BRAND LOYALTY AND CUSTOMER PERCEPTION

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ABSTRACT

Why certain consumers are loyal to certain brands and what influences such an adherence? What makes a consumer deviate from the norms? What makes a consumer willingly get bonded to products or services as a result of a deep-seated commitment?

A consumer is considered as a brand loyal whenever a consumer perceives that a brand is offering him the right product features and the desired level of quality, and hence repeatedly makes a conscious or subconscious repurchase of that particular brand. Perception influences the way consumers receive information. At the information search stage the communication campaigns should be informative in nature, so an advertiser should provide information about the product and its attributes to consumers.

To get the buyer to that level, a brand has to be positioned very effectively and should have the right marketing mix that can make a consumer get attached to it. The brand when it displays that distinct identity, it is then that it captures the audience's attention.

Through this study let us see how we can use the web to connect with the customers and get them satisfied to the extent of making them brand loyal. How we can identify and acquire our high – valued customers and create an effective strategy to manage their responses and experiences such that it helps us to retain them and build them into loyal customers. How can we identify brand loyalty and what can we do to perceive it? A brand symbolizes a company. It gains the customer's regard when it shows that it gives product or services differentiating it from the competition.

Key words: Brand loyalty, Competition, Consumer, level of quality, Perception

BRAND LOYALTY

The term customer loyalty is used to describe the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials. Some customers do a particular company a great service by offering favorable word of mouth publicity regarding a product, telling friends and family, thus adding them to the number of loyal customers. However, customer loyalty includes much more. It is a process, a program, or a group of programs geared toward keeping a client happy so he or she will provide more business.

Customer loyalty can be achieved in some cases by offering a quality product with a firm guarantee. Customer loyalty is also achieved through free offers, coupons, low interest rates on financing, high value trade-ins, extended warranties, rebates, and other rewards and incentive programs. The ultimate goal of customer loyalty programs is happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to profitability, as well as happy stakeholders.

Customer loyalty may be a one-time program or incentive, or an ongoing group of programs to entice consumers. Buy-one-get-one-free programs are very popular, as are purchases that come with rebates

or free gifts. Another good incentive for achieving consumer loyalty is offering a risk free trial period for a product or service. Also known as *brand name loyalty*, these types of incentives are meant to ensure that customers will return, not only to buy the same product again and again, but also to try other products or services offered by the company.

Excellent customer service is another key element in gaining customer loyalty. If a client has a problem, the company should do whatever it takes to make things right. If a product is faulty, it should be replaced or the customer's money should be refunded. This should be standard procedure for any reputable business, but those who wish to develop customer loyalty on a large-scale basis may also go above and beyond the standard. They may offer even more by way of free gifts or discounts to appease the customer [1].

IMPORTANCE OF BRAND LOYALTY

Once upon a time customers were just numbers. Faceless and impersonal, they were just a bench mark to see how you were doing. Overtime a few bright companies saw past that, by treating their customers as more than numbers, they were able to generate real loyalty from their customers. Their customers would recognize their products and buy them even if they were slightly more expensive or a newer product came along. This is brand loyalty.

Brand loyalty is building up the power of a "buzz word". People see what it can do. They see people willing to spend a hack of a lot more for a Gucci handbag rather than the exact same purse (quality and design wise) made by another company. They see people buying either Coke or Pepsi out of simple familiarity with the product throughout their entire lives. If you doubt brand loyalty; look at all the people willing to spend tons of money on old Coke and Pepsi collectables. The importance of striving to develop brand loyalty cannot be overestimated. In the digital age people expect a closer relationship with the products they buy, not a lesser one. They can get online in seconds and find out numerous facts about a company and potentially even get in touch with someone of importance within the organization.

This ease of communication and access can either make a company's brand loyalty or break it. If these visitors are treated properly and leave with warm regards for the company as a whole, there may be a customer for life. You will have a customer who is very loyal to the brand. He may promote your product without even thinking he is promoting. Buy the product for life, even if cheaper or possibly (hopefully not) better product comes along. Brand loyalty has become a buzzword for one reason alone. It is buzz worthy.

Brand loyalty is not always developed in a single watershed moment. Usually it is developed through long and repeated exposure to a company's message and products. Most people are creatures of habit. Once they get used to purchasing a product they will continue to do so again and again. That is the power of Brand Loyalty and the holy grail of all marketers. Understand the importance of this loyalty and take every action you can to reinforce it with your customers today[1].

Encompassing everything from dish soap to automobiles, the consumer products industry is a vast empire made up of the multitude of material products available to customers, stretching across dozens of related industries. To get a handle on the market, analysts often divide it into two categories,

durable and non-durable goods. As the names imply, the former comprises items with (relative) staying power, like cars, home furnishings, jewelry and electronics. The latter category includes more ephemeral merchandise, with a life expectancy of fewer than three years, like clothing, personal care items, and office and cleaning supplies. Others break the industry down into products that are staples and those that are discretionary -- the difference between what consumers need and what they'd like to have[2].

CONSUMER BEHAVIOR

In this era of competition, understanding the consumer is a necessity for marketers. Consumer needs and preferences are continuously changing, given the changes in factors like demographics and lifestyles. These changes can become great business opportunities for alert marketers and threats for marketers who fail to adapt. Consumers acquire, consume, and dispose of the products and services created by organizations. They go through several cognitive and behavioral processes while making their purchase and consumption decisions. The knowledge of how they decide on one brand instead of another and what factors influence their decision-making is crucial for marketers, not only to cater to the existing needs of their consumers but also to prepare for their future needs. This knowledge is also essential to make various business decisions related to product development, packaging, pricing, distribution, promotions, communication, etc.

Understanding consumer behavior can help the advertisers develop advertisement campaigns effectively. Consumers will pass through a series of steps before making a purchase. These steps include problem recognition, information search, alternative evaluation, purchase decision and post purchase evaluation. Problem recognition occurs when there is considerable difference between the actual state of affairs and desired state of affairs of the consumer. The desired state of affairs refers to the way consumer desires to satisfy his needs. His actual state of affairs refers to the way the needs are actually met by the consumer. Problem recognition occurs either due to change in desired state, change in actual state or due to change in both the states. Change in desired state can occur due to reference groups and novelty seeking behavior of the consumers. Change in actual state of affairs can occur due to stock out situations, arousal of needs, and post purchase evaluation. Change in both states can be occurred due to change in financial position of the customers, changes in family, and changes in customer's physical development[2].

Thus the focus of advertisers at this stage is to create a category need so that the consumer perceives a problem. The objective of communication campaigns is also to make the customers relate the problem with the company's products. The next step in the consumer buying process is information search. A consumer will search for information regarding solutions for the problem recognized in the previous step. There are two types of searches that are performed by the consumer- internal search and external search. In internal search, a consumer will recall the brands that he knows while external search involves gathering information about solutions from various external sources. These sources include personal sources, market controlled sources, public sources and self experience sources.

The intensity of external search depends on the motivation of the consumer to search, product knowledge and education levels of the consumer and the consumer's perceived cost-benefits of the search. Another important psychological element that influences the consumer information search process is perception. Perception can be defined as a three-step process that involves selection,

organization and interpretation of the information received in a meaningful way. Perception influences the way consumers receive information. At the information search stage the communication campaigns should be informative in nature, so an advertiser should provide information about the product and its attributes to consumers. This helps in creating brand awareness and dispelling doubts regarding the product among consumers. The next step in the consumer buying process is evaluation of alternatives on which the information is gathered.

For evaluation, a consumer will not consider all brands available in the market. He will shortlist a set of choices on which evaluation is done. This is known as the evoked set. Evoked set can be defined as set of brands that a consumer will remember while making the purchase decision. It is more likely that consumer will choose a brand from the evoked set. Thus the focus of advertisers at this stage is to place the brand in the consumer's evoked set, thereby increasing the probability of the consumer selecting the brand. Another key element that influences the evaluation process is the attitude of the consumer towards the product. A positive attitude towards a particular brand will make a consumer consider that brand and a negative attitude towards it will result in rejection of the brand.

Thus, advertisers try to create a favorable attitude among consumers towards their brand. Multi-attribute models and decision rules will help the company in understanding the consumer attitudes. Purchasing decision is the next step in the consumer buying process. At this stage consumer will make a final decision regarding the brand to be purchased. A consumer will also decide about issues like where to buy, when to buy and how much quantity to buy. The final step in the consumer buying process is the post purchase evaluation.

At this stage, the consumer will evaluate performance in terms of his expectations. If the product does not meet his expectations then he will experience cognitive dissonance. This can be reduced by running communication campaigns that reassure the consumer that his decision is right and creating positive image about the brand. Apart from understanding the consumer buying process, advertisers need to study the consumer learning process which has an influence on buying behavior.

Thereby, they can develop effective advertising strategies that can influence consumer buying behavior. The term consumer behaviour may be defined as the behaviour that consumer displays in searching for purchasing, using, evaluating, producing, services and ideas which they expect will satisfy their needs. In other words, "It is a study of physiological, social, physical, behaviors of all potential customers as they become aware of evaluation, purchase and consumption and tell other about products and services"[2].

BUYER BEHAVIOR

An important part of the marketing process is to understand why a customer or buyer makes a purchase. Without such an understanding; businesses find it hard to respond to the customer's needs and wants. Understanding the consumer's needs, wants and buying behavior is at the heart of delivering successful products to the market place. While there are currently no sites dealing specifically with the conceptual side of consumer buying behavior, other than in the marketing texts and journals, there are a number that deal with the practical aspect. Marketing theory traditionally splits analysis of buyer or customer behavior into two broad groups for analysis – Consumer Buyers and Industrial Buyers

Consumer buyers are those who purchase items for their personal consumption
Industrial buyers are those who purchase items on behalf of their business or organization Businesses now spend considerable sums trying to learn about what makes "customer stick".
The questions they try to understand are:

Who buys?

How do they buy?

When do they buy?

Where do they buy?

Why do they buy?

For a marketing manager, the challenge is to understand how customers might respond to the different elements of the marketing mix that are presented to them. If management can understand these customer responses better than the competition, then it is a potentially significant source of competitive advantage[1].

CONSUMER BUYING PROCESS

There are many different models that attempt to map the reality of the buying process. Some are more complex than others. This Problem Solving Model identifies the stages through which a buyer moves: Awareness of the need to buy something is called 'problem recognition'. This is followed by' information search'. For example, when buying a new multimedia PC, the search could involve: collecting brochures and sales literature, articles and advertisements, visits to shops and exhibitions, talking to sales people, computer experts and friends. The evaluation stage weighs up the criteria, such as size, speed, functions, price, delivery, reliability or guarantee.

Eventually a decision is made to choose and buy a particular brand.. When eventually a purchase is made, most of us then suffer some anxiety about whether we made the right choice. This worry is called Post Purchase Dissonance. It is important for marketers to reduce this customer anxiety so that buyers become satisfied customers who develop brand loyalty and become more likely to buy the same brand again if and when the need arises. The consumer buying process is not always simply a linear process. Customers sometimes loop backwards when, say, they discover a new product function or new criterion which needs to be considered[3].

In addition, not all kinds of purchases require the high involvement problem solving approach just discussed. Both of these models hide the detailed workings of the mind. Other models, such as Stimulus-Response models only show inputs, like advertising, and outputs, like sales. Here the complex workings of the mind are ignored and left inside a kind of 'black box'. There are, of course, more complex models which try to open up the black box and look inside the buyers' mind. And there are other simpler communication models such as AIDA which help marketers to plan their communications. Models can be criticized, but they can also provide a loose checklist for a marketing plan. They can help to give a useful insight into the buying process which is at the core of marketing[3].

HOW DO CUSTOMERS BUY?

Research suggests that customers go through a five-stage decision-making process in any purchase. This is summarized in the diagram below:
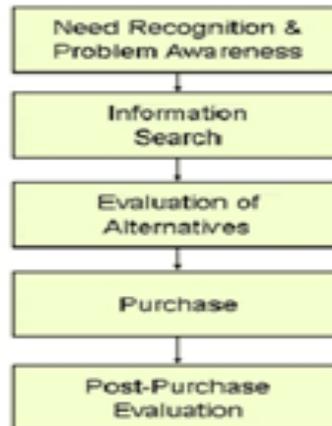
This model is important for anyone making marketing decisions. It forces the marketer to consider the whole buying process rather than just the purchase decision (when it may be too late for a business to influence the choice!)The model implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages.
For example, a student buying a favorite hamburger would recognize the need (hunger) and go right to the purchase decision, skipping information search and evaluation. However, the model is very useful when it comes to understanding any purchase that requires some thought and deliberation.

The buying process starts with need recognition. At this stage, the buyer recognizes a problem or need (e.g. I am hungry, we need a new sofa, I have a headache) or responds to a marketing stimulus (e.g. you pass Starbucks and are attracted by the aroma of coffee and chocolate muffins). An "aroused" customer then needs to decide how much information (if any) is required. If the need is strong and there is a product or service that meets the need close to hand, then a purchase decision is likely to be made there and then. If not, then the process of information search begins. A customer can obtain information from several sources.

Personal sources: family, friends, neighbors etc

Commercial sources: advertising; salespeople; retailers; dealers; packaging; point-of-sale displays

Public sources: newspapers, radio, television, consumer organizations; specialist magazines

 Experiential sources: handling, examining, using the product the usefulness and influence of these sources of iinformation will vary by product and by customer. Research suggests that customer's value and respect personal sources more than commercial sources (the influence of "word of mouth"). The

challenge for the marketing team is to identify which information sources are most influential in their target markets.

In the evaluation stage, the customer must choose between the alternative brands, products and services.
How does the customer use the information obtained?

An important determinant of the extent of evaluation is whether the customer feels "involved" in the product. By involvement, we mean the degree of perceived relevance and personal importance that accompanies the choice. Where a purchase is "highly involving", the customer is likely to carry out extensive evaluation. High-involvement purchases include those involving high expenditure or personal risk – for example buying a house, a car or making investments. Low involvement purchases (e.g. buying a soft drink, choosing some breakfast cereals in the supermarket) have very simple evaluation processes[2].

CONCLUSION

Gaining and maintaining consumer preference is a battle that is never really won. Continued and consistent branding initiatives that reinforce the consumer's purchase decision will, over time, land the product in consumer preference sets. The consumer is highly satisfied customers having pride in owning and wearing the most sophisticated, highly reliable.

Attaining and sustaining preference is an important step on the road to gaining brand loyalty due to its strong brand image, and the main factor forcing the customers to buy is advertisements through the print and electronic media.

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