

Importance of brand loyalty in present marketing context

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Abstract

In recent days brand are considered as a valuable asset for maintain the share market in the competitive world. Ever producer create a product only on the customer centric point. To create a brand loyalty the produce has to concentrate on packaging, price, affordability, usage flexibility, quality and advertising. This paper mainly highlights the marketing aspect to maintain the customer loyalty. How the consumer get the information about the product, how the window shopper is concerted in to loyal consumer. What are the models are taken in to consideration in creating brand loyalty. What are the major problem in brand loyalty creation and how to overcome it.

Key Words: *Brand loyalty, Customer, consideration for brand loyalty.*

INTRODUCTION

The central nerve system of marketing activity is to be recognized in the market.

The term recognition in marketing is identified by developing, maintaining and enhancing the loyalty of customer in the competitive world. Before creating a loyalty the company should know the essential of creating a loyalty among consumer in the changing world. Generally consumers are considered as a king in the market. The company should analyze the consumer expectation in terms of behavioral responds and psychological perception in the current period of time. Academics and practitioners alike have recognized the importance of loyal customers, because such customers usually spend more, buy more frequently, are motivated to search for information, are more resistant to competitors' promotions and are more likely to spread positive 'word of mouth'. Consumer responds to the newly arrived product in the market only on the basis of their packaging, learnt reaction and individual preference to that product. Certain shapes, colors, sizes and textures naturally influence consumers to respond positively, whilst others evoke negative reactions. This paper tells you the main

reason for company concentration on generation of brand loyalty, what are the different are that company concentrate to generate loyalty, what implication the company posses in future market share by generating brand loyalty.

WHAT DOES BRAND LOYALTY STAND FOR?

In the process of investigating how quality inconsistency of a certain branded product can affect brand loyalty the first step is to define:

- What does brand loyalty stand for?
- Can we measure brand loyalty?
- How is product quality connected to brand loyalty?

BENEFITS OF BRAND LOYALTY

STAGES IN GENERATING CUSTOMER LOYALTY

Brand loyalty provide benefits to both consumer and to producer they are as follows

Benefits to consumer

- ✓ Reduce the perceived risk
- ✓ Reduce time in product selection
- ✓ Easy location of product

Benefits to consumer

- ✓ Higher sales volume
- ✓ Premium pricing ability
- ✓ Contributions to Return on Investment (ROI)
- ✓ Financial benefits
- ✓ Customer acquisition



Stage 1: Customer Acquisition:

At this stage the produce will start focusing on the marketing side and they used to choose different mode to attract the customers. The producer will start projecting the major strength of the product among the exiting competitor and highlight the major reason for launching the product in the market.

Stage 2: Customer Development:

At this stage the produce will start educating the people about the product produced by them, highlight the major reason for the customer to choose the product.

Stage 3: Customer commitment:

At this stage the producer will make the people to indulge in purchase activity. The company will guide the way to promote the product and will adopt various strategies to sustain in the market.

Stage 4: Customer Retention:

This is the most crucial and important phase in the product sustainability in the market. Creation of market for the product is not a big task, maintenance of market is tuff task. For this many produce will create offer,

discount, increase in their quality of product for the same price etc.

FACTORS OF BRAND LOYALTY

Several Researches explained that brand attributes plays important role in a consumer's decision-making process. As in the case of Lau et al. (2006) article pointed out seven factors that makes consumers' brand loyal towards certain brands. These factors are described by following headings.

Product Quality

The main reason of repeated purchase of single brands or switching around several brands from consumer is due to the tangible quality of the product offers. Factors of product quality include colors, Size, good materials, performance that is claimed by the product.

Price

Brand loyal consumers tend or willing to pay a high price for their favorites brand. So for this type of consumers, price factor does not affect their purchase intention. Loyal customers are in the position to pay a premium price even if the price has increased because the perceived risk with other brands is very high and they agree to pay a higher price to avoid the risk of any change

Advertising

Advertising helps to increase a consumers' image towards the brand, change beliefs and their attitude towards the brands and change purchasing behavior. Advertising helps to deliver the ideas, perceptions in the minds of consumers and products distinction against other brands. So well prepared effective advertising can attract brand switcher or inconsistent consumers to become brand loyal.

Service Quality

The relationship between sales people-consumer has proved to be great impact, which generally results in long term loyalty of consumers towards the brand or store. Trust and good relationship with sales people shows overall perceptions about the store's service quality that in turn result in the consumer being very satisfied with the stores in the end.

CORE ASPECT FOR THE DEVELOPMENT OF BRAND LOYALTY

Identifying a specific name or a mark that distinguishes the product from its competitors and its called branding. That's how the marketer can build up a positive image of his organization around the brand. Some of the core aspect leads to the development of loyalty are as follows

- ✓ To gain edge in the market with a number of similar products
- ✓ To generate higher market share and thus in turn it provides upper competitive advantage from other companies.
- ✓ To Develop long term relationship with a customer or acquisition of regular customers
- ✓ Brand image is also necessary because it plays a psychological affect on the minds of the consumers it is very important for the marketers to always improve the brand image because a products positive brand image will likely increase brand loyalty

FOUR MODELS EXPLAINING THE DEVELOPMENT OF BRAND LOYALTY

Direct effects model (DEM)

To provide a base comparison, we begin with the direct effects of advertising spending, store image, perceived quality, and satisfaction, on brand loyalty. Thus, the first model allows one-way direct effects for the independent constructs on the dependent construct – brand loyalty, and is termed the direct effects model (DEM).

Simple mediation model (SMM)

The simple mediation model (SMM) is the second model with an alternate view that changes the effect of advertising spending on brand loyalty through perceived quality as mediator. study suggests that the initial evaluation of advertising spending leads to consumers' judgments that, in turn, drive behavioral loyalty. In this simple mediation model, the advertising spending perceived quality loyalty linkage represents the indirect effect of advertising spending as one of the general class of "exclusive cues" that would enhance or diminish the impact of message exposure and frequency.

Real mediation model (RMM)

The third alternate view embodied in the real mediation model (RMM) is built from the literature that investigates the relationships between perceived quality, satisfaction, and brand loyalty. While the majority of studies indicate that perceived quality influences loyalty through satisfaction there are those who have argued

for it's direct. A high level of perceived quality in the creation of brand loyalty is positively associated with customer satisfaction when advertising spending is directly linked to quality perceptions. In addition to what we observed in the previous model, there is conceptual and empirical evidence in support of both the advertising spending perceived quality satisfaction and the advertising spending store image brand loyalty and Thus, in this third model, there are additional mediating effects for store image, perceived quality and satisfaction in the effect of advertising spending on brand loyalty.

Proposed research model (PRM)

The mediating role of store image in the effect of advertising spending on brand loyalty from RMM, the PRM adds a second mediating role for perceived quality in the effect of store image on brand loyalty. Both the store image perceived quality satisfaction brand loyalty and advertising spending store image links are also supported by the literature. Thus, the role of advertising spending in developing brand loyalty is comprehensively specified in this proposed model allowing for the testing of

multiple mediating roles of store image, perceived quality, and satisfaction, while simultaneously allowing its own direct effect on brand loyalty as well. We expect that this comprehensive model for the effects of advertising spending on brand loyalty will obtain the best fit.

PROBLEMS AND ISSUES

Customer loyalty presents a paradox. Many see it as primarily an attitude-based phenomenon that can be influenced significantly by customer relationship management initiatives such as the increasingly popular loyalty and affinity programmes. However, studies show that loyalty in competitive repeat-purchase markets is shaped more by the passive acceptance of brands than by strongly held attitudes about them.

From this perspective, the demand-enhancing potential on loyalty is more limited than might be hoped. Generally, we say a person is brand loyal when he or she buys the same brand over and over, in spite of there being reasonably substitutable choices. But some argue this isn't necessarily brand loyalty. Although it is

tempting to define loyalty as simply repurchase, marketers often have little power over the variables and constraints directly controlling how customers pass through the purchase environment

It may be that the product brand is the only one available to the consumer, such as in a monopoly market place situation or, it may be simply consumer inertia: repetitive consumer behavior and the path of least resistance or, it may be that brand loyalty is more the result of indifference than choice if all brand have the same basic ingredients, cost about the same, and perform at the same level, it really doesn't matter which brand the consumer buy--they get the same benefits.

Today most critical issue faced by the marketing managers is of declining brand loyalty. Research has shown that, today, solely loyal customers rarely make up more than 20% of the total customers buying. More importantly, research has shown that solely loyal customers buy less when compared to customers who are multi-brand loyal, and the number to solely loyal customers diminishes over time.

Today, most customers include several brands in their preferred brand set. Research has cited that Brand loyalty doesn't exist for many products and services, and is declining for those who have a modicum of it, because the marketing organization and the brands are not loyal to the customers.

SUGESIONS

- ✓ In order to maintain loyal customers the company should carry following things in to their mind they are:
- ✓ Have a close relation with public by creating a good image in social media.
- ✓ Concentrate on price fixation leads to remind in consumer mind.
- ✓ Create a sense of repurchase about the particular brand when the demand for the product comes in to customer mind.
- ✓ Boost the store image that leads to a public to become a loyal person to the brand.

CONCLUSION

Six brand loyalty factors that are Brand image, brand trust, perceived quality, customer satisfaction, purchase criteria and advertising spending. Apart from the effect of these factors over brand loyalty, this study is also aimed to highlight their effects on each other, for this purpose the effects of

advertising spending over the brand image, brand trust over purchase criteria and perceived quality over customer satisfaction are noted. But the brand trust seems to play more important role over the brand loyal then other variables. As shown by the statistical analysis results brand trust is important factor in the development of brand loyalty.

Brand image is the separate identification of brand in the presence of competitors in the mind of the customer, hence it is also one of the major factors allowing the customer to purchase a brand and be consistent with it.

This research would be helpful for marketers since it shows not only the effect of the dimensions of brand loyalty on it but also show the effects of variables on each other thus giving the marketers an opportunity to strengthen one variable and it will have dual effect in increasing the brand loyalty by enhancing its other factors.

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