

The factors determining brand loyalty for branded garments in Pakistan

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Abstract

The purpose of this research is to find out the determinants of brand loyalty of branded garments in Pakistan. Data was collected from 120 people through questionnaire from people belonging to different culture in Rawalpindi and Islamabad. In this research we focused on only two factors price and quality only. Results show that brand loyalty is affected by price and quality of the garments.

Introduction

First, an individual's loyalty to a single brand declines over time (Ehrenberg, 1972) indicates that only 45 per cent repeat purchase a frequently purchased brand, he means to say that no consumer is 100 percent loyal to their brands. Along with some other factors, quality and price make the product highly competitive in a market. Price and quality plays important role to develop the loyalty with a product. If a product is not able to provide a high quality with suitable price, it can lose its loyalty among the target customers. Each brand has a customer intact that makes the product more and more loyal able.

In launching new products, companies are facing a highly competitive market. It is very challengeable that they capture considerably large market share for their products. But there are still some factors which are wining competitive advantages and generating revenues for companies. Along with some other factors, quality and price make the product highly competitive in a market. Price and quality plays important role to develop the loyalty with a product. If a product is not able to provide a high quality with suitable price, it can lose its loyalty among the target customers. If there is a small increase in price it may produce no significant response change in brand loyalty (Monroe, 1976). To lead a better brand loyalty, a high perceived

quality in a product is required (Lee, & Wang, 2006).

Quality is a major factor that effects the brand loyalty of branded garments, If a customer is satisfied with the product it is a very good sign for the company but the must keep in mind that increasing the price rapidly may cause to lose the customers. Companies in the market have a market share that is shared among different companies supplying the same brand. To maintain their market share, it is necessary to keep on promoting the product. If the price is increased drastically, the company may lose its customers. Quality is major factor that contributes toward brand loyalty. If the customer is fully satisfied while utilizing the product, it is a good sign towards the loyalty with the brand.

Previous researchers have focused on different factors like status, quality, comfort, price, fashion, durability of the branded garments. The importance of this topic is that we want to know the commitment level of the customers of people belonging to Pakistan towards there brand. There has been no proper study conducted on branded garments regarding these two elements and there effect on brand loyalty. So we are conducting this research to analyze the impact of price and quality on brand loyalty of branded garments in Pakistan.

Literature review

The concept of brand loyalty was introduced more than half a century ago and has been explored by a number of researchers. Nevertheless, this concept is still controversial in academia. Brand loyalty has an important role to play in the development of marketing Strategy. Brand loyalty is the source that contributes to consumers for repeatedly buying of the same brand. The

effect of this propensity is to make repeat purchases enduring and constant over time. Mature frequently purchased consumer packaged goods brands rely on the habit of repeat purchase for much of their volume. Marketing activity behind those brands is aimed at the defensive strategy of keeping current users happy and reassured through ongoing advertising and promotion programs. A true brand loyal consumer is committed to his/her brand; because of this commitment, he insists on buying the same brand the next time he needs to buy the product again (Bloemer & Kasper,1994). A brand represents promises of products or services offered by the company to its customers, and if it delivers on its promises, loyalty is likely to occur. If a brand cannot provide satisfaction, customers may never purchase products represented by that brand again. "Loyalty is a commitment to re-buy or re-patronize a preferred product or services". Brand loyalty creates favoritism for a brand (Anderson. 1974). Much of the success of a business depends upon the skills to create and maintain loyalty. Brand selling to loyal customer reduce cost and high loyalty give companies strong competitive weapons (Ergin.2005). Brand loyalty is in the favor of firms. It maximizes the profit by double digit. Companies should concentrate on attracting loyal customers instead of making new customers. Loyal customers are willing to pay more for a brand (Lau.2006). Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images, or level of quality at the right price. This perception becomes the foundation for a new buying habit. Basically, consumers initially will make a trial purchase of the brand, and after satisfaction, tend to form habits and continue purchasing the same brand, as the product is safe and familiar.

When a product is successful in building loyalty, it has various advantages for the consumers and sellers. For consumers, it becomes easy to select a product. In other words, it helps consumers to save time in selecting products to purchase.

As loyal customers are committed to repurchase the product and there is very less chance for switching from one brand to other so it give companies high level of profits and this increase their market share by making the product competitive in the market. But this is also a fact that the increase in the number of brands, results in decrease of loyalty level, because of competition. Other brands are also trying to capture market share. They offer new features and make innovations. As monition in literature, when brands in a market increase, first loyalty level decline and gradually it become level off. So company should concentrate on the satisfaction of loyal customers.

Quality

Quality in business, engineering and manufacturing has a pragmatic interpretation as the non-inferiority or superiority of something. Quality is a perceptual, conditional and somewhat subjective attribute and may be understood differently by different people. Consumers may focus on the specification quality of a product/service, or how it compares to competitors in the marketplace. Producers might measure the conformance quality, or degree to which the product/service was produced correctly. In today's competitive environment, retailers and manufacturers cannot rely solely on discounted prices or brand names to attract consumers. Textile consumers are savvy shoppers who expect to buy high-quality apparel at discounted

prices. The importance of brands tends to depend on the shopper's age, whereas the relative importance of price and quality remains fixed.

Quality plays an imperative role in making brand loyalty. When consumers acquire awareness about a brand, quality is one of the first variables which are tartan by consumers. Logistic regression model supported that product quality is one of the important driver of consumer loyalty followed by services quality and brand image (Clotey & Stodnick. 2008) The sales of high quality brands are less affected by increase in prices. For quality evaluation, consumers analyze internal standards of the product (Kirmani, & Baumgartner. 2000). When companies improve quality of the product, it becomes more favorable for the firms as they give tangible benefits (Dranove 1999). High level quality can lead commitment of the consumers to repurchase the product (Thurau, & Klee.1997).

When a consumer wants to buy any product, quality is one of the first variables to inspire and make the consumer decide to repurchase the product. One can be aware of quality while using the product; consumer will examine standards and features of the product. If he is inspired by the performance of the product he will decide to repurchase whatever circumstances are. Whether prices are increasing or decreasing. He will prefer to purchase at any cost. Available literature also shows that high price products and long performer emerge high quality, but loyal consumers don't care about high price. So this is understood, that high quality products make loyal consumers.

H1

Quality is significantly proportional to brand loyalty.

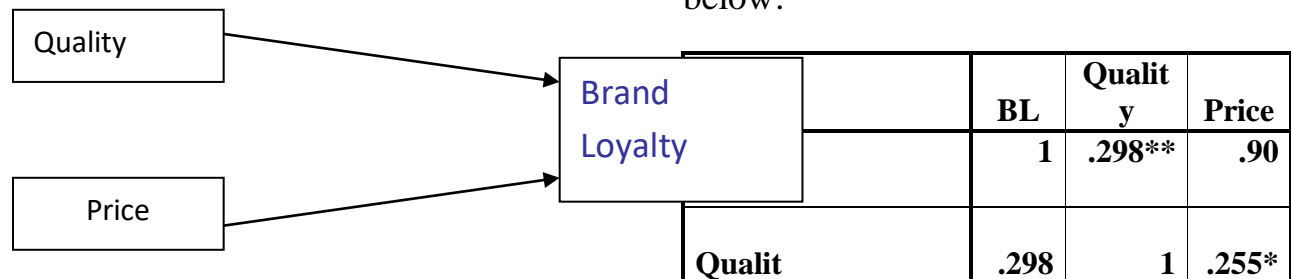
Price

The amount of money needed to buy particular goods, services or resource. The sensitivity of price in loyal customers is very less as compared to non loyal customers (Krishnamurthi, & Raj. 1991). Increase and decrease strategy of price results in increase or decrease of brand loyalty of the product (Gedenk, & Neslin. 1999). High brand loyalty is associated with high level price brands (Chauduri. 1999). Price promotions, especially temporary price reductions, reduce brand loyalty (Mazumdar, & Papatla. 2000). Since, in general, price information can be conveyed quite easily and unambiguously, such information is a crucial comparison variable in competitive markets non-loyal consumers is found to have higher price elasticity than loyal consumers (e.g., Ratchford & Raj, 1991). Such information on how the short-term sales response to temporary price reductions varies across segments of customers is useful in designing and targeting temporary price reductions.

H2

Price has converse relationship with brand loyalty

Theoretical Framework



Independent Variable dependant variable

Research Methodology

Questionnaire was adopted from (George Bali) it contained three parts.

Sample

The population for Data collection was regular users of branded garments in Pakistan. The collection related from various cities of Pakistan and the total sample size was 120. The questionnaire was personally filled and received from the respondents. A total of 150 questionnaires were distributed out of which 120 were received back with response rate of 80%. The questioner comprised of 22 questions, six for each variable. Responses were obtained using Likert-type scale in which strongly agree=5, agree=4, 3=neutral, 2=disagree, and 1=strongly disagree. After collecting data analysis was carried out in SPSS. Correlation and regression techniques were applied for analysis of responses.

Results

Correlation Analysis

Correlation analysis of our research is showing in the table below:

y	**		*
Price	.90	.255**	1

Regression Analysis

	BET A	T	SIGNIFICANCE
QUALITY	.249	3.227	.002
PRICE	.015	.162	.871

R square =.075,dependent variable:
BRAND LOYALTY

Demographics

SAMPLE CHARACTERISTICS	FREQUENCY	PERCENTAGE
GENDER		
MALE	90	75%
FEMALE	30	25%
AGE		
18-25	97	80.8%
25-30	23	19.1%
30-35	0	0%
ABOVE	0	0%
QUALIFICATION		
MATRIC	0	0%
INTER	16	13.3%
GRADUATION	66	55.0%
MASTERS	38	31.6%

Discussion

We proposed the hypothesis that quality is significantly proportional; and price has converse relationship with brand loyalty, which is, as price increases loyalty must be decreased. Our findings support our hypothesis for both quality and price. The results show that, if prices are increasing, then people will shift to another brand because people do not have enough purchasing power due to there low income. On the other hand if quality increases people will buy more branded garments.

The people are fully satisfied with the quality and price of branded garments in Pakistan. So this mean the companies are providing good services to their customers in Pakistan. And they wanted to purchase the same brand in future. Purchasing power of the users is another observable fact, which maintains the loyalty of the users. The sample that we were analyzing showed a perception, that when prices are economical and are within the range of customer's purchasing power, then they attract customers.

Here purchasing power plays an important role in buying behavior of customer. The trend of purchasing branded garments is found in middle class and upper class of society in Pakistan. And each class has their own behavior of choice. As we mentioned earlier, that in Pakistan branded garments are considered as status symbol. Some brands are said to be status symbols like Bonanza and oxford is compared with middle class and other brand like

Cambridge, Leads and outfitters are suppose to be related with higher class.

The maximum size of our sample consists of the people who are using Bonanza and suggests that they purchase only the brand which has economically suitable price with good quality. They also mentioned that Bonanza garments are cheaper then other garments. It is also available all over Pakistan as compared to other garments. Hence, loyalty for this brands is measured to be more then the others.

Our findings are very much supportive for our hypothesis about quality. In the light of our findings we can predict that when companies provide good quality and long time performance products, then brand loyalty will increase as a result. As well as consumers are intended to re purchase the product. In fact due to high quality, customers are loyal and they want to repurchase particular loyal branded garments.

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