

Role of demography in Brand Loyalty of skincare products in India

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Abstract:

Skincare industry is a lucrative business that progressively attracts more attention from marketing research. The highly competitive environment in the Skincare industry makes it a respected area to study brand loyalty in Skincare products. Brand loyalty is one of the important aspects which is important for the management to manage competitive advantages in the market. This study deals with, the relationship between brand loyalty and the important demographic variable. The researcher is a descriptive survey research design where questionnaires were used for data collection. Data was analysed using descriptive statistics and has been presented using tables.

Key words: *Brand loyalty, brand equity, demographic variable, age, gender, education*

Introduction:

The success of a company's depends largely on its capability to attract customers towards its brands. In fact, it is vital for the survival the brand. Company selling brand with high rate of loyal customers have a competitive advantage over other firms. Brand loyal customers reduce the marketing costs of the firm as the costs of attracting a new buyer have been found to be about six times higher than the costs of retaining an old one. According to Kumar et al. (2006), brand loyal customers are willing to pay higher prices and are fewer prices sensitive. Brand loyalty also provides the company with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been recognized as a major source of the brands' equity. Given the significance of brand loyalty, it is not surprising that it has received substantial attention in the marketing.

The skin-care market is becoming increasingly scrappy and crowded," says Larissa Jensen, beauty industry analyst at the NPD Group. On average, the last two years have seen over 100 new brands coming in department and specialty stores," she adds, noting that those minor brands entering the market tend to focus on one singular beauty category, and in skin care, continue to snip share from larger heritage brands that have their hands in multiple product categories. "Newer brands will continue to make waves in skin care as long as the customer is ready to try new things — a sentiment that has augmented in recent years — and is finding an emotional connection through social media."

Literature review:

Concept of Brand Loyalty: Literature on branding and brand loyalty contains numerous different approaches to defining the concept of brand loyalty. These varies from preference, to repeat purchase, to various degrees of commitment. (Keller, 1998) maintains that loyalty is a separate concept that is often measured in a behavioural sense through the number of repeat purchases.

Customers may be in the practice of buying a particular brand without really giving a thought about why they do so. Continual purchasing of a favoured brand may simply result because the brand is prominently stocked or frequently promoted. When customers are provoked by a new or resurgent competitor providing convincing reasons to switch, their ties to the brand might be tested for the first time. The attachment a customer has to a brand is a degree of brand loyalty and reflects how likely the customer is to switch to another brand, particularly when the brand is changed, either in price or product features.

If customers purchase a brand repeatedly without attachment it is then known as behavioural loyalty. When a customer purchase repeatedly and with attachment then the customer is both behaviourally and attitudinally loyal (Hofmeyr & Rice, 2000). Loyalty towards purchasing or using a specific brand of product is created when a brand becomes a customer's preferred choice. Many top brands have been market leaders for years in spite of the fact that there undeniably have been many changes in both customer attitude and competitive activity over a period of time. Customers have valued these brands for what they are and what they represent adequately to stick with them and reject the proposals of competitors, making a steady stream

of revenue for the firm. Academic research in a variety of industry contexts has found that brands with a large market share are likely to have more loyal customers than brands with a trivial market share. Aaker (1991) said that it is relatively inexpensive to retain customers; especially if they are satisfied with and/or like the brand. In many markets there is substantial inertia among customers even if there are comparatively low switching costs and low customer commitment to the existing brand.

Study Design and Methodology:

The study implemented a descriptive survey research design. According to Mugenda and Mugenda (2003) survey is a form of study where analysis is done on institutions and from the study, data overviews and inferences are drawn. Survey approach allows for generalization of findings but it is also descriptive which matches the purpose of this study.

Data Collection Instruments and Procedure:

The research is done by collecting data using questionnaires. A set of questions was used to gather data from the respondents in the sample population. This includes close ended questions as well as five-point Likert scale ratings.

Data Analysis:

The analysis procedures used were quantitative, and the collected variables were analysed using the Statistical package for social science (SPSS). The one-way Anova method is used for the analysis of variables.

Objective of study:

- To evaluate the significance of difference in Brand loyalty between male and female for skincare products in Lucknow
- To evaluate the significance of difference in Brand loyalty across different age groups for skincare products in Lucknow
- To evaluate the significance of difference in Brand loyalty between married and unmarried for skincare products in Lucknow

Result Analysis:

Brand loyalty and Gender

To evaluate the significance of difference in Brand loyalty among male and female for skincare products, the hypotheses are:

H_0 : There is no statistically significant difference in Brand loyalty among male and female for skincare products in India.

H_a : There is statistically significant difference in Brand loyalty among male and female for skincare products in India.

Group Statistics

1. 2	N	Mean	Std. Deviation	Std. Error Mean
Brand_loyalty male	276	2.4255	1.13325	.06821
female	224	2.5928	1.13804	.07604

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Brand_loyalty	Equal variances assumed	2.976	.085	-1.638	498	.102	-.16723	.10211	-.36785	.03338
	Equal variances not assumed			-1.637	476.241	.102	-.16723	.10215	-.36796	.03349

Analysis:

We fail to reject null hypothesis i.e. “There is no statistically significant difference in Brand loyalty among male and female for skincare products in Lucknow”, since $p > .05$.

Based on the finding, there is no significant difference in Brand loyalty between male ($M=2.42$, $SD=1.13$) and female ($M=2.59$, $SD=1.13$); $t(498) = -1.6$, $p=.10$.

Brand loyalty and Age

To evaluate the significance of difference in Brand loyalty between different age groups for skincare products, the hypotheses are:

H_0 : There is no statically significant difference in Brand loyalty between different age groups for skincare products in India.

H_a : There is statically significant difference in Brand loyalty between different age groups for skincare products in India.

Descriptives

Brand loyalty								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean			
					Lower Bound	Upper Bound	Minimum	Maximum
15-20	111	2.6126	1.16850	.11091	2.3928	2.8324	1.22	4.78
21-25	150	2.4474	1.10722	.09040	2.2688	2.6260	1.00	5.00
26-30	94	2.4397	1.17723	.12142	2.1986	2.6808	1.00	5.00
31-35	70	2.4921	1.08876	.13013	2.2325	2.7517	1.00	5.00
36-60	42	2.3069	1.03064	.15903	1.9857	2.6280	1.33	4.44
41 and older	33	2.8013	1.27013	.22110	2.3510	3.2517	1.44	4.56
Total	500	2.5004	1.13731	.05086	2.4005	2.6004	1.00	5.00

Test of Homogeneity of Variances

Brand loyalty

Levene			
Statistic	df1	df2	Sig.
2.871	5	494	.064

ANOVA

Brand loyalty					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.732	5	1.346	1.041	.393
Within Groups	638.713	494	1.293		
Total	645.444	499			

Analysis:

We fail to reject null hypothesis “There is no statically significant difference in Brand loyalty between different age groups for skincare products”. An analysis of variance showed that the consequence of age on Brand loyalty was not significant, $F(5, 494) = 1.04, p = .39$.

Brand loyalty and Marital status

To evaluate the significance of difference in Brand loyalty among married and unmarried for skincare products, the hypotheses are:

H_0 : There is no statically significant difference in Brand loyalty among married and unmarried for skincare products in India.

H_a : There is statically significant difference in Brand loyalty between married and unmarried for skincare products in India.

Group Statistics

1.4	N	Mean	Std. Deviation	Std. Error Mean
Brand_loyalty married	208	2.4765	1.14252	.07922
unmarried	292	2.5175	1.13524	.06644

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
Brand_loyalty	Equal variances assumed	.005	.943	-.397	498	.691	-.04101	.10328	-.24392	.16191
	Equal variances not assumed			-.397	444.244	.692	-.04101	.10339	-.24420	.16218

Analysis:

We fail to reject null hypothesis i.e. “There is no statistically significant difference in Brand loyalty among married and unmarried for skincare products”, since $p > .05$.

Based on the study, there is no significant difference in Brand loyalty between married ($M=2.47$, $SD=1.14$) and unmarried ($M=2.51$, $SD=1.13$); $t(498) = -.39$, $p=.69$.

6. Limitation:

For countries like India, executing a research is big challenge. It is very hard to cover every cluster as India is not only large country but also density of population is very high. The study is targeting women only, but men are also started to contribute a lot in Skincare. A study targeting men could be viable as this cluster is growing at fast speed.

CONCLUSION

The success of most companies depends on their capacity to create and maintain customer loyalty. Firms have understood that selling to brand loyal consumers is less costly than attracting new customers. Brand loyalty gives companies strong, competitive advantage. The concept of brand loyalty is so significant that managers must give it appropriate consideration before they plan and implement marketing strategies.

Skincare sector is a very dynamic sector in India. Indian consumers are exposed to all of the new and existing products of the leading brands in this market just like other customers elsewhere in the world. However, Indian market has a distinct significance. Compared to other countries in the region, India has a large population, approx. half of which is women. The accessibility of such a big target market and the growing demand for Skincare products make India a fascinating potential for multinationals as well as domestic companies. Firms invest a lot of resource in this market to find out the characteristics of their customers. Hence, it is our anticipation that the knowledge provided with this study will help those firms already existing in or ready to enter the Indian market, in preparing their branding strategies and serving their customers better.

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