

Factors Influencing The Extent of Brand Loyalty of Toilet Soap Users in Bangladesh: A Case Study on Dhaka City

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Abstract

Brand loyalty is determined by several distinct psychological processes of the consumers and entails multivariate measurements. Product features (Fragrance / Skin care / Germ fight features / Colour) is one of the most important factors that affect brand loyalty. The relationship between the availability of the toilet soap and the extent of brand loyalty was also found to be significant. Brand loyalty of toilet soap users in Dhaka city is moderately high.

Index terms— Brand Loyalty, Toilet Soap, Dhaka City, Bangladesh.

The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. To a large extent, the success of most businesses depends on their ability to create and maintain customer loyalty. In the first place, selling to brand loyal customers is far less costly than converting new customers. In addition, brand loyalty provides firms with tremendous competitive weapons. Brand loyal consumers are less price-sensitive. A strong consumer franchise gives manufacturers leverage with retailers.

And, loyalty reduces the sensitivity of consumers to marketplace offerings, which gives the firm time to respond to competitive moves. In general, brand loyalty is a reflection of brand equity, which for many businesses is the largest single asset. Brand equity reflects the value added to a product that results from brand knowledge. A loyal customer franchise is the most important source of competitive advantage.

Dhaka, the capital of Bangladesh and the principal city of Dhaka Division is the centre of political, cultural and economic life in Bangladesh. A population of 16.6 million (estimated in 2011) makes it the largest city in Bangladesh. It is the 9th largest city in the world and also 28th among the most densely populated cities in the world. It is also experiencing an increasing influx of people from across the nation, this has reportedly made Dhaka the fastest growing city in the world. The population is growing by an estimated 4.2% per year, one of the highest rates amongst Asian cities. The continuing growth reflects ongoing migration from rural areas to the Dhaka urban region, which accounted for 60% of the city's growth in the 1960s and 1970s. More recently, the city's population has also grown with the expansion of city boundaries, a process that added more than a million people to the city in the 1980s. The city population is composed of people from virtually every region of Bangladesh. In case of fast moving consumer goods, like toilet soap, the average consumption of an inhabitant of Dhaka city is believed to be significantly higher than that of the rest of Bangladesh.

Irrespective of income level and status people use toilet soap. The frequency of toilet soap might vary due to the individual hygiene practice. Many brands of toilet soaps are available in the market of many different prices. People buy toilet soap according to their own capabilities. In the same price range there are also many brands. So, all the time people have to make purchase decision among many brands. At the time of making purchasing decision, people might consider various factors. People might buy same brand repeatedly. They can switch among few brands or they can switch in lots of brands.

This research is meant to find out the brand loyalty level of toilet soap user. The research also tries to find out the factors that affect brand loyalty of toilet soap users in Dhaka City. In this research, by toilet soap, only bath soap is meant.

In the context of Bangladesh, no previous research on brand loyalty of toilet soap or other fast moving consumer goods have been done. The results of this study will provide the local companies the most important factors

effecting brand loyalty of such products and will help them understand their target markets better and carry out specific market research and promotional activities aimed at them. Brand Loyalty is the consumer's conscious or unconscious decision, expressed through intention or behaviour, to repurchase a brand continually. It occurs because the consumer perceives that the brand offers the right product features, image, or level of quality at the right price. Consumer behaviour is habitual because habits are safe and familiar. In order to create brand loyalty, advertisers must break consumer habits, help them acquire new habits, and reinforce those habits by reminding consumers of the value of their purchase and encourage them to continue purchasing those products in the future.

Brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994). Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints (such as vendor lock-in), a lack of viable alternatives, or out of convenience (Jones et al., 2002). Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour (Reichheld and Earl, 1990), (Reichheld, 1993).

A second dimension, however, is whether the customer is committed to the brand. Philip Kotler, again, defines four patterns of behaviour: 1. Hardcore Loyals -who buy the brand all the time. 2. Softcore Loyals -loyal to two or three brands. 3. Shifting Loyalty -moving from one brand to another 4. Switchers -with no loyalty (possibly 'deal-prone', constantly looking for bargains or 'vanity prone', looking for something different).

It has been suggested that loyalty includes some degree of pre-dispositional commitment toward a brand. Brand loyalty is viewed as multidimensional construct. It is determined by several distinct psychological processes and it entails multivariate measurements. Customers' Perceived value, Brand trust, Customers' satisfaction, Repeat purchase behaviour and Commitment are found to be the key influencing factors of brand loyalty. Commitment and Repeated purchase behaviour are considered as necessary conditions for brand loyalty followed by Perceived value, satisfaction and brand trust (Punniyamoorthy and Prasanna, 2007).

The most elaborate conceptual definition of brand loyalty was presented by Jacoby and Chestnut (1978). There are many operational definitions of brand loyalty. In general, brand loyalty can be defined as the strength of preference for a brand compared to other similar available options. This is often measured in terms of repeat purchase behaviour or price sensitivity (Brandchannel.com, 2006). However, Bloemer and Kasper (1995) defined true brand loyalty as having six necessary conditions which are: 1) the biased (i.e. nonrandom); 2) behavioural response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a function of psychological processes.

True brand loyalty exists when customers have a high relative attitude toward the brand exhibited through repurchase behaviour. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, may cost less to serve and can bring in new customers to the firm (Reichheld and Sasser, 1990).

The brand loyal consumer does not attempt any kind of attribute evaluation but simply chooses the familiar brand on the basis of some overall positive feelings towards it. This overall positive evaluation stems from past experience with the particular brand under consideration. Lau et al. (2006) in his article mentioned that there were seven factors that influenced consumers' brand loyalty towards certain sportswear brands. The factors were: brand name, product quality, price, style, store environment, promotion and service quality.

Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names (Keller, 2003). Product Quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as "fitness for use" or 'conformance to requirement' (Russell and Taylor, 2006).

1 early

Promotion is a marketing mix component which is a kind of communication with consumers. Promotion and Business Research Volume XII Issue XV Version I includes the use of advertising, sales promotions, personal selling and publicity. Advertising is a nonpersonal presentation of information in mass media about a product, brand, company or store. It greatly affects consumers' images, beliefs and attitudes towards products and brands, and in turn, influences their purchase behaviours (Evans et al., 1996).

Brand loyal consumers are less price sensitive (Krishnamurthi and Raj, 1991). A strong consumer franchise gives manufacturers leverage with retailers (Aaker, 1991). And, loyalty reduces the sensitivity of consumers to marketplace offerings, which gives the firm time to respond to competitive moves (Aaker, 1991). In general, brand loyalty is a reflection of brand equity, which for many businesses is the largest single asset.

For this study, we are going to measure brand loyalty in three levels. Though Kotler has proposed four levels, it is very difficult to measure shifting brand loyalty of people who keep shifting from brand to brand. So, we have decided to keep three levels of brand loyalty. we will use Hardcore Loyalty, Softcore Loyalty and Switching Loyalty, means no brand loyalty.

To find out the factors which affect brand loyalty, we are going to take seven factors initially.

2 b) Methods of Data Collection

A questionnaire survey was conducted to collect the empirical data in order to statistically test the hypotheses. The questionnaire contained all together 10 questions.

Any respondent has to answer highest 8 questions. First 8 questions are for hardcore brand loyals. If anybody is softcore brand loyal then she or he has to answer question no 9 instead of question no 8. Similarly question 10 will be answered instead of 8 for brand switchers.

The survey method was convenience survey. Although a random survey would be more preferable to convenience survey, but lack of necessary demographic data and lists needed to conduct a random survey and lack of time, made the choice of convenience survey inevitable.

In depth interview was conducted to the get to know about the real scenario of the users brand loyalty. It was also convenient basis. Form new market, few respondents agreed for in depth interview.

Observation technique was also used by standing beside local stores. When users come to the store to buy toilet soap, what they ask for and what criterion they focus on.

3 a) Sample Size

Total survey respondents were 108.

4 b) Sample Selection

A total of 108 respondents were surveyed for this purpose using a non-probability sampling technique. The respondents were chosen on the basis of accessibility and convenience. A questionnaire was developed for this purpose which includes checklists, dichotomous questions, and opens ended questions. From the observation, it is seen that females are mostly the buyers of toilet soap. So, in the sample, female The distribution of respondents by income is given in table 4. Majority of the respondents are married. The distribution of the selection of price as a factor of brand loyalty of toilet soap users are shown in table 6. Majority of the hardcore brand loyal of toilet soap users are not price sensitive. The distribution of the selection of product features as a factor of brand loyalty of toilet soap users are shown in table 7. Majority of the toilet soap users are product feature sensitive. The distribution of the selection of family influence as a factor of brand loyalty of toilet soap users are shown in table 8. In the case of hardcore brand loyals, family influence is very high. We can find an interesting finding here. According to the survey, switchers are less interested in advertisements.

The hypothesis testing was done using chi square distribution. The level of significance used here is .05. This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is more than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we can reject the null hypothesis. It can be concluded that, product features of toilet soap affects brand loyalty.

. Table ??3 : Analyzing the relationship between sales promotion and brand loyalty. Since it is a test of independence, and the chi squared value from the calculation of data is more than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we can reject the null hypothesis. It can be concluded that, sales promotion of toilet soap affects brand loyalty. This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is less than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we cannot reject the null hypothesis. It can be concluded that, advertisement of toilet soap does not affect brand loyalty. This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is more than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we reject the null hypothesis. It can be concluded that, family influence affects brand loyalty of toilet soap. This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is more than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we reject the null hypothesis. It can be concluded that, availability of toilet soap affects brand loyalty.

This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is less than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we cannot reject the null hypothesis. It can be concluded that, price of toilet soap does not affect brand loyalty. This hypothesis is tested using Chi-square test of independence. Since it is a test of independence, and the chi squared value from the calculation of data is more than the chi squared value from the chart at selected level of significance ($\alpha=.05$).

So, we reject the null hypothesis. It can be concluded that, brand name of toilet soap affects brand loyalty.

From the tests of hypotheses it is seen that among seven null hypotheses five are rejected and two are not. It means among seven estimated factors, brand loyalty have dependency with five of them.

7 B) CONCLUSION

The factors that affect brand loyalty are-1. Product features, 2. Sales promotion, 3. Availability, 4. Family influence, and 5. Brand name.

The factors that do not affect brand loyalty are-1. Advertisement, and 2. Price.

5 a) Discussion

Majority (63%) of the toilet soap users are brand loyal. They buy soap on the basis of product features including color, fragrance, skin care or germ fight features. People are very much less sensitive to price. So, brand loyalty does not affected much by price. Less than 26% customer selected price as a factor.

If we look at the family influence by elderly persons or kids, 62.96% of the consumers are influenced by the family members to use their toilet soap brands. Similarly, 75% of the customers are influenced by the brand name of the toilet soap.

If we look at the availability, this is very important factor. More than 62% customers are affected by the availability of the toilet soap in the local stores. For sales promotion, hardcore brand loyals are very less interested in sales promotion while softcore brand loyals and switchers are very much interested. Interestingly advertisements have no significant effect on brand loyalty.

6 Year

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In the case of availability 100% of softcorebeandloyals and switchers have selected this issue as a very important factor. They think if the soaps are not available they will choose any other brands without any consideration.

The hypotheses were developed based on previous research done on other countries related to brand loyalty of different products. Two of the null hypotheses were not rejected. From hypotheses testing, it is proven that, Brand loyalty varies on five factors. Such as, product features, sales promotion, availability of toilet soaps in the local stores, family influence and brand name.

In consuming toilet soaps, people are influenced by family members, product features or availability of soaps in the local stores. Toilet soap users are not price sensitive and at the same time they are not advertisement sensitive.

7 b) Conclusion

No previous research on brand loyalty of toilet soap consumers have been done in the context of Bangladesh. So, it will definitely give brand loyalty researchers an indication of the status of brand loyalty of toilet soap users in Dhaka city. They can use this research for other fast moving consumer goods to find out the factors that affect brand loyalty. Marketers place a huge importance in determining the factors that affect brand loyalty of toilet soap. The results of this study will provide the local companies to understand their target markets better and carry out specific market research and promotional activities aimed at them. Future research can be done on the following topics as a continuation of this work. Direct and indirect influence of factors affecting brand loyalty of toilet soaps in Dhaka city is conducted here, the scope of the research can be extended to national or international level. Five factors affecting brand loyalty of toilet soap users have been identified. This research can be extended to find out more socio-economic factors in the case of brand loyalty of toilet soap users. This research can be extended to broad fast moving consumer goods category.



Figure 1:

a) Data Sources

The
pri-
mary
source
of
data
for
the
re-
search
was

the shoppers buying from New Market Kacha bazaar
area and students of University of Dhaka.

i.

Primary
Sources

- a. Focused Group discussion
- b. Questionnaire survey,
- c. Direct observation,
- d. In-depth Interview.

ii.

Secondary
Sources

- a. Related journals and articles,
- b. Internet,
- c. Previous works on the related issue.

They
are

- 1. Product features,
- 2. Sales Promotion,
- 3. Advertisements,
- 4. Availability,
- 5. Brand image,
- 6. Price, and
- 7. Family influence.

Though Krishnamurthi and Raj (1991) has
showed brand loyal b) Hypotheses

Null Hypothesis 1: Product features of toilet
soap do not affect brand loyalty.

Null Hypothesis 2: Sales promotional activities
do not affect brand loyalty.

Null Hypothesis 3: Advertisements do not affect
brand loyalty.

Null Hypothesis 4: Family influence do not affect
buying decision of toilet soap.

Null Hypothesis 5: Availability of toilet soaps
does not affect brand loyalty.

Null Hypothesis 6: Price does not affect brand
loyalty.

Figure 2:

2

Gender	Number	Percentage
Female	76	70
Male	32	30
Total	108	100

The distribution of respondents by age is given in table 2. Majority of the respondents are from the age of 23 to 35 years.

Age Distribution	Number	Percentage
Below 18 years	4	4
18 to 25 years	12	11
25 to 35 years	44	41
35 to 45 years	38	35
45 years and above	10	9
Total	108	100
Marital Status	Number	Percentage
Married	76	70
Not Married	32	30
Total	108	100

[Note: The distribution of respondents by marital status is given in table3. Majority of the respondents are married. Table3 : Number of respondents by marital status in the sample.]

Figure 3: Table 2 :

4

Global Journal of Management	Income Distribution	Less than BDT 10,000	BDT 10,000 to 20,000	BDT 20,000 to 30,000	BDT 30,000 to 50,000	Number	Percentage
						12	22
						48	11
						20	44
						14	13
						8	7
						4	4
						108	100

[Note: © 2012 Global Journals Inc. (US) and Business Research Volume XII Issue XV Version I]

Figure 4: Table 4 :

5

Brand Loyalty Level	Number	Percent
Hardcore Brand Loyal	68	63
Softcore Brand Loyal	30	28
Switcher	10	9
Didn't influenced	108	100

Figure 5: Table 5 :

6

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	12	56
Softcore Brand Loyal	12	18
Switcher	4	6
Didn't influenced	28	80

Figure 6: Table 6 :

7

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	66	2
Softcore Brand Loyal	24	6
Switcher	6	4
Didn't influenced	96	12

Figure 7: Table 7 :

8

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	52	16
Softcore Brand Loyal	12	18
Switcher	4	6
Didn't influenced	68	40

Figure 8: Table 8 :

9

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	28	40
Softcore Brand Loyal	30	0
Switcher	10	0
Didn't influenced	68	40
The distribution of the selection of sales promotion (price off/ extra offer) as a factor of brand loyalty of toilet users are shown in table 10.		

Figure 9: Table 9 :

10

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	4	64
Softcore Brand Loyal	20	10
Switcher	10	0
Didn't influenced	34	74
If we look closely, for switchers, they are 100% influenced by the sales promotions. On the other hand, two-third softcore brand loyals are influenced by sales promotion. And among 34 hardcore brand loyals, only 2 are interested in sales promotion.		
The distribution of the selection of advertisements as a factor of brand loyalty of toilet users are shown in table 11.		

Figure 10: Table 10 :

11

Brand Loyalty Level	Selected	Not selected
Hardcore Brand Loyal	22	46
Softcore Brand Loyal	14	16
Switcher	0	10
Didn't influenced	36	72

Figure 11: Table 11 :

12

Global Journal of Management			
Ho: Product features of toilet soap do not affect brand loyalty	Chi-squared value from data	Degree of freedom	Chi-squared value from chart

Figure 12: Table 12 :

14

Ho: Advertisements do not affect brand loyalty.	Chi-squared value from data	Degree of freedom	Chi-squared value from chart
	3.7147	2	5.991

Figure 13: Table 14 :

15

Ho: Family influence do not affect buying decision of toilet soap.	Chi-squared value from data	Degree of freedom	Chi-squared value from chart
	7.1825	2	5.991

Figure 14: Table 15 :

16

Ho: Availability of toilet soaps does not affect brand loyalty.	Chi-squared value	Degree of	Chi-squared value
	from data	freedom	from chart
	18.61582	2	5.991

Figure 15: Table 16 :

17

Ho: Price does not affect brand loyalty.	Chi-squared value	Degree of	Chi-squared value
	from data	freedom	from chart
	3.2763	2	5.991

Figure 16: Table 17 :

18

Ho: Brand name does not affect brand loyalty.	Chi-squared value	Degree of	Chi-squared value
	from data	freedom	from chart
	17.68889	2	5.991

Figure 17: Table 18 :

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