotion, distribution and package of the products have no significant relationship with the brand loyalty. The study recommends that the name of the skin care products should strongly be go into the minds of the customers, ensure that the products are available at their expected price or the price should be within the reach of the rural customers and it should fulfill the need of the customers in terms of the quality of the product. Around fifty percent of the respondents have no opinion or not agreed to the attribute of the variables influencing the brand. Hence, the manufacturers of the skin care products should give repeated advertisements in the channels which are in the reach of the rural customers and price the products considering their capacity and willingness to pay depending on their quality of the product and its capacity to fulfill the needs of the rural customers.

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