

Factor Influencing Brand Loyalty of Asian Paints User in Kathmandu Valley

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Abstract

Purpose - It is tremendous competitive world, the companies have to keep up the long term relationship with the customers and essential to span of attention to the customers. Nowadays most of the customers purchase the products consideration of brand rather than inspecting the products. Brand loyalty is extent of the faithfulness on belief of customers to a particular brand, expressed through respect purchase. The main purpose of this study is to explore the factor influencing brand Asian Paints user in Kathmandu valley.

Methodology – Descriptive and quantitative research design have been used for the study. Primary data has been collected through questionnaires using probability proportional sampling developed in five Likert scale for measuring factor influencing brand loyalty for Asian Paints user in Kathmandu valley Mean and Standard deviation have been used as tools for measurement.

Findings –The empirical finding of this study variables found that the consumers have high brand royal due satisfaction and experience of Asian paints among the five variables based on average mean Score. Trust leads the repurchase of Asian paints is most consideration factor of the customers among different individual evaluation. Customers can quickly recall the logo of Asian Brand, is the least consideration and insufficient sector, this item is more consideration by Asian paints.

Policy Implications – This research can be implicated for success and capture of market share of any product due to brand loyalty by improving the insufficient sectors which enhance the betterment of customer's trust and faithfulness.

Keywords – Brand loyalty, brand Image, brand trust, consumer atisfaction

Introduction

In simple words, brand loyalty is a repurchase behavior of customers towards a specific product or service. The consideration of brand loyalty is concerned when a customer has choice among various brands. The brand loyalty is most completely defined by Jacoby and Olson (1970). Brand loyalty is most successful when it addresses the values that are most important to their customers. They define brand loyalty as the mental purchase process resulted from nonrandom and long existence behavior of the customers. In previous researches, the researchers had been taking the measure of repurchase behavior as brand loyalty but in recent days, measuring true loyalty is the best way of measuring brand loyalty (Bennett and Rundle-Thiele, 2000).

Brand can become the basis for explaining special qualities of products, thereby allowing consumers to notice new products that might be useful to them (Kates, 2004). The advancement in technology, the saturation of markets, globalization and tough competition has urged the companies and organizations to focus more and more on brand loyalty

Singh defined, (2016) brand loyalty is nothing but the provision and satisfaction to customers. This satisfaction derives from belief trust and on a particular brand where availability of other brands and services are available. Doostar, Asil & Behrang, (2013) found out the comparative environment forces organization not only to sell their product and services but also make them work to maintain a good relationship with customers to lead the customer loyalty.

Brand awareness is the degree of consumer awareness of a brand and its related products. Creating brand awareness is one of the key steps in promoting and marketing a product and it is particularly important when launching new products and services. It allows a company to differentiate itself from competitor-offered products and services. Brand awareness is the ability for a buyer to recall or recognize that a brand is a member of a certain product category. It has a hierarchy which is divided into four levels from “being unaware of the brand” to “the top of mind,” and each stage needs a different type of recall test (Aaker 1991).

Chaudhuri and Holbrook (2001) defined Brand Loyal customers are more willing to pay more for the brand because they perceive more unique value in the brand that the other brand cannot provide. This uniqueness most probably derived from greater brand trust in the reliability of the brand or from more effect when customers use the brand.

2. Statement of the problem

It is highly competitive environment where consumers have numerous choices and they have consideration of use of that product which give the high satisfaction. If the customers are not aware of the product it is difficult to manage and consideration which factors should be attention to make the loyal them. It is essential to spend huge amount of funds for heavy advertisement for flow the information attract to the customers.

3. Objectives of the studies

The main objective of the topic “Factor influencing Brand Loyalty for Asian Paints User in Kathmandu Valley “are described below:

1. To examine the brand awareness of customers towards Asian paint.
2. To explore the factors influencing the brand loyalty for the Asian Paints users in Kathmandu Valley.
3. To evaluate the measure indicators of brand loyalty of customers toward Asian Paints brand.

4. Literature Review

Oliver, (1997), examined Brand loyalty is a commitment that is deeply held to consistently rebuy or re-patronize a service or preferred product in the future in spite of situational impacts and marketing efforts that gain the potential to create switching

behavior .It is measurable performance indicator for businesses around the globe area. Manufacturers and companies are always trying to create a position in the market by constructing their own base of loyal customers. In highly competitive world, the companies have to keep up the long term relationship with the customers so as to increase the market share, using the marketing strategies for discounting their market price, expanding their distribution channels and launching new promotional campaigns to attract the existing customers and also the new customers. The customers who are brand loyal trust a company/organization to provide quality products or services along with good customer service which creates the perfect opportunity to fulfill customer's needs by selling across product lines which also increase company's sales volume without having to focus too much on attracting new customers.

The main focus of this research is to find out the awareness of Asian brands among Nepalese consumers, brand loyalty level of Asian users and make efforts to find out the factors that influence brand loyalty of Asian Paints users.

In Adhikari, (2002) conducted a study titled "A brand preference study between Sanmiguel and Tuborg Beer in Kathmandu metropolitan city" has addressed the objective to examine the buying habit regarding beer and the buying behavior of the consumers. The other objective of study is to find out the effective advertising media of beer and their impact on the consumers and to find out the sales volume of beer in Kathmandu metropolitan city.

Sandip, Sahu and Shreekumar (2019) examined the factor inflating Brand Loyalty of Smart Phone user in Thane City" The major findings of the study are Smartphone has become necessity of their day to day activities. The use of smart phone has not only been limited to communicate with friends, families, business personals but it has a multipurpose features which includes data storage, camera, multimedia and others. Royal customers are ready to pay a little more for their Smartphone brand.

The literature review had provided insight advertisement media impact to attract the brand awareness. It plays importance role and positive impact on consumer positive decision. Manufacturers and companies are always trying to create a position in the market by constructing their own base of loyal customers. This study aims in fulfilling the gap of lacking such studies of brand loyalty of Asian paints and identify the most consideration factor which makes the loyal customers.

Conceptual review assists to know the theories of the study area. Therefore, the researcher has reviewed the following conceptual aspects.

4.1 Brand Loyalty

Brand Loyalty is a concept of major importance in Marketing. The reason is that brand loyalty is one of the factors that determine a firm's market share. Market share is an asset in itself, since new entrants in a market face an entry barrier because they lack market share. However, "Brand loyalty is a temporal aspect of consumer behavior.

(Engel & Blackwell 1982: P. 598) Brand loyalty analyses whether or not a consumer is loyal.

4.2 Consumer satisfaction

Loyalty of the customer increase in customer satisfaction. Moreover, most of the literature, satisfaction was integrated as a dominant factor which leads to brand loyalty. They also explore that purchase decision of loyal customers become a habit in nature. Many scholars believe that customer satisfaction is one of the essential elements which affect brand loyalty. It is found that customer satisfaction improves reputation in services markets and reputation intervene the relationship of customer satisfaction and brand loyalty. Existing customers is easier than gaining new customers (Farhanullah & Adeeba, 2013).

High satisfaction or delight creates an emotional bond with the brand, not just a rational preference. The result is high customer loyalty "changes in companies customer satisfaction scores do not happen overnight, they have to work their way through complex value chains that ultimately affect quarterly profit and stock prices.(Harvard Business Review 2007)"

After evaluation of different factors many researchers found brand royalty and consumer satisfaction has positive relationship. Many scholars believe that consumer satisfaction is the essential element which affect brand loyalty. It is found that consumer satisfaction improves reputation in service and reputation intervene the relationship of customer satisfaction and brand loyalty (Farhanullah & Adeeba 2013).

4.3 Brand Image

Tsai-Yuan and Chang (2013), defined brand image is the concept feeling, and attitude of the customer regarding about the brand. Brand Image is a representation of a product in consumer's mind. This image incorporates not only the function properties but also emotional and symbolic consideration. Brand image is one of the most complex factor and strongly influence to consumer performance. People define themselves by the possession of the products. This studies found that attractiveness of brand product indirectly affects brand loyalty and people use products to enhance self-image (Kinuthia et al., 2012).

4.4 Brand trust and brand experience

Brand trust is the key role of customer's commitment especially in high production or services. The researcher found that brand trust and brand effect two main factors influence consumer attitude towards brand loyalty. Trust is the important factor to develop marketing relationship and it retains when one party has confidence in an exchange and stated that trust and satisfaction conceptually connected. (Farhanullah & Adeeba 2013)

Trust can be defined as a consumer's confident beliefs that he or she can rely on the seller to deliver promised services, whereas a relational value can be defined as

consumer's perceptions of the benefits enjoyed versus the cost incurred in the maintenance of an ongoing exchange relationship. Trust of a customer on brand trust leads to brand loyalty that in result create commitment and association of that customer with that brand which then creates highly valued exchange relationships. It built by the highly valued exchange relationship and continuous communication. Loyal customers are more willing to pay more for the brand because they perceived the quality, function, and uniqueness which other brands cannot provide. Brand trust is regarded as a key ingredient for the development of brand attachment and has been recognized as a highly significant tool for enhancing brand performance. It is found that trust is the key variable to maintain a relationship in long-term and to meet the desired value. Commitment of loyalty of customer that results from the brand trust is very important to continuously maintain value relationship with customers. Brand trust is not only vital in an environment where customer expectations are increasing daily and competition is fierce, it is a brand differentiator that could make or break a business. A brand is a trust mark for all intangible trust-generating activity, and absent human touch, it can be a symbol of quality and assurance in building trust (Keller, 1993; Bart, et al., 2005)

4.5 Brand Promotion and brand awareness

Promotion is one of the marketing mix component and it has source of communication which creates awareness about the product and the brand to consumers. Marketers communicate with different methodologies such as advertisements, personal selling, and sales promotion (Ronaldo & Atik, 2015). Promotion especially in form of a well-targeted advertisement not only make less price sensitive but also make loyalty to the brand, furthermore, it changes the knowledge, behavior, and attitude of customers towards the brand (Mise, Nair, Odera, & Ogutu 2013). Promotion is the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the scale of a good or service. It is most often intended to be a supporting component in a marketing mix. Promotion looks to communicate the company's message across to the consumer. The four main tools of promotion are: Advertising, Sales Promotion, Public Relation and Direct Marketing.

4.6 Perceived Quality

The degree of excellence of a product or service is called quality. Product Quality covers the features, aroma, aesthetics and characteristics of a product that allows for satisfying definite or inferred needs of customers. Product quality as the fitness of use of the conformance to the requirement of customers (Russell & Taylor 2006). Perceived quality is a perception of the consumer regarding the overall superiority of a brand in relation to its intended purpose and relative to alternative brands additionally, perceived quality adds value to a purchase decision.

The reasons perceived quality was included was because quality becomes an important framework when choosing which brand to buy. In other words customers will more likely become loyal to a brand when the particular brand is perceived to provide the level of quality that can meet customer's expectations.

The perceive brand quality enhances the profitability of the company due to the influence in brand loyalty and the increase of satisfied customers. As the more loyal a consumer to a brand, the more he or she is presumed to see the brand as a superior quality and vice versa. Consumers remain loyal if a given brand delivers a superior value to them. Hansen, Beitelspacher & Deitz, 2013). As satisfied customers are likely to be loyal, the notion of positional advantage suggests that greater customer orientation corresponds with the reinforcement of the link between satisfaction and loyalty. Consumers first become aware of the perceived quality of a product via the perceptions generated by the product's attributes; these perceptions are then combined into an overall perception of product quality. Therefore, goodwill, internal quality, and brand cognition influence perceived quality. The customer gets negatively affected by the bad image of the product in the future as well. Besides, the consumers will not believe the same product, even if its quality has been upgraded later. Consumer examines a product quality from their past knowledge and experiences which results in consumer subjective judgment in product quality (Holbrook & Corfman, 1985).

4.7 Conceptual framework (study variables)

Based on previous support the conceptual framework of this study factor influencing brand loyalty of Asian paints user in Nepal. The conceptual framework with study variables have been dispatched in figure presented below.

As shown in figure 1 the conceptual framework indicates contents five dimensions such as (consumer satisfaction, brand image ,perceived quality, brand promotion and awareness, brand trust and experience) The research focus on Brand Loyalty Is the dependent variable which depends upon different variables. Brand Loyalty has been determined as dependent variable due to consumer satisfaction. Similarly brand image, perceived quality, brand promotion and awareness and brand trust have been study in this research.

5. Method of data analysis

5.1 Research methodology

Research methodology is a scientific technique which is concerned with various methods in the process of research studies. Descriptive and quantitative research design has been used for the study. The main focus of this research is to find out the awareness of Asian brands among Nepalese consumers. The population of the study includes customers, of Kathmandu valley. This research provide useful information regarding the brand loyalty to different groups of people mainly in Kathmandu valley by using probability proportional sampling. The data are collected through self-designed questionnaire based on primary data. The data of respond who took part in this questionnaire survey conducted November 2020. A total number of 220 questionnaire are distributed among them 200 responses were required.

5.3 Measure

This study is related Consumer Satisfaction, Brand Image, and Perceived quality. Brand Promotion and Awareness, Brand Trust and experience which are independent variables. Brand Loyalty is the dependent variable. This study proposes a theoretical framework as shown in Figure 1. For identifying the brand loyalty, the respondents were asked to rate on 17 items. All the items were arranged on five Point Likert Scale (1) Strongly disagree (2) Disagree (3) Undecided (4) Agree (5) Strongly Agree. The questionnaire was tested on 200 respondents and tested in SPSS software. Mean and Standard Deviation were computed in their ratings. The collected data are recorded systematically, identified and the available information is grouped as per the need of the research work. In order to meet the research objectives the collected data are presented on the tabular form for easy calculation and analysis. The data are presented and interpreted in different headings.

6. Results and discussion

Table 1 has displayed majority of the respondents, (Approx. 55%) are the male and 45% are female. Majority of respondents fall within (31-40) year's age category. (Approx. 37%) In (21-30) age Category only (approx. 28%) respondents prevail and the minimum respondents found in the age who are below 20 years (Approx. 16%). As per the results most of the respondents are graduate (approx.40%) and least 15% below SEE. The result displayed the most of the respondents who has monthly salary between Rs.(10000-25000) Approx.38% and the least respondents who have monthly salary above Rs.50000(Approx. 12%).As per the result most of the respondents are service holders 60 numbers and least respondents are students only 40.

Table 1 : *Demographic Analysis Respondent Profile*

Parameters	Frequency	percent
Gender		
Male	110	55 %
Female	90	45 %
Total	200	100%
Age group		
Below 20	32	16%
21-30	56	28%
31-40	74	37%
Above 40	38	19%
Total	200	100
Academic Qualification		
Below SEE	30	15%

Intermediate	36	18%
Graduate	80	40%
Post Graduate	54	27%
Total	200	100%

Monthly Income in Rs.

Below 10,000	30	15%
10,000-25,000	76	38%
26,000-50,000	70	35%
Above 50,000	24	12%
Total	200	100%

Occupation

Business	54	27%
Service	60	30%
Student	40	20%
House wife	46	23%
Total	200	100%

7. Descriptive Analysis

Descriptive Analysis is one of the widely adopted technical tools to analysis in research projects. Described analysis helps to summarize the data into format which ease research to analysis data with more accuracy. The descriptive analysis done in this research consists of measure of dispersion measure of center tendency such as minimum, maximum mean and standard deviation. Mean is the tactical tool which measure and analysis the participants respondent.

Table 2 : Descriptive statistics of Different Variables Influencing Brand Loyalty for Asian Paints User

	Consumer satisfaction and experience of Asian Paint	N	Min	Max	Mean	Std. Dev	Rank
1.	Asian paints is top brand among other paints	200	1	5	3.61	1.09	4
2.	Overall satisfaction from Asian paints	200	1	5	3.56	1.03	6
3.	Satisfied with Asian paints purchase decision	200	1	5	3.61	1.09	5
4.	Schemes and facilities are important	200	1	5	3.64	0.96	3

to attract customers						
Average score	200	1	5	3.44	1.04	
Brand Image and reputation						
Asian paints has a reputation for high quality	200	1	5	3.02	1.04	13
people can quickly recall the logo of Asian brand	200	1	5	2.62	1.26	17
Asian paints carry out sales promotion activity which help to promote brand image	200	1	5	2.70	1.27	16
Average score	200	1	5	2.78	1.19	
Perceived quality						
Durable and reliable product	200	1	5	3.19	1.19	12
Excellent features and good quality	200	1	5	3.89	0.94	1
Anti-bacterial and Environmental friendly	200	1	5	3.00	1.27	14
Elegant	200	1	5	2.90	1.30	15
Average score	200	1	5	3.25	1.18	
Brand awareness and promotion						
Asian paints is one of the brands that comes to mind	200	1	5	3.40	1.03	9
Have a good knowledge of Asian Paints more than Other brands in the market	200	1	5	3.45	1.02	7
Advertising has become a major tools to gain market share in paints market	200	1	5	3.45	0.93	8
Average score	200	1	5	3.43	1.00	

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Brand trust and experience

Due to the trust and faithfulness purchase of Asian Paints	200	1	5	3.69	1.08	2
Royal customers willing to pay for the best brand	200	1	5	3.24	1.08	10
Trust leads to repurchase to Asian paints	200	1	5	3.20	1.19	11
Average score	200	1	5	3.37	1.12	

1.

Measure of Brand loyalty(dependent variable)

1, Say positive things about the Asian paints	200	1	5	3.35	1.18	
2, Intend to continue using of Asian paints	200	1	5	3.38	1.20	
3, Asian Paints is good brand paints	200	1	5	3.55	1.14	
4, Brand royalty customer of Asian paints	200	1	5	3.70	1.08	
Average score	200	1	5	3.49	1.15	

Table 2 Indicates, among the entire seventeen variables mean calculated the highest mean is 3.89 ranked number 1, and standard deviation is 0.94 due to excellent features and good quality of Asian Paints. The second highest mean score is 3.69, brand trust and faithfulness of Asian paints and the standard deviation is 1.08. Schemes and facilities are important for brand loyalty which has the mean 3.64. People can quickly recall the logo of best brand has least mean value 2.62 and standard deviation 1.26. It means this factor is least conscious about brand loyalty of the customers.

Table 3

Descriptive Statistics of the Variables (Dependent and Independent)

Statement	Valid No	Min	Max	Mean	Std. Dev
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Customer satisfaction and Experience of Asian Paints	200	1	5	3.44	1.04
Brand image and reputation	200	1	5	2.78	1.19
Perceive Quality	200	1	5	3.25	1.18
Brand awareness and promotion	200	1	5	3.43	1.00
Brand Trust and experience	200	1	5	3.37	1.12
Measure of Brand Loyalty	200	1	5	3.49	1.15

Table 3 has displayed customers are brand royal due to satisfaction and experience among five components which average mean is 3.44 and standard deviation 1.04 Other variables brand awareness and promotion as well as Brand Trust and Experience also have been declared brand royal by the respondents which mean 3.43 and 3.37 respectively. As the perceived quality and appearance for building for strong brand has been declared as average satisfactory of brand royal by the respondents. However the other variable brand image and reputation seem to less satisfactory among the five variables.

7. Conclusion

Demographic findings

Majority of the respondents, (Approx. 55%) are the mail and 45% are female. Majority of respondents fall within (31-40) year's age category. (Approx. 37%) In (2130) age Category only (approx. 28%) respondents prevail and the minimum responds found in the age who are below 20 years (Approx. 16%). As per the results most of the respondents are graduate (approx.40%) and least 15% below SEE. The result displayed the most of the respondents who has monthly salary between Rs.(10000-25000) Approx.38% and the least responds who have monthly salary above Rs.50000(Approx. 12%).As per the result most of the responds are service holders 60 numbers and least responds are students only 40.

The empirical finding of this study variables found that the consumers have high brand royal due satisfaction and experience of Asian paints among the five variables based on average mean Score, which includes(Asian paints is top brand among other paints, overall satisfaction for Asian Paints, satisfied with Asian Paints purchase decision ,schemes and facilities) It found that consumers are brand royal due to excellent features and good quality of Asian paints among seventeen different variables of individual evaluation. The satisfactory level of Brand Loyalty is due to the trust and faithfulness of Asian paints as well as schemes and facilities provided by Asian paints. The least importance factor is customers are not brand royal due to quickly recall the logo of Asian Paints. As the least consideration and insufficient sector this item is more consideration by Asian paints private limited.

This research can be implicated for success and capture of market share of any product due to brand loyalty by improving the insufficient sectors which enhance the betterment of customer's trust and faithfulness.

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