

Influence of Brand Loyalty and Brand Switchers on Marketing of Mobile Phones: a Study in Dibrugarh Town



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Abstract

In the present day human life, mobile phones have transformed into an important device. As different brands of mobile phones are available in the market, so it is a challenge for marketers to retain their customers and make them brand loyal. The present study is conducted in Dibrugarh town with the intention to find out the causes of brand loyalty and brand switch over. Purposive sampling technique has been adopted with 100 respondents collected through structured questionnaire. The study revealed that 67% of the respondents are brand loyal while 33% are switchers. The study also revealed that Samsung is the most preferred brand of mobile phone and boredom and dissatisfaction towards the product is the most important reason for brand switch over.

Keywords: Brand Loyalty, Brand Switch Over, Consumer Durables

Introduction

In the present day human life, mobile phones have transformed into an important device. Unlike other consumer durables, mobile phones are purchased more frequently than anything. Brand & price are two most important variables which influence consumer's decision regarding purchase of any consumer durables. "Brand is a name that influences buyers"- J.N. Kapferer¹. In purchasing of a single consumer durable, people generally come across so many brands. The study is intended to find out different brands used and preferred by consumers in the market. People tend to buy quality products or top brands when it comes to consumer durables. But price sometimes becomes a barrier. So it is seen that people tend to compare brands with price. Because there are customers who are willing to buy several trusted brands of consumer durables but because of high price they cannot afford to purchase those. It is also seen that some consumers are very much loyal to some brands when it comes to consumer durables.

Developing countries such as India and China have largely been shielded from the backlash of the recession, as consumers continued to buy basic appliances. In fact, China has been ranked the second-biggest market in the world for consumer electronics. Despite the recession, their strong domestic economy and growing high-income population have buoyed demand leading to aggressive market growth. In India too same situation prevails.

MNCs hold an edge over their Indian counterparts in terms of superior technology combined with a steady flow of capital, while domestic companies compete on the basis of their well acknowledged brands, an extensive distribution network and an insight in local market conditions. The largest MNC incorporated in India are Whirlpool India, LG India, Samsung India and Sony India and homegrown brands are Videocon, Godrej Industries and IFB. The market for consumer durables is expanding day by day. The biggest attraction of MNCs dealing in consumer durables is middle class households. Due to increase in job opportunities in recent years there is a sharp increase income of households. It has also raised the demand for top branded high priced products. Even for purchasing of most commonly used durables now a days it is seen that people prefer to buy top branded products because they do not want to compromise the quality by any means.

Changes in lifestyle, tastes & habits, easy availability of loans to purchase those products, easy availability of credit cards, introduction of new models, innovative outlook to modern consumer durables market, consumer awareness etc. have also played a part to it.

Review of Literature

According to a book review by Rothschild (2001) of Aaker (1995), loyalty drives long term success. Loyalty can be interpreted in five different ways (Olsen, Wilcox and Olsson, 2005) ranging from affective loyalty ("What I feel") to behavioral loyalty ("What I do") (Morgan, 2000). Previously, Jacoby and Chestnut (1978) and Dick and Basu (1994) defined loyalty as a behavioural response expressed over time by some decision making unit with respect to one or more alternatives. Moreover according to Oliver (1997), loyalty can be defined as a deeply held commitment to rebuy or repurchase a preferred product or service in the future. Furthermore, Ehrenberg and Scriven (1999) defined loyalty as an ongoing propensity to buy a brand, usually as one of several choices that they make in the market. Brand loyalty research mostly focuses on customer loyalty towards brands.

Philip Kotler defines four patterns of behaviour:

1. Hardcore Loyalist- who buy the brand all the time
2. Split Loyalist- loyal to two or three brands
3. Shifting Loyalist- 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.

Switch –over is a growing phenomenon in a modern market place. Today it is very hard for marketers to retain their customers because of increase in competition in the market and numbers of substitutes are increasing in a rapid pace.

Reasons for brand switching are as follows:

1. Consumer boredom or dissatisfaction towards the product
2. Dazzling array of new products that constantly appear in the market place
3. Increase in price
4. Decrease in price of the substitute
5. Out of stock conditions

Henceforth the present study is conducted to identify the extent of customer loyalty and the reasons for switching brand among the mobile phone users in Dibrugarh town.

Objectives of the Study

The study has following objectives to fulfill:

1. To find out the brands of mobile phones mostly preferred by respondents
2. To find out the loyalists and switchers among the respondents.
3. To find out the reasons for such brand and switch over.

Hypotheses of the Study

H₀₁

There is no significant relationship age of the respondents and brand loyalty.

H₀₂

There is no significant relationship between income of the respondents and brand loyalty.

H₀₃

There is no significant relationship between

Educational qualifications of the respondents and brand loyalty.

Methodology

The study is all about to assess the brand loyalty of mobile phone users in Dibrugarh town. The study focuses on reasons which propel the respondents to stick to a specific brand or to switch over to other brands.

Collection of Data

The study intends to be based on primary data. The primary data is collected from structured questionnaire.

Sample Size

A total of 100 respondents (mobile phone users) from Tinsukia town are chosen as sample.

Type of Sampling Technique

Purposive sampling technique has been adopted for the purpose of the study.

Technique of Analysis

Percentage technique is used for the analysis of the data. Likewise, chi square test has been adopted for the purpose of testing of hypothesis.

Period of Study

The study was conducted during the period 2016-17.

Limitations of the Study

The scope of the study is limited and confined only to 100 mobile phone users in Dibrugarh town. The period of the study is in 2016-17. Again purposive sampling technique has only been adopted for the study. Therefore, generalization of conclusion of the present study may not have universal applicability. Admittedly brand preference varies from one consumer durable to another, therefore general applicability of the inferences and conclusions of a study related to brand preference like the present study cannot be claimed.

Result & Discussion

Table 1 Showing Specification of Brands of Mobile Phones

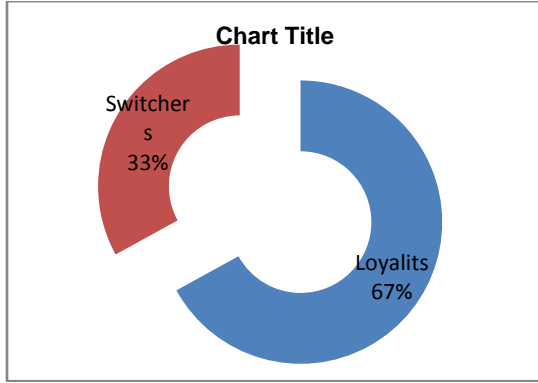
Brands	Frequency	Percent (%)
LG	9	9%
Nokia/ Microsoft	14	14%
Samsung	27	27%
Micromax	6	6%
Sony	8	8%
Motorola	2	2%
HTC	3	3%
Apple	2	2%
Lenovo	4	4%
Lava	5	5%
Karbon	2	2%
Xiaomi	1	1%
Intex	1	1%
Panasonic	2	2%
Gionee	3	3%
Asus	1	1%
Apice	1	1%
Spice	1	1%
Vivo	1	1%
Oppo	1	1%
Others	7	7%

(Source: Field survey)

Asian Resonance

The table depicts that Samsung (27%) is the most preferred brand of mobile phone followed by Nokia/Microsoft (14%), LG (9%), Sony (8%) and Microsoft (6%). Samsung is the most preferred brand of mobile phone in the market. (<http://www.the-topens.com/best-cellphone-brands/>).

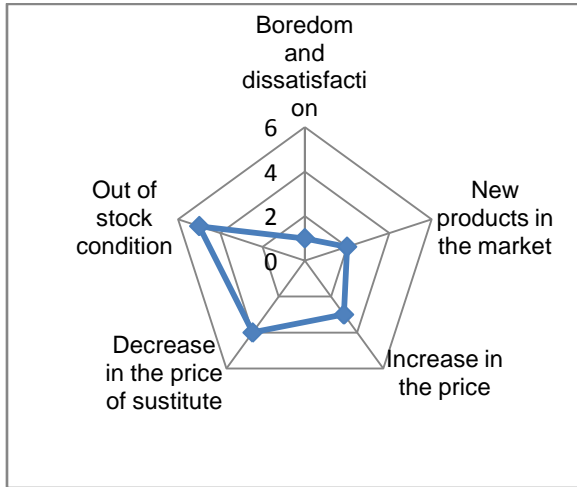
Figure 1 Showing Brand Loyalists V/S Brand Switchers of Mobile Phones



(Source: Field survey)

The figure 1 depicts that 67% of the total respondents are loyal while others are brand switchers.

Figure 2 Showing Reasons for Brand Switch- Over of Mobile Phones



(Source: Field survey)

The figure 2 depicts that customers' boredom and dissatisfaction is the most important reason of brand switch over followed by new products, increase in the price of the product, decrease in the price of substitute and out of stock conditions.

Testing of Hypotheses

H₀₁

There is no significant relationship age of the respondents and brand loyalty.

Age of the Respondents	Loyalists	Switchers	Total
0-20 years	23	16	39
20-40 years	21	8	29
40 years and above	23	9	32
Total	67	33	100

Observed	Expected	(O-E) ² ----- E
23	26	0.346
16	13	0.692
21	19	0.211
8	10	0.400
23	21	0.190
9	11	0.364

$\chi^2 = 2.203$

We can see that calculated value (2.203) is less than table value (5.991), so null hypothesis is accepted.

H₀₂

There is no significant relationship between income of the respondents and brand loyalty.

Income of the respondents	Loyalists	Switchers	Total
Rs.0-Rs.15,000	21	3	24
Rs.15,000- Rs.30,000	21	5	26
Rs.30,000 above	25	25	50
Total	67	33	100

Observed	Expected	(O-E) ² ----- E
21	16	1.563
3	8	3.125
21	17	0.941
5	9	1.778
25	34	2.382
25	17	3.765

$\chi^2 = 13.554$

We can see that calculated value (13.554) is more than table value (5.991) so null hypothesis is rejected.

H₀₃

There is no significant relationship between educational qualifications of the respondents and brand loyalty.

Educational qualifications of the respondents	Loyalists	Switchers	Total
Undergraduate	28	7	35
Graduate	21	3	24
Post graduate	18	23	41
Total	67	33	100

Observed	Expected	(O-E) ² ----- E
28	23	1.087
7	12	2.083
21	16	1.563
3	8	3.125
18	27	3
23	14	5.786

$\chi^2 = 16.664$

We can see that calculated value (16.664) is more than table value (5.991) so null hypothesis is rejected.

Conclusion

The study shows that although most of the respondents are loyal still it is challenge for marketers to retain their customers. The marketers have to constantly think about product alterations and maintain the quality throughout with affordable price limit in order to retain their customers.

Suggestions

The following suggestions can be taken into account based on the present study:

1. The companies should constantly do market survey and always make their products up to date.
2. Customers always look for after sales services. So marketers should focus on this aspect and

open up more service centres even in rural areas if possible to help the customers.

3. The companies always look for innovation with their products. Customers always prefer new and trendy. The companies must focus on this aspect.

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