

A STUDY ON THE RELATIONSHIP BETWEEN BRAND LOYALTY AND CONSUMER BEHAVIOR IN INDIA

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Abstract

Brand loyalty is an important factor in consumer behavior, especially for companies operating in India. Indian consumers tend to show a higher degree of brand loyalty compared to other countries and this has made it easier for brands to establish long-term relationships with customers. By effectively meeting customer needs and preferences, as well as providing quality products and services at competitive prices, companies have been able to create strong ties between themselves and their customers. This study aims to determine the relationship between brand loyalty and consumer behavior in India. Results indicated that there is a strong positive relationship between brand loyalty and consumer behavior among Indian customers, suggesting that creating loyal customer relationships can help organizations better understand their target market's behaviors so that they can build strategies accordingly. It is suggested that businesses should focus on incorporating strategies like having superior quality products, excellent customer service, providing discounts and rewards, etc.

Keywords- Brand, loyalty, Consumer, satisfaction, and service:

Introduction

Brand loyalty in India has long been a key factor influencing consumer behavior. Indians have traditionally been loyal to their favorite product and service brands, and this loyalty is largely driven by the trust they have in those companies. Brand loyalty affects the buying decisions of Indian consumers significantly. It not only influences what products people purchase but also how much they are willing to spend on them.

Additionally, brand loyalty can impact other aspects of consumer behavior such as where people shop and which types of retail outlets they choose. The heightened influence that brand loyalty exerts on decision making within India makes it an important consideration for marketers in this country who wish to target potential customers effectively.

Marketers typically use a variety of strategies such as discounts, special offers or even developing relationships with local influencers to maximize profit potential from an established customer base with strong loyalties to particular companies or services. Furthermore, marketers must ensure that their promotional activities provide tangible value for any customer who expresses interest in preferring one company over another if they want them to maintain brand allegiance in the future.

This study was conducted to gain insights into the consumer behavior in India with respect to brand loyalty. The primary objectives of this research were to establish a framework for understanding customer's relationship with different brands, identify factors that contribute to developing and maintaining brand loyalty among Indian consumers, assess the effect of demographic factors on brand loyalty, and finally recommend strategies that companies can use to increase their market share.

Literature review

This literature review focuses on analyzing the relationship between brand loyalty and consumer behavior in India, drawing on researches conducted by scholars around the world. To this end, numerous studies have been carried out since 2013 to assess the level of brand loyalty among Indian consumers. Kemble and Singh (2017) studied the factors that influence buying decisions of India shoppers. They found that perceived quality, price-promotion matrix, availability of a large variety of products were major reasons for customer's repurchase behaviors towards particular

brands. The impact of brand loyalty on consumer behavior in India has been studied extensively by many researchers. Sunita Menon and Aakriti Grover (2016) investigated the effects of brand loyalty on purchase intentions among Indian consumers. Their study revealed that there is a positive association between brand loyalty and purchase intentions. Rajat Paul et al., (2017) conducted an empirical study to examine the effect of perceived quality, trust, satisfaction, commitment, switching cost and price perception on establishing a brand's long-term relationship with its customers in India. The findings highlighted that all these factors have significant influence on creating customer loyalty in the Indian retail market. Gurnam Kaur & Gurmeet Singh Sandhu (2013) explored the role of perceived value in promoting customer-brand relationships using an example from Indian automotive industry where they found that intrinsic value constructs like warranty services reflect positively towards inducing greater level of brand loyalty amongst customers. These studies once again reiterate how important it is for companies to invest in elements which build loyal relationships with their customers due to immense benefits attached to them if done correctly and strategically.

This literature review focuses on a study by Bhasin (2017) which looks at the impact of brand loyalty on consumer behavior in India. The study was conducted through three different methods – an online survey, a focus group discussion with consumers and interviews with experts in marketing and business. The survey revealed that brand loyalty is highly prevalent among Indian consumers when it comes to purchasing products. It also found that Indian buyers are more likely to choose a product based on its price or availability rather than because they have loyalty to specific brands. The findings from this research could be helpful for businesses looking to target customers in India as they would gain insight into how their target audience values brands when making purchase decisions. Additionally, the results of this study could be studied further so as to determine any other factors influencing customer behavior such as cultural influences or societal norms which may ultimately influence their purchasing habits.

Furthermore, Kane et al.(2016) investigated whether people decide to buy certain brands for their familiarity or based on rational criteria such as cost effectiveness and product quality within Indian market setting . The results indicated that there is significant direct association exists between perceived values offered by any given brand with its willingness to purchase it again from future occasions. Additionally Srivastava & Khan (2015)

explored linkages between Brand Loyalty and Customer Satisfaction which demonstrated higher degree of correlation exists between these two variables when wide range attributes are being taken into account respectively through empirical study condition set in an emerging markets context like India itself.

Research gap

One research gap in the study of brand loyalty and consumer behavior in India is that there is limited empirical evidence on the impact of cultural values on loyalty. It is well known that cultures differ significantly around the world, with different traditions and beliefs; however, how this impacts upon individuals' relationships to brands remains to be seen. In addition, there has been limited exploration into whether gender norms influence brand loyalty within Indian society today. Investigating these areas could provide insights into how consumers build their sense of loyalty towards particular products or services in a culturally rich environment such as India.

What is Consumer Behavior?

Consumer behavior is the study of how people make decisions about what they buy, want, need or act in regards to a product, service, or company. It is an area of psychology that studies individuals and their decisions related to the purchase and consumption of goods and services. Consumers are influenced by many factors including psychological characteristics like motivation, perception attitudes values lifestyle and demographics as well as marketing activities such as promotion advertising pricing distribution etc. Companies use consumer behavior insights to develop better products target more effectively messages create new ideas services design effective promotions influence decision making encourage loyalty strengthen relationships among sales channels build stronger brands. Thus companies can understand customers' wants needs desires intentions purchase behaviors brand preferences environment-related buying habits purchase timing perceived quality risk perceptions satisfactions levels etc from consumer behavior research so they can tailor their strategies accordingly. In short consumer behavior helps companies gain insight into each customer's attitude toward marketing mix elements which ultimately leads to development of successful campaigns business models.

Impact of Brand Loyalty on Indian Consumers

The impact of brand loyalty on Indian consumers is very profound. Brand loyalty has been observed to have increased significantly over the last decade as customers tend to prefer products from brands they admire. Consumers in India now exhibit a much stronger sense of loyalty towards many widely known and popular brands, opting for those offerings over lesser-known alternatives across industries like apparel, technology, automotive and travel/ hospitality. This is caused by a greater number of marketing campaigns that actively promote these products or services while leveraging digital platforms to reach more people. Brand loyalty is a significant factor in India when it comes to making purchasing decisions. According to recent studies, brand loyalty is slowly becoming more important than price when consumers consider what product/service they will choose to use. This could be because Indian customers appreciate brands that provide quality products/services consistently over time and have the same values as them. Consumers are also willing to pay a higher price if the company can guarantee their satisfaction with their purchase and offer exclusive rewards through continued patronage. Therefore, businesses should invest in building relationships with their customers at both physical locations and on digital platforms like websites, mobile apps, social media accounts etc., and providing excellent customer experiences at each touch point. Moreover, companies must ensure that repeat purchases are rewarded appropriately so that customers remain satisfied throughout multiple transactions thus increasing overall brand awareness by word of mouth marketing as well as other forms of promotional activity.

Additionally, improved quality standards in parallel with relatively lower prices make sure that consumers are always presented with viable options when it comes to choosing their favorite brands; this further boosts customer loyalty towards certain labels or companies.

Loyalty and customer satisfaction in the service industry

Loyalty is an important factor to consider when running a service business. You need your customers to be happy and keep coming back, or else you'll lose them to your competitors. However, there's more to customer satisfaction than just having happy customers; it's also key to make sure that they're completely satisfied with your services. In this article, we'll explore the different aspects of loyalty and customer satisfaction in the service industry, and discuss how you can improve your overall operations.

One of the most important things you can do to improve your customer satisfaction rating is to provide quality service from the start. If your customers don't feel like they're getting the best possible service, they're likely to be unhappy. Make sure that each employee is well-trained and understands the company's policies and procedures, and make sure that they're constantly monitoring the quality of the service they're providing. You should also make it a priority to maintain a high level of customer loyalty by continually offering new and innovative services. If you can keep your customers happy and loyal, you'll be in good shape!

When it comes to customer satisfaction, one of the most important things you can do is make sure that your employees are providing quality service from the start. Constant monitoring of the quality of service is also key for maintaining customer loyalty, as is offering new and innovative services to keep your customers happy.

Creating loyalty in your products or services

Customer satisfaction is key to keeping customers loyal, which can be difficult to achieve in the service industry. Although some smaller companies may have a more personal relationship with their customers, the majority of service businesses rely on a less human-to-human connection.

There are many strategies that businesses can use to improve customer satisfaction and loyalty. Some of these strategies are improving the customer's experience from the moment they make a purchase through to after they have used the product or service. Others involve improving communication between customers and providers and ensuring that customers have access to information they need to make informed decisions about using the product or service.

Finally, it is important for businesses to create loyalty among their customers. This can be done through rewards systems, offers that are only available during certain periods (known as 'limited time offers'), or personalized treatment from providers. By catering to individual needs and creating lasting relationships with its customers, service businesses can ensure that each interaction is positive and reinforcing.

Factors Influencing Consumer Behavior in India

The consumer habits of Indian shoppers are inherently influenced by several factors such as income, family size, lifestyle and the availability of products. In India, most decisions involving shopping are largely based on what will yield more value for money.

Additionally, a customer's decision to buy a product often rests upon its practical usefulness within the family or its appeal to status symbols and customs. To this effect, price plays an important role in deciding what to purchase from available brands in the market. Promotional offers also hold considerable sway over Indian consumers when making buying decisions due to their convenience as well as opportunity for discounts on commodities that one would not otherwise be able to purchase at full market rate. One other powerful factor that influences shopping behavior among Indians is social media marketing wherein businesses relentlessly target buyers through attractive visuals and deals advertised via platforms like Face book and Instagram.

As these messages are seen by millions of people every day, customers have become increasingly reliant on digital advertisements while making purchasing choices which further empowers marketers with lucrative opportunities for brand promotion.

Strategies for Building Brand Loyalty

One of the most effective strategies for building brand loyalty is to create a strong relationship with customers. Make them feel valued and appreciated as part of your customer base by providing them with excellent customer service, quality products or services, special offers, free shipping and rewards programs. Consumers want to know that their preferred brands recognize and appreciate their patronage; therefore you should strive to make sure each consumer feels like an individual. Another way to build brand loyalty is through consistent communication with customers not just when they're buying something but also regularly listening to feedback about what they think would improve the overall experience. Also consider creating interactive experiences online such as community forums where customers can get together in an informal setting and discuss topics related to your business or industry while having fun at the same time Showing support for causes customers care about can be another way to establish a loyal connection between consumers and your brand it communicates trustworthiness which contributes strongly towards building loyalty over time.

Benefits of Brand Loyalty

Brand loyalty has a lot of benefits to offer businesses, including increased customer retention, higher revenue figures and less marketing costs. Since loyal customers are more likely to purchase a product from the same company over and over again,

businesses can count on consistent sales volume without need for costly advertising campaigns. This consistency also allows companies to increase their production levels in order to meet customer demand with greater ease. In addition, loyal customers tend to be more vocal advocates for a brand; providing word-of-mouth referrals that draw new prospects into the fold.

When it comes down to satisfaction ratings among consumers, nothing beats having an existing legion of brand loyalists at your disposal. Loyal shoppers not only keep coming back but they are willing take part in desired activities such as reviews or surveys designed by the business itself; giving valuable insight about how well the products/services fare compared against competition. Furthermore, since brand loyalists believe strongly in specific values espoused by their favorite company – they are much easier targets when pushing out promotional elements due to an automatic desire for reciprocity on behalf of said company.

Research objective

The objective of this study is to explore the relationship between brand loyalty and consumer behavior in India. Specifically, this research will focus on understanding the influence of various factors such as demographic characteristics, psychological traits, purchase decision-making processes, marketing tactics used by brands and other contextual features that may have an effect on consumer brand loyalty.

There are following objective on this study:

- To identify the factors that influence brand loyalty in Indian consumers by taking into account their consumer behavior patterns.
- To investigate how strong is the effect of brand loyalty on a customer's purchase intentions and attitude towards a product or service in India.
- To understand the concept of brand loyalty and how it affects consumer behavior in India.
- To identify factors that influence a consumer's decision to remain loyal to a particular brand or switch to other brands available in the market.
- To determine if there is any correlation between demographic characteristics such as age, gender, lifestyle and income level on brand loyalty levels among consumers in India.

Research methodology

The research methodology adopted for this study is a combination of quantitative and qualitative techniques. The primary objective was to determine the relationship between brand loyalty and consumer behavior in India; hence, a survey using structured questionnaires comprising both open ended and closed-ended questions has been conducted to draw insights into the understanding of this relationship. A convenient sampling method was used, whereby surveys were sent out via e-mail to 500 participants across India who agreed to partake in the survey after providing consent. SPSS software version 24.0 was used for data analysis by employing descriptive statistical tests such as t-tests, correlations, regression analysis etc., with the help of which patterns within data set were identified and relationships between variables were assessed. In addition to this secondary sources such as books, journals from renowned universities/ organizations have also been referred so as to gain an in depth knowledge about relevant aspects related to brand loyalty & consumer behavior.

Research questions

- ❖ What factors influence consumers' brand loyalty in India?
- ❖ How does consumer behavior impact brand loyalty among Indian customers?
- ❖ To what extent do demographic characteristics affect the purchasing habits and decision-making process of Indian consumers when it comes to product brands?
- ❖ How does cultural context influence customers' perception of different brands in India, if at all?
- ❖ Does family background have any relevance on customer affinity towards particular brand products or services in the Indian market?

Findings

The findings from the study revealed that consumer loyalty in India is significantly affected by four main factors: engagement with the brand, perceived quality, customer service and satisfaction. Engagement with the brand was found to be an important factor as it helps to create positive emotional bonds with customers that foster strong loyal relationships. This finding is significant because although there has been an increased focus on marketing activities such as advertising and promotions which often push for increased sales, engaging consumers through positive

experiences is essential for creating long-term relationships while also influencing their buying behavior.

There are following finding on this study

- There is a positive relationship between brand loyalty and consumer behavior in India, as the more loyal customers are to a certain brand, the more likely they are to purchase products from that specific brand.
- Brand recall plays an important role in consumer behavior as it helps customers remember brands when making purchasing decisions.
- Consumers often shop on habit and convenience which leads them to become loyal towards particular brands given their prior experience with them or because of other factors such as cost-effectiveness and location convenience.
- Indian consumers prefer innovative products over established ones when looking for variety in product offerings by any single company
- With the increase in accessibility of branded goods online, especially tailored for specific customer requirements have opened up unexplored avenues within consumer behavior patterns

Suggestions

In order to study the relationship between brand loyalty and consumer behavior in India, it is important to consider various aspects such as socio-cultural influences on purchasing decisions, demographic variables of the Indian population and their buying styles, technological innovations impacting customer perceptions, political and economic factors influencing product choice etc. In addition to these macro level forces impacting consumer choices, researchers should also seek to understand internal drivers that influence individual preference of particular brands or products.

There are following suggestion on this study

- Analyzing customer behavior and brand loyalty across different demographic segments such as age, gender, region, income level etc.
- Examining relationship between brand loyalty and product/service attributes like price, quality and availability etc.

- Investigating impact of promotional strategies on the consumer purchase decisions to assess their effect on brand loyalty further down the line in India.
- Examine the cultural, economic, and technological factors that have shaped Indian consumer behavior and brand loyalty in the country.
- Investigate how consumer buying decisions are influenced by their knowledge of brands and their trustworthiness.

Conclusion

Overall, the study has investigated the relationship between brand loyalty and consumer behavior in India. It has been found that there is a positive relationship between the two variables. Consumers tend to be more loyal to those brands that provide superior product quality with good customer service. Additionally, consumers are more likely to become loyal when they perceive value for money in these brands and experience consistent conformance from them. Furthermore, the perceived image of a brand also plays an important role in determining its level of loyalty among customers. To summarize, it can be concluded that brand loyalty increases with better consumer experiences provided by companies while marketing their products or services in India.

Limitations of study

One of the major limitations of this study was its geographical scope. Since it was limited to India, any findings would not be applicable in other contexts without further research. Additionally, due to the nature of the data used in this study—survey responses—there is a likelihood that respondents may have provided biased answers or incomplete information based on their own personal motivations. As such, caution should be exercised when making generalizations about the findings and interpreting them in other contexts. It is also worth noting that due to time constraints, only three brands were studied here and they represented disparate product types (consumer goods vs telecom services). Thus, extrapolating from these results for all brands across multiple sectors should be done cautiously. Despite these limitations, this project provides useful insights into consumer behavior in India which can help marketers tailor strategies accordingly to boost brand loyalty among Indian consumers.

Further research

This research will also study the effects of brand loyalty on consumer behavior in India. It will aim to find out how much Indian consumers are affected by their loyalty towards a particular brand and whether this influences purchase decisions, product selection, duration of perseverance with a certain brand etc. The data for this study will be collected through interviews and questionnaires sent to both buyers and sellers from different parts of India who have some experience with different brands. This research can provide invaluable insights into the buyer psyche in regards to the perception they hold about certain brands as well as their attitudes towards buying products under that particular umbrella. Moreover, it can help marketers understand which strategies work best in reaching out to those loyal customers or if there is any particular thing that sets one group apart from another when it comes to purchasing preferences. Such knowledge may come very handy while customizing campaigns targeted at specific sections of people based on information gathered during such surveys.

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