A STUDY OF BRAND LOYALTY PARAMETERS IN FAST MOVING CONSUMER GOODS: DEVELOPING A DECISION MAKING MODEL FOR FMCG COMPANIES IN INDIA

A Synopsis

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by

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Research Guide

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CHAPTER I
INDUSTRY ANALYSIS

1.1 **Global FMCG Industry Overview:**

The Fast Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG) industry is rapidly growing industry across Globe. Due to continuous increase in population, changing lifestyle, increasing disposable income and easy of getting varieties of products through Hyper/Supermarkets, E-commerce etc.

Meaning of FMCG Goods is, they are nondurable goods having shelf life of maximum two years. In many cases their shelf life is less than a year. They have high sales volume, purchased by consumers in bulk with high frequency and consumed rapidly on daily basis. Profit margins are low compared to durable goods. Key Global players of FMCG industry are, Nestle, Unilever, Proctor & Gamble, S. C. Johnson, Johnson & Johnson, Reckitt Benckiser, Patanjali Ayurved, Colgate, Mondelez, Mars, Coca Cola, PepsiCo etc.

1.1.1 Types of FMCG products:

- **Food**: Chocolate, Biscuits, Cheese, Butter, Milk etc.
- **Ready to eat**: Pasta, Noodles, Fish, Meat etc.
- **Beverages**: Carbonated soft drinks, Juice, Water etc.
- **Fresh/frozen/dry food**: Fruits, Vegetables, Sea food etc.
- **Over the counter (OTC)**: Pain relievers, Cough & Cold remedies etc.
- **Household products**: Floor cleaner, Air freshener, Washing powder etc.
- **Personal care products**: Hair care, toothpaste, and toilet soap
- **Stationary**: Pencil, Eraser, Pen, Crayons

1.1.2 Key Global players of FMCG industry:

- **Unilever:** London, UK - https://www.unilever.com/
- **Proctor & Gamble:** Cincinnati, USA - https://us.pg.com/
- **S. C. Johnson:** Racine, USA - https://www.scjohnson.com/
- **Johson & Johnson:** New Jersey, USA - https://www.jnj.com/
- **Reckitt Benckiser:** Slough, UK - https://www.reckitt.com/
- **Patanjali Ayurved:** Haridwar, India - https://patanjaliayurved.org/
- **Colgate:** New York, USA - https://www.colgatepalmolive.co.in/

- **Nestle:** Vevey, Switzerland - https://www.nestle.com/
- **Mondelez:** Chicago, USA - https://www.mondelezinternational.com/
- **Mars:** Virginia, USA - https://www.mars.com/
- **Coca Cola:** Georgia, USA - https://www.coca-colacompany.com/
- **PepsiCo:** New York, USA - https://www.pepsico.com/

1.2 Market Size:

According to Allied Market Research Global FMCG market size in 2023 is approximately US$ 12,360 billion which is equal to 9,14,26,660 Crore INR. This is estimated to be increase at the rate of 5.4% CAGR till 2025. Thus, size of the market will be US$ 15,261 billion which is equal to 11,28,30,525 Crore INR. Food and Beverage industry is having highest share in Global FMCG industry.

From the above chart it is clear that Asia-Pacific will grow at the highest rate i.e., 8% CAGR however North America region (USA and Canada) will remain the leader and expected to grow at constant pace. There are reasons for the high growth rate in Asia-Pacific. Disposable income of the individuals is increasing along with the increase in working people. Due to open boundaries of the countries for business, many new products and brands are available in all the markets. People are shifting their behavior towards healthy products as they are becoming more health conscious. Also, urban population is increasing and due to increase in working people demand for ready to eat and ready to cook food has increased.

In FMCG market brands are divided into three major types, 1. Global brands (by Global manufacturers like Unilever, Nestle etc.) 2. Local brands (by local manufacturers of a given country) 3. Nish / unlabeled brands (very small brands, not having proper label, they have high loyalty but low penetration).

Below table shows summary of Global and Local brands using historical data of 2016 and 2017. It is clearly observed that, industries like Food and Beverage have high share of Local brands compare to Global brands. Possible reasons behind it is, local brands are well aware of local test and they are customized accordingly. Also, they do not require very large industrial setup to have penetration in a specific geography of a country. Beauty and Personal Care products do have higher

share of Global brands as they require lot of investment in R&D, process set up etc. Whereas Homecare industry is having mostly equal share of Global and Local products.

1.2.1 Contribution of Global and Local brands by industries.

	2016		2017	
	Global Brands	Local Brands	Global Brands	Local Brands
Total FMCG	35.8%	64.2%	35.4%	64.6%
Food	27.1%	72.9%	26.6%	73.4%
Beverage	38.2%	61.8%	38.3%	61.7%
Beauty and Personal Care	58.8%	41.2%	58.4%	41.6%
Homecare	47.7%	52.3%	47.0%	53.0%

Source: Brand Footprint Report

1.2.2 World's Most Popular Brands:

Purchase (in billion *consumer reach points)

Brand	Value
Coca Cola	5.97
Colgate	3.87
Maggi	2.7
Lifebuoy	2.3
Lay's	2.25
Pepsi	2
Nescafe	1.96
Dove	1.83
Sunsilk	1.82
Indomie	1.78
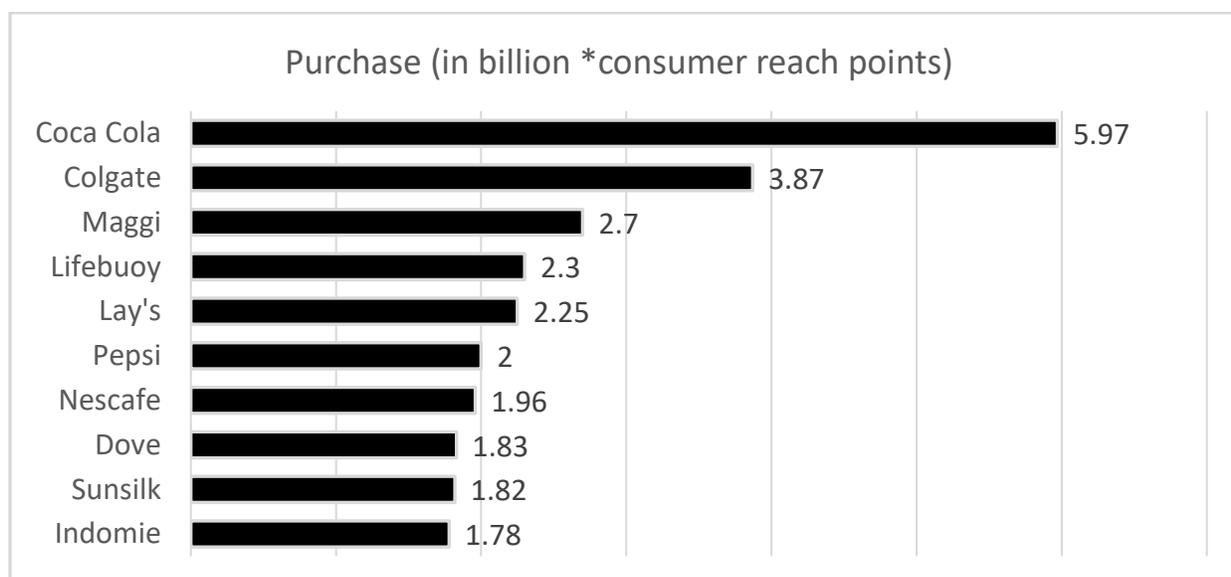
Above chart is based on 21,400 brands and 1 billion households in 49 countries.
* Consumer Reach Points measure how many households around the world are buying a brand and how often.
Source: Kantar's Brand Footprint report 2019

- Coca-Cola remains the world's most chosen brand—for the sixth year running.
- Colgate is the second most chosen brand in the ranking and is the only brand chosen by more than half of the global population—with 62% penetration globally

- Maggi is the fastest-growing Top 50 brand with a global presence—with 14% growth in Consumer Reach Points (CRPs)

1.3 Opportunities and Threats of Global FMCG Markets:

There are many Opportunities and Threats associated with FMCG industry. Also list of it is changing so frequently due to dynamic macro environment. Very recently we have seen COVID 19 Global pandemic which has impacted all small-big countries in one or the other way. It has also changed the overall consumer behavior in terms of product that they buy and retail channels from where they buy. Also due to rapid changes in the technology, opportunities and threats are also changing rapidly.

Opportunities	Threats
Globalization	Low disposable income due to COVID 19
Increasing population and urbanization	Delayed supply of products due to COVID 19
Growth of Modern Trade and E-commerce	Illicit/Duplicate products
Shift from Regular to Organic products	Consumers are more aware than before
Competition from local brands	
Technological Enhancements	
Internet, social media, Smart Phones working as word of mouth	

Opportunities

Globalization:

Globalization has opened boundaries of many countries. Now all big manufacturers can invest in other countries through Foreign Direct Investment (FDI). This has enabled them to have manufacturing process in the same country which is their target market.

Increasing population and urbanization: Population of the world is increasing day by day, on the other hand population of urban area is also increasing. As FMCG products are directly proportional to the population it will increase demand for the FMCG products. Also, people are moving to Urban areas in search of education, jobs, business opportunities etc. This will give opportunities to the manufacturers to sell more products via modern trade channels and E-commerce.

Growth of Modern Trade and E-commerce:

Even in developing countries Modern Trade (Hypermarket/Supermarkets) are increasing rapidly. Also, during COVID 19 almost 40% of the population of Globe has bought their products online. This has given more importance to E-commerce in a developing country as well. Both Modern Trade and E-commerce gives opportunity to buyer to choose from multiple options available for the same need. It is very easy to offer promotional schemes and highlight product features in Modern Trade and E-commerce. This would boost FMCG market across globe.

Shift from Regular to Organic products:

Due to COVID 19 and awareness of benefits from organic products, consumers are now shifting from regular products to Organic products. This has created an opportunity around new set of products along with new set of consumers of such products. There are many consumers who prefer both regular and organic products. As a result of this many global players also have started manufacturing organic products. For e.g. Colgate Vedshakti.

Competition from local brands:

In many countries small/local brands are becoming powerful and providing tuff competition to big brands. Reasons behind this is, they are more aware of local test and preferences and

design their products accordingly. This helps to create fair competition in the given market and buyers are getting benefits of it in terms of good quality products at reasonable price.

Technological Enhancements:

Technology is drastically changing, and machines/robots are replacing humans. This has made production process very fast. So, all giant manufacturing companies of FMCG products are now able to cover more geography and increase their consumer base.

Internet, social media, Smart Phones working as word of mouth:

Due to easy access to internet, smart phones, and social media sites now it is very easy to spread message around drop in price or promotional events. Many times, this helps to change the buying behavior of consumers.

Threats:

Low disposable income due to COVID 19:

COVID 19 has impacted almost all people on the globe. Due to lockdown and other restrictions many industries got impacted. This has impacted overall income of people. As a result, disposable income has reduced. Thus, people are shifting from high end to low end products. Also, in many cases they have reduced spending on overall FMCG basket.

Delayed supply of products due to COVID 19:

Due to lockdown and other restrictions, supply chain of raw material and finished product was largely impacted. This has resulted into imposed disloyalty to the part of consumers. Consumers have started buying products of other manufacturers. This may result into huge shift and market players may lose market for their products.

Selection of right distribution channels:

In many countries, products are not reaching directly from manufacturer to retailers or consumers. There are other intermediators like wholesalers, semi wholesalers, distributers, discounters etc. Mostly these intermediators are playing role in sending goods to the different channels. Due to this many times write products are placed at wrong place and results into low sales. For e.g. in shampoo category there are many premium brands which are salable

only through hyper/super market and not through small retail shops. Many times, it happens that, these products are finding place on the shelf of retail stores and results into low sale of the premium brands.

Illicit/Duplicate products:

Due to significant tax differences many products are imported illegally from the neighboring country this impacts domestic players significantly. Also due to high popularity of branded products, many duplicate products of same brands are entering in the market. This creates negative impact to the profitability of manufacturer of branded products.

Consumers are more aware than before:

Due to easy availability of internet and smartphones along with free social media portals now it is very easy to spread word of mouth about any products. Consumers are sharing their positive and negative feedbacks very quickly to the larger community. This always gives challenge to the manufacturers to provide good quality product and ensure consumer satisfaction even after selling products.

1.4 Porter's Five Force Model – Global FMCG Industry:

Five force model for any industry gives the overall analysis of competition in each industry. Industry is unattractive if five forces reduce its profitability.

Bargaining power of suppliers:

Overall bargaining power of supplier is low unless they become manufacturer and create threat to the existing players.

- Global Vs. Local Suppliers: Manufacturers are choosing between Global Vs. Local suppliers after evaluating many factors like quality, price, procurement time. Suppliers are many in numbers which creates healthy competition. Earlier China was major supplier for FMCG raw material for India and other neighboring countries. Now producers in India have chosen local supplier as they are also capable to provide good quality material at reasonable rate.

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                    │     Threat of New Entrants    │
                    │      - Capital required       │
                    │       - Brand loyalty         │
                    │    - Product Differentiation  │
                    │  - R&D and other major expenses│
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Threat of New Entrants
- Capital required
- Brand loyalty
- Product Differentiation
- R&D and other major expenses

Bargaining Power of Suppliers
- Global Vs. Local suppliers
- Quality and time for procurement
- Supplier becomes manufacturers

Industry Rivalry
- Globalization
- Strong local brands

Bargaining Power of Buyers
- Hyper/Supermarket
- E-commerce
- Advertisement
- Internet/social media

Threat of Substitutes
- Organic products preferred over regular once
- Local players give opportunity to switch

- Quality and time for procurement: Good quality raw material with minimum procurement time is key for selecting a supplier. Location of supplier is a critical factor.

- Supplier becomes manufacturer: Not all but food and beverages are the industries where there is greater chance that supplier may become manufacturer as it is very easy to productionize food and beverage items. This sometimes give upper hand to the supplier of food and beverage raw material.

Bargaining power of buyers:

Usually, it is very high with highly competitive environment and evolution of modern trade and e-commerce channels.

- Hyper/supermarket: With the growth of hyper/supermarkets bargaining power of buyers has increased as buyers are now having multiple choices for same type of products. Buyer can evaluate various products of same category very quickly and make buying decision. So, if one manufacturer is offering discount or any promotional offer then other has to follow the same practice to sustain in the market.

- E-commerce: E-commerce portals also offers all benefits that one can get from Hyper/supermarkets. In addition to that, e-commerce also gives an opportunity to compare products of different brands using easy online comparison features.

- Advertisement: It is a quick medium to spread information about any new product or promotional offers on existing products. This gives extra power to the buyers to get the best offers.

- Internet/social media: They are very useful to spread word of mouth about any existing products. By sharing product reviews of the products consumers can spread positive/negative word of mouth very quickly. In a way this has given extra power to buyers.

Threat of new entrants:

Threat of new entrants is relatively low unless they have customized products with very unique features. Also, the scale at which new product is launched should be large enough to capture share of existing players in the market.

- Capital required: Capital required to produce home care or personal care products is very high compared to capital required for food products. It also depends on the market and geography that manufacturer is targeting. Overall threat from the new local players is very high as they are also capturing significant share.

- Brand loyalty: It is a driving factor for any of the brand. In most cases, old players with good track record are having brand loyal customer base for their products. For small local brands it is very difficult to get their share from the share of existing market giants.

- Product differentiation: This can be real game changer for any new entrant. Suppose offered product is organic product with some distinct features and advantages then it may find unique space in the given market. For e.g. in India, Patanjali launched varieties of product in different categories and got huge success at global level. Major reason behind it is unique products with organic ingredients.

- R&D and other major expenses: R&D expenses for personal care and home care products are very high. It is not possible for small players to bare those expenses.

Threat of substitutes:

It is always high as buyers' test and preferences are changing over time. Due to COVID 19 and awareness of healthy life now buyers are shifting from regular products to organic products providing health benefits.

- Organic products are preferred over regular once: Consumers now tend to buy organic products as a substitute of regular products. So organic products can be treated as substitute of regular personal care, home care, food, and beverage products. The most popular example of this is Patanjali in India. Patanjali has produce all the organic products in major FMCG categories. It has provided tuff competition to all the existing players in the market and capture higher market share. This forced existing players to come up with organic products. E.g., Colgate the most popular toothpaste brand has come up with organic product called Colgate Vedshakti.

- Local players give opportunity to switch: Local players are aware of the test and preferences of local communities. They can easily design their products accordingly. Specifically in food and beverage category local test mostly preferred over global test.

Industry Rivalry:

In most countries industry rivalry is very high due to Globalization and strong local brands. This gives benefits to the consumers however create difficulties to the part of manufacturers.

Globalization: Globalization has opened the boundaries for Multinational Companies (MNCs) of FMCG products. Due to this companies are allowed to sell their products in other countries and also allow to set up their manufacturing plants through Foreign Direct Investment (FDI) in other countries. This has increased competition to the next level.

Strong Local Brands: Local brands can be divided into two major types, i.e. labeled and unlabeled. Labeled local brands are mostly medium to small whereas unlabeled local brands are very small and restricted to specific geography only. In many countries local brands are providing strong competition to the giant MNC brands. For e.g. in India Ghari Detergent is the local brand which gives tough competition to the giant MNC brands.

Five force model suggests that all forces are not equally effective. However, effect of Globalization for the supply of raw material and finished products must be evaluated at various stages. Some

level of Globalization is very necessary however beyond specific level it would eat away medium and small local brands. Survival of medium and small local brands is very necessary as they address local needs properly.

Overview of major categories:

Personal Care & Beauty:

Source	Data/Information	Source of Information
Key players	Unilever, P&G, Colgate-Palmolive, L'Oreal etc.	
Industry value	USD 499 billion in 2019	https://www.statista.com/statistics/550657/beauty-market-value-growth-worldwide-by-country/
CAGR (projected till 2025)	4.35%	https://www.mordorintelligence.com/industry-reports/global-beauty-and-personal-care-products-market-industry#
Largest market	North America	
Fastest growing market	Asia Pacific	
Key subcategories	Personal care, Skin care, Cosmetics, Fragrances	

Beauti and Personal Care Market Value (in crore rupees)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fragrances	197	211	225	232	232	246	261	268	282	296	303	317	331	345	359
Cosmetics	261	268	282	296	303	310	324	345	359	380	408	444	472	493	507
Skin Care	479	507	542	570	591	620	648	683	718	746	782	824	866	929	986
Personal Care	943	993	1042	1084	1119	1162	1225	1281	1338	1394	1443	1486	1535	1598	1662

■ Personal Care ■ Skin Care ■ Cosmetics ■ Fragrances

Brand Value (in crore rupees)

Brand	Value
L'Oreal Paris	218453
Colgate (Colgate-Palmolive)	129205
Gillette (P&G)	112058
Lancome (L'Oreal)	100946
Garnier (L'Oreal)	53612
Estee Lauder	52248
Nivea (Beiersdorf)	49468
Clinique (Estee Lauder)	48616
Dove (Unilever)	47111
Shiseido	46036
Pantene Pro-V (P&G)	33107
Olay (P&G)	28511
Crest (P&G)	23611
Oral-B (P&G)	21684
Head & Shoulder (Unilever)	20082

Home Care:

Source	Data/Information	Source of Information
Key players	SC Johnson, Church Dwight, Reckitt Benckiser, Unilever, P&G etc.	
Industry value	USD 184246 million in 2019	https://www.statista.com/statistics/550657/beauty-market-value-growth-worldwide-by-country/
CAGR (projected till 2025)	4.5%	https://www.mordorintelligence.com/industry-reports/global-beauty-and-personal-care-products-market-industry#
Largest market	North America	

Fastest growing market	Asia Pacific	
Key subcategories	Dishwashing Detergent, Household Cleaners, Laundry care, Polishes, Insecticides etc.	

Beauti and Personal Care Market Value (in crore rupees)
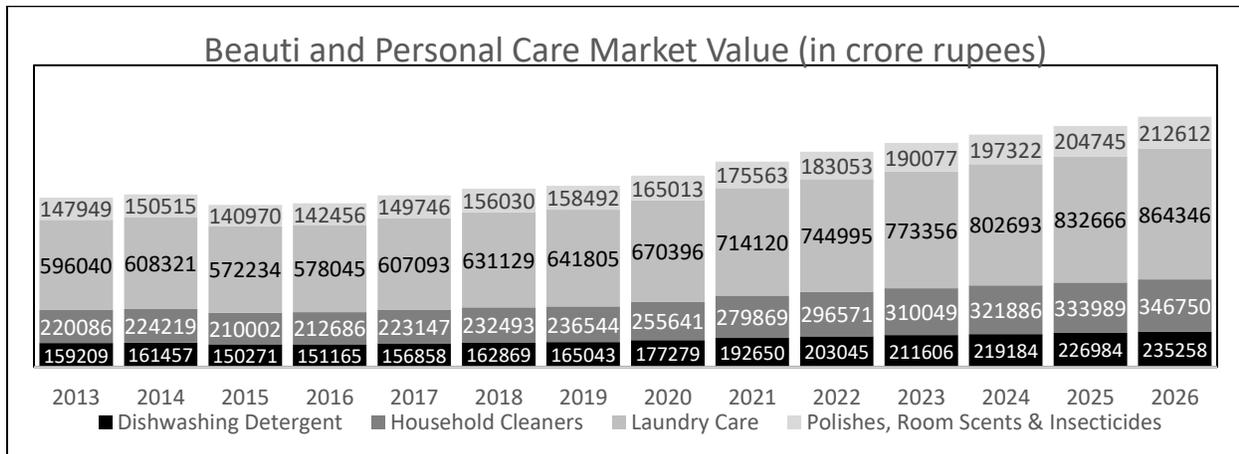
https://www.statista.com/outlook/cmo/home-laundry-care/worldwide#revenue
Source: Statista

Food:

Source	Data/Information	Source of Information
Key players	PepsiCo, General Mills, Mondelez, Nestle	
Industry value	USD 12.29 trillion in 2019	www.globenewswire.com
CAGR (projected till 2025)	7.43%	https://www.mordorintelligence.com/industry-reports/global-beauty-and-personal-care-products-market-industry#
Largest market	North America	
Fastest growing market	Asia Pacific	

Key subcategories	Beverages, Dairy Products, Poultry & Seafood, Meat, Bakery & Confectionary	

Beverage:

Source	Data/Information	Source of Information
Key players	Coca Cola, PepsiCo, Britvic PLC, National Beverage Corp., F&N Foods	
Industry value	USD 963.76 Billion in 2020	https://www.verifiedmarketresearch.com/
CAGR (projected till 2025)	3.15%	https://www.mordorintelligence.com/industry-reports/global-beauty-and-personal-care-products-market-industry#
Largest market	Europe	
Fastest growing market	Asia Pacific	
Key subcategories	Carbonated soft drinks (CSD), Water, Juice, Energy drinks, Sports drinks etc.	

Sales (in crore rupees)

Company	Sales
Anheuser-Busch InBev	347539
Nestle SA	322297
The Coca Cola Company	244740
PepsiCo	241426
Heineken	175419
Suntory Holdings	160644
Starbucks Corp	132496
Diageo PLC	121658
Keurig Dr Pepper	86127
Molson Coors Brewing Co	71567
Unilever Group	70915
Constellation Brands	69358
Pernod Ricard	62642
E. & J. Gallo Winery	61856
Jacobs Douwe Egberts	58490
Red Bull GmbH	56808
Abbott	56689
Bacardi Ltd.	46444
LVMH Louis Vuitton M H	42500
The Wonderful Co.	37066
Glanbia PLC	34205
Campbell Soup Co.	34145
Monster Beverage Corp	34101
Danone Group	32218
Brown-Forman Corp.	31921
Ito En Group	23011
AriZona Beverage Co.	22240
J. M. Smucker Co.	19282
Niagra Bottling LLC	17866
Mark Anthony Group Inc.	16835
Davide Campari	15835
C&C Group PLC	15308
Treasury Wine Estates	15130
Lassonde Industries Inc.	14686
Britvic PLC	14545

Statista

1.5 India FMCG Industry Overview:

The Fast Moving Consumer Goods (FMCG) industry in India is growing at a faster rate compare to Global FMCG industry. Growth rate of India's FMCG industry is estimated around 14.9% CAGR till 2025 (www.ibef.org). Overall market size in year 2020 is US$ 110 billion.

Market Size (in crore rupees)

Year	Value
2011	234
2012	247
2013	265
2014	288
2015	312
2016	363
2017	391
2018	507
2019	618
2020	815
2025	1631
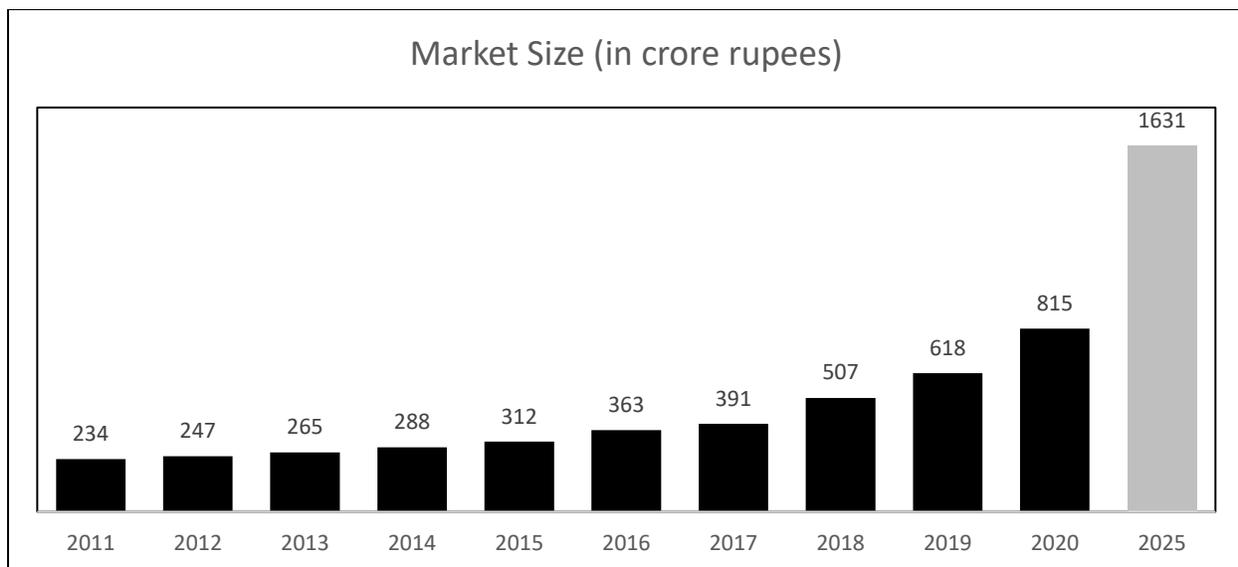
Statista

India's FMCG market grew by 16% in 2021 which is highest in last 9 year. This is mostly due to increase in price on the other hand volume or actual number of products sold remained under pressure.

Key players of FMCG industry:

- **Hindustan Unilever Ltd:** Mumbai, Maharashtra - https://www.hul.co.in/
- **Proctor & Gamble:** Mumbai, Maharashtra - https://in.pg.com/
- **Patanjali Ayurved:** Haridwar, Uttarakhand- https://www.patanjaliayurved.net/
- **ITC Ltd**: Kolkata, West Bengal - https://www.itcportal.com/
- **Nestle India Ltd**: Mumbai, Maharashtra - https://www.nestle.in/
- **Britannia Industries Ltd**: Kolkata, West Bengal - http://britannia.co.in/
- **Godrej Consumer Products Ltd**: - https://godrejcp.com/
- **Dabur India Ltd**: Ghaziabad, Uttar Pradesh - https://www.dabur.com/
- **Marico Ltd**: Mumbai, Maharashtra - https://marico.com/
- **GlaxoSmithKline Consumer Healthcare Ltd**: Mumbai, Maharashtra - https://www.gsk.com/

Opportunities and Threats of Global FMCG Markets:

Many opportunities and threats are associated with India's FMCG industry. Some of them are due to macro factors like Government policies, changing dynamics of urban and rural markets, population shift etc. and some are due to micro factors of the industry like local manufacturers, change in retailer's dynamics etc.

Opportunities	Threats
Demand for FMCG product increases	Inflationary pressure
Government policies	Bargaining power of buyer is high
Higher investments	Competition from global and local products
Increasing E-comm users	
Shift to organized markets	

Opportunities:

Demand for FMCG product increases:

Due to increasing population demand for FMCG product has increased. Also due to direct credit policy of government, buying power of the rural population has increased. Also disposable income of urban population has increased.

Government policies:

There are many governments policy favorable for the whole industry. Government has allowed 100% equity in single brand retail and 51% in multi brand retail. Production Linked Incentive (PLI) scheme motivates companies to boost their exports. US$ 100 million is the minimum capitalization for any FMCG company to invest in India. All these policies would help FMCG market to grow in short and long run.

Higher investments:

Reckitt Benckiser has decided to invest 45 crore in Bombay Shaving Company. Hindustan Unilever has invested about 30 million Indian Rupees in various brands. To double the

capacity of snacks plant, PepsiCo has increased their investment from 500 crore to 814 crore in Uttar Pradesh plant. They are going to create additional 1500 direct/indirect jobs. Patanjali has crossed 30,000 crore Indian Rupees and are planning to invest 10,000 crore by 2025. Patanjali also plans to employ 5 lakh people for edible oil production.

Increasing E-comm users:

Due to cheaper internet connectivity and COVID 19 restrictions now E-comm users in India are increasing this will help overall FMCG industry in India. Ecommerce FMCG contribution would increase up to 11% approximately bye 2030. Number of Internet users in India will increase to 1,000,000 bye 2025. E commerce companies also help buyers to buy all required products easily. Products are now available at their doorsteps.

Shift to organized market:

Modern trade players like hyper and supermarkets are increasing in India on the other hand E commerce companies are also increasing. Total contribution of modern trade players in FMCG market is approximately 10%. This provides organized platform to the buyers of FMCG products. Buyers now can get multiple options in terms of various brands within same category it also gives fair chance to compare and evaluate most suitable product for themselves.

Threats:

Inflationary Pressure:

Due to COVID 19 lockdown and other challenges in economy, inflationary pressure has increased in Indian market. This has also affected FMCG industry. Due to increasing inflation, consumers must make choice between costly and cheaper products without considering the brand preference. This may create negative impact on overall profitability of the industry.

Bargaining power of buyer is high:

There are many options available within the given categories of FMCG product. Many times due to low switching cost buyers easily move from one product to another. This might create loss to the part of manufacturers.

Competition from global and local products:

Due to globalization many global companies are launching their products in Indian market. Also, many popular local brands are capturing large market specifically in Food and Beverage categories. This has created tough competition for the existing players.

Overview of major categories:

1.5.1 Personal Care & Beauty:

Source	Data/Information	Source of Information
Key players	Unilever, P&G, Colgate-Palmolive, Godrej, Dabur, Patanjali, J&J, L'Oreal.	
Industry value	INR 54558 Crore (2020)	https://www.expertmarket research.com/
CAGR (projected till 2025)	11%	https://www.expertmar ketresearch.com/
Key subcategories	Hair care, Skin care, Oral care, Color cosmetics and Fragrances	
Key retail channels	Grocery stores, Chemist/pharmacy, Modern Trade stores	
Major industry drivers	Rising disposable income, Increase expenditure on personal care products, Growing demand to look good	https://www.expertmar ketresearch.com/
Major industry trends	Increasing penetration of a wide range of brands and the growing popularity of herbal products	

1.5.2 Home Care:

Source	Data/Information	Source of Information
Key players	Unilever, Reckitt Benckiser, P&G, Colgate-Palmolive, Nirma, Godrej, RSPL Ltd., Patanjali	
Industry value	US$ 10 billion (2020)	https://www.expertmarketresearch.com/ reports/asia-pacific-household-care-market/toc
CAGR (projected till 2025)	19%	https://amritt.com/
Key subcategories	Laundry detergents, Dishwashing, Hard surface cleaners, Toilet care	
Key retail channels	Grocery stores, Modern Trade stores	
Major industry drivers	Rising disposable income, Increasing population, Urbanization, Increase electrification	https://www.expertmar ketresearch.com/
Major industry trends	Growing health consciousness after COVID 19 impact	

1.5.3 Food:

Source	Data/Information	Source of Information
Key players	Parle Agro, Britannia, Amul, Nestle, Haldiram, Mondelez, Mars etc.	

Industry value	US$ 667938 million (2020)	https://www.statista.com/outlook/ cmo/food/india#revenue
CAGR (projected till 2025)	8.8%	https://www.statista.com/statistics/743519/india-beverage-industry-value-growth/
Key subcategories	Baby food, Dairy products, Confectionary & Chocolates, Biscuits, Bread & Cereals, Ready to eat etc.	
Key retail channels	Grocery stores, Modern Trade stores, Hotels & Restaurants, Convenience store, Cash & Carry etc.	
Major industry drivers	Increasing population, Urbanization, Changing lifestyle (earning husband and wife)	https://www.expertmarketresearch.com/
Major industry trends	Growing demand for packaged food (ready to eat), Demand for healthy food	

1.5.4 Beverage:

Source	Data/Information	Source of Information
Key players	Coca Cola, PepsiCo, Red Bull, Varun beverages, Orient beverages, Pearl drinks	
Industry value	INR 336.5 billion (2020) CSD 134.6 billion, Non CSD 153.33 billion	ResearchAndMarkets.com
CAGR (projected till 2025)	18.69%	ResearchAndMarkets.com

Key subcategories	Carbonated Soft Drinks, Juices, Water, Ready to drink tea/coffee etc.	
Key retail channels	Grocery stores, Modern Trade stores, Hotels & Restaurants, Convenience store, Cash & Carry etc.	
Major industry drivers	Increasing population, Urbanization, Changing lifestyle	https://www.expertmar ketresearch.com/
Major industry trends	Demand for low calory drinks, Ready to drink beverages becoming more popular	

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CHAPTER II
LITERATURE REVIEW

2.1 INTRODUCTION

The aim of this chapter is to produce a summarized review of the literature to develop the research framework and to design the clear objectives of the study. This chapter is focusing on the various research done in the field of market research specifically on the concept of brand loyalty. Key focus here is on the brand loyalty of FMCG products however research papers including loyalty concept on other industries are also reviewed to get the better idea of the overall concept and various models studied so far.

In the first section literature review is carried out to evaluate various definitions of brand loyalty given by different researchers at different point in time. Evaluation of all these definitions is very important to know more about each of the factors/variables used in different definition. This can help researcher to define construct properly.

In the second section literature review is carried out to understand the concept of brand loyalty within various industries. Key focus is on how the concept is varying from one product type to another. For eg. brand loyalty of consumer durables is very different form the brand loyalty of Fast Moving Consumer Goods (FMCG). Factors affecting these two types of loyalty are very different.

In the third section literature review is carried out to understand the models developed for brand loyalty of FMCG products. Many researchers have contributed to this space. They have tried to define brand loyalty using different parameters. Also, various models built considering the concept of psychology of consumer, buying behavior, external environment factors affecting loyalty in different scenario etc.

2.2 CONCEPT OF BRAND

According to the American Marketing Association a 'brand' is a name, term, sign, symbol or design or a combination of them intended to identify the goods and services of one seller or group of sellers to differentiate them from those of competitors (Keller (1998)).

2.3 CONCEPT OF BRAND LOYALTY

Two basic types of definitions of brand loyalty are very popular in literature, 1. Conceptual and 2. Operational. As per previous researchers, conceptual definition is equally important to operational definition as conceptual definition helps to validate the construct. Once validation part is over, one

can use operational definition for the purpose of measurement of brand loyalty for any given product.

Definition 1:

Most elaborate conceptual definition of brand loyalty was given by Jacoby and Chestnut (1978). Slightly modified versions were given by Assael (1992); Mowen (1993); Wilkie (1990). Definition given by Jacoby and Chestnut is "The biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes". This definition is one of the most cited conceptual definitions of brand loyalty.

<p align="center">Jacoby and Chestnut's Dimensions of Conceptual Definition of Brand Loyalty</p>

Dimensions	Description
Biased behavioral response	There should be a systematic tendency to buy a product. "Biased behavioral response should not be zero order process". (Massy, Montgomery, and Morrison (1970))
Expressed over time	One- or two-times bias towards a brand does not guarantee brand loyalty. "Considering a purchase sequence for brands A and B Brown (1952) divided brand pattern as real brand loyalty, mixed brand loyalty and unstable loyalty".
Decision-making unit	Brand loyalty is defined by purchase pattern of decision-making unit. "Real consumer and decision maker are different in many cases." (Agnew (1987), Davis (1976)).
Selection of brands	One or more brands are selected out of a set of brands. "Consumers are generally loyal to more than one brand in case of products with low involvement". (Ehrenberg (1972), Jacoby (1971), O'leary (1993)
Function of a psychological process	Decision making is a psychological process. "Choosing a particular brand involves commitment towards a particular brand." (Bettman (1979)) in contrary some of the researchers

	believe that "commitment does not play an important role, buying decision is instrumental (Foxall (1987)".

Definition 2:

Brand loyalty comprises of customer gain/loss over time, sequence of individual purchase, and market share change. (Cunningham (1956))

Definition 3:

Concluded that, brand loyalty is based on purchase devoted to the most purchased brand, number of different brands purchased over past two years, number of times the favorite brand purchased out of the last five purchase, three consecutive purchase out of last five purchase. (Olsen and Jacoby (1971))

Definition 4:

Behavioral loyalty is expressed as repeated purchase. (Smith 2003)

Definition 5:

Brand loyalty is a measure of attachment that a consumer has towards a brand even if price or features of brand changes. (Aaker 1991)

Committed
Buyers

Likes the brand as a
friend

Satisfied buyers with switching
cost

Habitual buyers with no reason to
change

Switchers/Price sensitive/ Non loyals
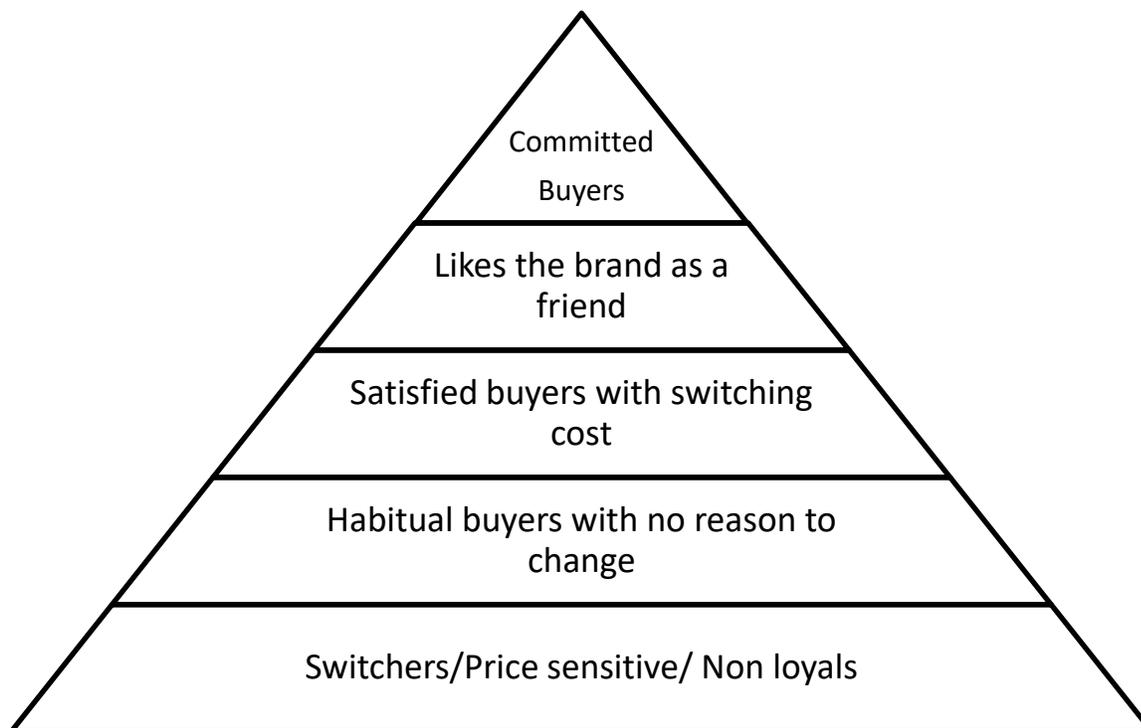
(Aaker 1991)

Definition 6:

Brand loyalty is multidimensional and comprise three dimensions namely, emotive tendency, evaluative tendency, and behavioral tendency towards the brand. Theoretically they prove that all three dimensions are present in every situation where brand loyalty prevails. (Sheth and Park (1974)).
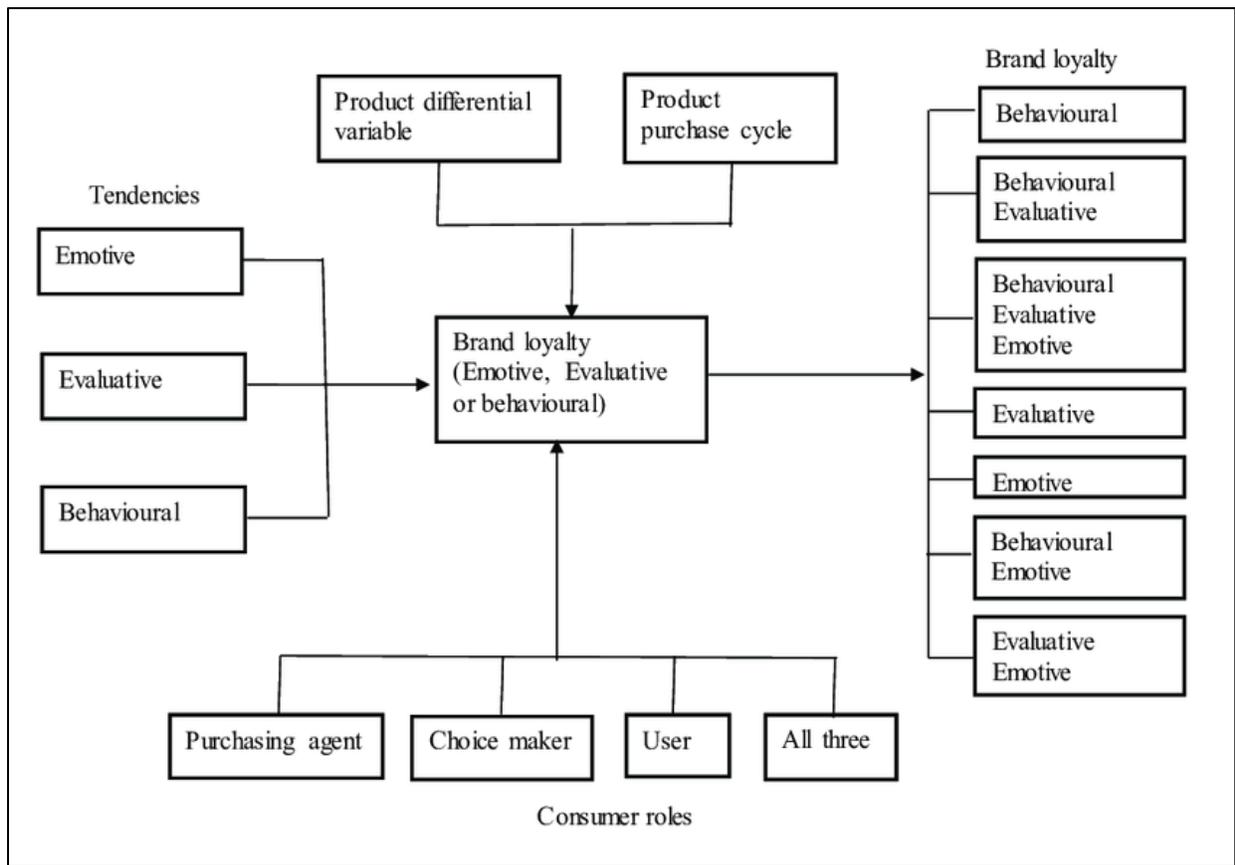
(Sheth and Park (1974))

2.4 CONCEPT OF CUSTOMER LOYALTY

The key difference between brand loyalty and customer loyalty is customer loyalty revolves around customer spending and brand loyalty is all about customer perception. Customer loyalty can be formed by having lower prices or discounts and rewards programs.

Definition 1:

A deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behavior. Oliver (1999)

Definition 2:

Customer loyalty as the strength of the relationship between an individual's relative attitude and repeat patronage. Dick and Basu (1994)

Definition 3:

Brand loyalty can be defined as the extent of consumer faithfulness towards a specific brand and this faithfulness is expressed through repeat purchases and other positive behaviors such as word of mouth advocacy, irrespective of the marketing pressures generated by the other competing brands (Kotler & Keller, 2006; Kotler, et al., 2008). Brand loyalty may exist when a consumer is unwilling to switch from a brand that he or she is familiar with.

2.5 BRAND LOYALTY MODELS/FRAMEWORK

2.5.1 Attitudinal Approach to Measure Brand Loyalty:

If brand loyalty is ever to be managed, not just measured, it will have to be elaborated in a much more detailed description of cognitive activities (Jacoby & Chestnut (1978)). Attitudinal definitions are very important to explain brand loyalty as repeat purchase may be due to unavailability of preferred brands or seeking variety all times or different usage situations etc. So, it is important to understand real factors behind repeat purchase. On the other hand, attitudinal theories are not able to explain how brand loyalty is developed over time.

2.5.2 Customer loyalty: Toward an Integrated Conceptual Framework (Alan S. Dick & Kunal Basu, 1994)

Figure X indicates the overall framework for Customer Loyalty. Key point to highlight here is, **Relative Attitude**: creates impact on Repeat Patronage and Relative Attitude depends on the other factors called Cognitive Antecedents, Affective Antecedents and Conative Antecedents. Relative Attitude helps to calculate repeat purchase better compared to attitude towards individual brand. Relative Attitude helps to classify customer in four categories, 1. Latent loyal, 2. Loyal, 3. Spurious Loyal, 4. No Loyal.

Antecedents of Relative Attitude:

Factors affecting Relative attitude are as below.

Cognitive Antecedents: Something which was learnt in past based on experience. Its four main components are 1. Accessibility – how easily an attitude can be retrieved from memory, 2. Confidence – Level of certainty associated with the evaluation process, 3. Centrality – Degree to which an attitude towards a brand is related to value system of an individual, 4. Clarity – Attitude is well define when an individual finds alternative attitudes towards the target objectionable and vice versa. Well defined attitude may influence behavior more than an undefined attitude (Sherif et al. (1973)).

A Framework of Customer Loyalty
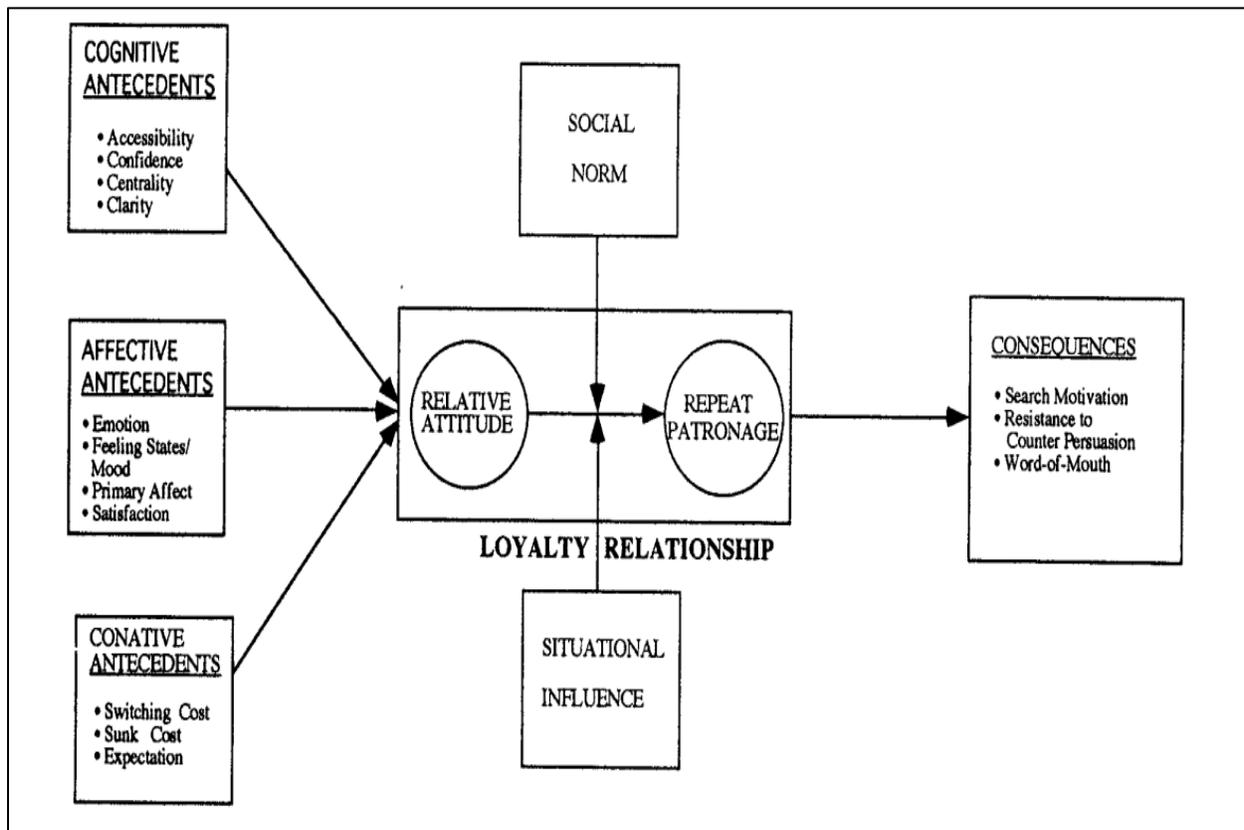
Alan S. Dick & Kunal Basu (1994)

Affective Antecedents:

Role of affect in consumer behavior is very important. Affect is probably best employed as general descriptor of a valanced feeling state (Cohen and Areni, 1991). Its main four components are 1. Emotions – they are associated with intense states of arousal (Mandler 1976). They can disrupt ongoing behavior. 2. Moods – they are less disruptive of ongoing behavior and less permanent (Clark and Isen 1982). 3. Primary Affect – the very presentation of an attitude object may lead to primary responses that are independent of cognitions (Zajonc 1980). 4. Satisfaction – A consumer's post purchase response to a brand with respect to matching expectations or performance.

Conative Antecedents:s

Behavioral disposition while considered to be at a lower level of abstraction than cognition or affect (Bagozzi and Burnkrant 1979). Its three aspects are 1. Switching Costs – it is a one time cost that buyer has to consider while switching from one brand to another. In consumer durables or industrial products, switching cost is generally kept higher to ensure brand loyalty. 2. Sunk Costs – It is related to money that has already spent and cannot be recovered. Consumer who bought season subscription at higher price are attending more movies than the one who paid lower price (Arkes and Blumer (1985)). 3. Expectations – It is the future expectation of consumer with respect to current situation. Consumer may delay purchase in the view of better product in future or may purchase extra units with the threat of out-of-stock situation for given product.

Social/Situational Factors:

Repeat patronage also affected by Social/Situational Factors.

Social Norms:

Who is making purchase decision for given product is very important to know to target decision maker. (Ajzen and Fishbein 1980) posits subjective norms as a component of intention. Generally, purchase decision of washing machine is made by male family member but mostly decision is influenced by female member of the family in India.

Situational Factors:

Several situational factors may impact on loyalty are studied by (Smith and Swinyard 1983). Reduced price of competition brand, promotional event of competition brand etc. are the situational factors which may introduce change in an attitude-behavior relationship.

Conclusion:

This research paper suggests that loyalty is very complex phenomenon which requires evaluation of multiple concepts than what has been evaluated previously. Attitudinal differences are equally important to attitudinal strength, leading us to the development of the concept of relative attitude. Weak but positively differentiated attitude may be more likely to lead to loyalty than a very positive but undifferentiated attitude. Inclusion of relative attitudes will increase the strength of predictive ability of loyalty models. Also, the research indicates the importance of social and situational norms as moderators of the relationship between relative attitude and repeat purchase.

2.5.3 A Review of Brand Loyalty Measures in Marketing

M. Mellens, M. G. Dekimpe and J.B.E.M. Steenkamp

Most definitions of brand loyalty are segregated as Conceptual and Operational. Conceptual are abstract descriptions of the phenomenon being studied and Operational are measurement methods. Conceptual definitions are necessary to assess the construct validity of the adopted measurement methods. Without them the correctness of specific brand loyalty measure cannot be evaluated, and meaningful and meaningless results cannot be distinguished. Attitudinal measures are key to any conceptual definition of brand loyalty.

Attitudinal Measures:

They are mainly to separate brand loyalty from repeat buying. They are based on stated preferences, commitment or purchase intensions of the consumers thus emphasizing the cognitive element of brand loyalty. It also helps to choose the right decision unit. They are based on survey, so data is collected by asking questions to consumers directly.

On the other hand, attitudinal measures may not be very accurate to represent the reality as they are not based on actual purchases. Apart from attitudinal measures there are many other variables which are impacting buyers' decisions. However, these variables are not taken into consideration.

Attitudinal measures are evaluated at two levels, A. Brand oriented and B. Individual oriented

A) Brand Oriented Attitudinal Measures: In this category we examine,

a) Stated purchase intentions/preferences measures

A brand loyal consumer is preferring a certain brand and has the intention to buy that brand on future purchase occasions. Earlier efforts to measure stated purchase intentions was made by Guest (1942).

The major disadvantage of it is, it only indicates the intention to buy and may be due to this it is a weak indicator of real brand loyalty.

b) Commitment measures

Commitment towards a brand is an essential condition for brand loyalty. To obtain a brand-oriented measure, the number of customers committed to the brand is computed. There are several ways proposed to measure commitment which includes direct ratings (Traylor (1981)) also the indirect approaches like to what extent one recommends product to other people (Aaker (1991)).

 B) Individual Oriented Attitudinal Measures: In this category we examine,

a) Measures on the product category level

An individual is likely to be brand loyal if he has a highly favorable attitude towards certain brands. For an individual brand preference is varying from acceptable to not acceptable. When brands in the region of acceptable are increasing in numbers, customer is more likely to be disloyal and reverse is the case when number of brands are reducing in that region (Jacoby (1970)).

b) General individual-oriented attitudinal measures

It regards brand loyalty essentially as a personality characteristic. Here no specific question is asked with respect to a specific brand however few questions related to consumer's personality are asked. Raju (1980), Sproles and Kendall (1986) and Hafstrom et al. (1992) created measurement instrument where they were asking questions like, "I get bored buying the same brands, even if they are good". Score obtained for such questions can help to gauge the brand loyalty of an individual.

2.5.4 Attitudes and the Attitude-Behavior Relation: Reasoned and Automatic Process

Icek Ajzen & Martin Fishbein, 2011

The chapter re-examines, considering recent developments, the reasoned action perspective inherent in the expectancy-value model of attitude and in the theory of planned behavior. According to this perspective, people's attitudes follow spontaneously and consistently from beliefs accessible in memory and then guide corresponding behavior. The number and types of beliefs that are accessible vary with motivation and ability to process attitude-relevant information and with the context. Based on these considerations, it is shown that the reasoned action perspective is compatible with evidence for automatic processes in the activation of attitudes and behavior, and with the finding that attitudes can vary with the context in which they are expressed. Implications for the attitude-behavior relation and for the role of habit in human behavior are discussed.

2.5.5 A Brand Loyalty Model Involving Cognitive, Affective, and Conative Brand Loyalty and Customer Satisfaction

Ki-Joon Back, Sara C. Parks, 2003

Despite the amount of research focusing on brand loyalty, empirical tests of the relationship between customer satisfaction and brand loyalty have not been conducted. The primary purpose of this study was to investigate the mediating effects of attitudinal brand loyalty on the relationship between customer satisfaction and behavioral brand loyalty. Moreover, we developed a robust brand loyalty measurement in the lodging industry by using attitudinal and behavioral brand loyalty constructs. Most respondents were business travelers who stayed at an upper-middle-class business hotel. The results of this investigation suggested that customer satisfaction had a significant indirect effect on behavioral brand loyalty when mediated by attitudinal brand loyalty, including cognitive-affective-conative brand loyalty stages. Thus, practitioners should consider customers' perceptions of their brand and not rely solely on purchasing frequencies when measuring brand loyalty levels.

2.5.6 Branding antecedents of consumer need for uniqueness: a behavioral approach to global ness vs. localness

S. R. Nikhashemi & Elena Delgado-Ballester, 2021

Despite the importance of consumers' need for uniqueness in behavioral studies, branding antecedents such as consumer brand identification and brand personality have not been fully investigated. This study aims to investigate the impact of these factors on consumers' brand attitude and purchase intention in the car industry by uncovering the moderating role of brand origin and gender via a non-linear structural equation modelling approach. The survey approach is applied as the primary data collection method through which a total of 381 usable responses were obtained. Nonlinear structural equation modelling is employed to examine the hypothesized relationships among the latent variables. In addition, a synergic statistical approach is also applied to compare the proposed and rival models. Surprisingly, the study unveiled that the relationships between consumers' need for uniqueness and consumer purchase intention are only significant at the moderate to high level, not at the lower level. The same effect is detected in the relationship between consumer brand identification and brand attitude. The outcomes of the multi-group analysis show that the hypothesized relationships among all variables vary across gender and brand origin. Furthermore, based on the statistical results and the theoretical argument presented, the rival model is accepted in favor of the initial proposed model.

2.5.7 The role of utilitarian and hedonic values on users' continued usage intention in a mobile hotel booking environment.

Ahmet Bulent Ozturk, Khaldoon Nusair, Fevzi Okumus, Nan Hua, 2016

This research aims to develop and test a theory-based model that empirically investigates the antecedents of consumers' continued usage behavior intentions toward mobile hotel booking (MHB) technology. Among the investigated factors, utilitarian and hedonic value had significant impacts on users' continued usage intentions. Furthermore, perceived risk, subjective norm and innovativeness significantly influenced utilitarian and hedonic value; also, perceived ease of use had a significant impact on utilitarian value.

Perceived Risk

PEOU
Perceived Ease of Use

Subjective Norm

Innovativeness

H3
H4
H5
H6
H7
H8
H9
H10

Utilitarian Value

Hedonic Value

H1
H2

Continued Use
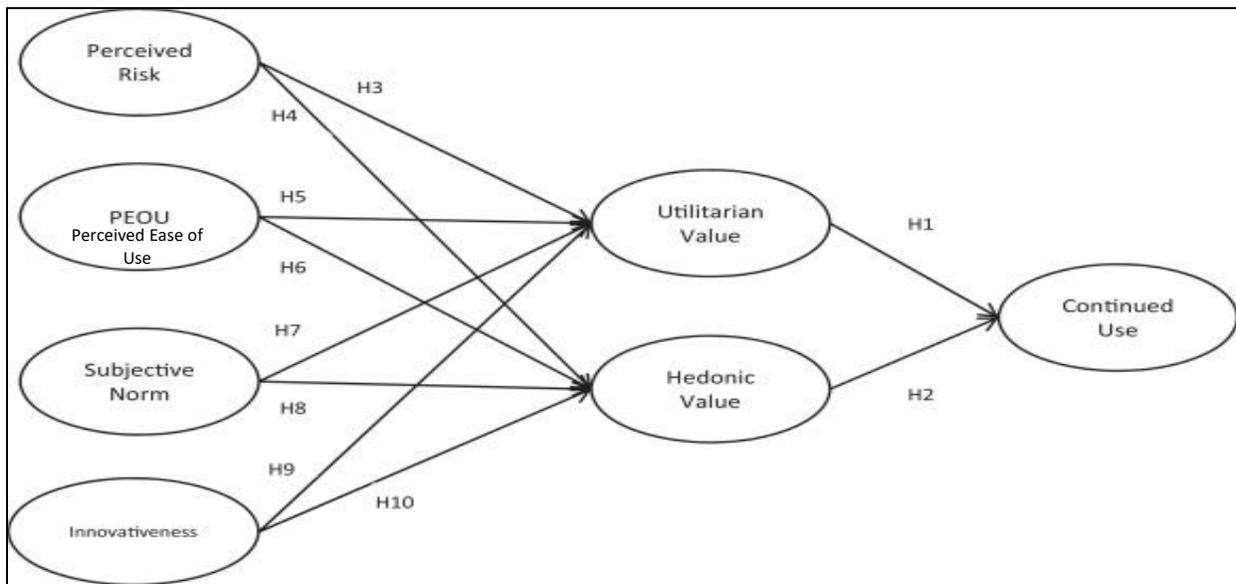
2.6 Behavioral Approach to Measure Brand Loyalty:

2.6.1 A Review of Brand Loyalty Measures in Marketing

M. Mellens, M. G. Dekimpe and J.B.E.M. Steenkamp

Conceptual part of the definition of brand loyalty is already discussed in the previous part of literature review (i.e., 3.5.1.2). Here we have Operational definition of brand loyalty. Operational measures help to evaluate the brand loyalty in a more tangible manner as it deals with real purchase behavior of consumers. Behavioral aspect of the operational definition is discussed below.

Behavioral Measures:

Behavioral measures help to define brand loyalty based on actual purchase recorded over a period of time. There are three key advantages of behavioral measures. 1. It is based on actual purchases so less scope of misleading conclusions, 2. Not likely to be short term as they are based on behavior over a period, 3. Easy to collect and analyze the data compare to attitudinal data.

The major limitation of behavioral measures is they are not able to differentiate between real brand loyalty and repeat purchase. Also, they are showing fluctuation in the short term as it may be possible that, consumer's preferred brand is not available in stock, due to this consumer is buying any other brand.

Behavioral measures are evaluated at two levels, A. Brand oriented and B. Individual oriented

A) Brand Oriented Behavioral Measures: In this category we examine,

1) Measure based on aggregated data

a) Measures based on aggregated switching matrices

If a consumer is buying same brand for extended period, then consumer is called brand loyal. Let say for a simple scenario of two brands we may calculate 2*2 probability matrix with consumers preferring brand A and continue to buy brand A and the one who are preferring brand A initially and now switch to brand B. Same calculations for those who were initially preferring brand B. This 2*2 probability matrix is nothing but Markov matrix which helps to know the level of brand loyalty at given point in time. Markov probability models are easy to interpret however it is criticized by some of the researchers (Engel and Blackwell (1982)). If the consumer population is heterogeneous in their preferences, then Markov-based estimate of brand loyalty will be biased (Massy, et al. (1970)).

b) Measure based on market shares

Brand loyalty can also be quantified using the market share attraction models (Cooper and Nakanishi (1988)). Here brand's preference is determined by its relative attractiveness with respect to other brands under study.

Major advantage of this approach is data is available at low cost and managerial performance is also directly related to market share. Only challenge with this approach is, it is zero order process, which means, status of the market share is independent of the previous status. So, in all the situations, number is not the true indicator of brand loyalty.

2) Measure based on individual-level data

So far, we have seen aggregated measures. Now let us focus on individual level data to calculate brand loyalty. Discrete choice models are used increasingly to model the choice of brands out of a finite set of options. Widely used model is develop by Guadagni and Little (1983). Individual's sequence of purchase has been used to estimate brand choice at each level of purchase. Out of n purchases, highest weight is given to n^{th} purchase and subsequently lower weights assigned to remaining n-1 purchases.

The Guadagni and Little's equation does not filter the effect of marketing mix that might have an impact on consumer's decision making. According to Srinivasan and Kibarian (1990), this might have masked the effect of marketing mix variables and might have overestimated brand loyalty. Also, Kanetkar, Weinberg and Weiss (1990) have argued that equation captures heterogeneity among consumers rather than their brand loyalty.

B) Individual Oriented Behavioral Measures: In this category we examine, two major types,

a) Proportion of purchase measures

Brand loyalty is calculated here based on the proportion of the total purchase of given product in the product category. For example, Cunningham's (1965) market share criterion which computes the market share of brands within a household. This method is common to differentiate between loyal and non-loyal.

This measure is easy to calculate but on the other hand it oversimplifies the concept. In calculation no different weightage is given to recent and previous purchases.

b) Sequence of purchase measures

This is another approach to measure brand loyalty at individual level. Here purchase sequence is used to measure brand loyalty. Basic rule applied is, if buyer buys any brand for three or more consecutive instances, then buyer is brand loyal for the given brand (Tucker (1964), McConnell (1968)).

More advance version of it is number of brand runs. Brand run is a sequence of consecutive purchase of the same brand. Purchase sequence AAABBBBBABB of brand A and B consists of three brand runs. If brand loyalty exists, the number of brand runs will be small. It is also useful to study the order of the choice process (Bass et al. (1984), Massy et al. (1970)).

2.6.2 Behavioral brand loyalty and consumer brand associations

Jenni Romaniuk, Magda Nenycz-Thiel – Journal of business research, 2013

Brand associations are a core part of Consumer Based Brand Equity (CBBE), and behavioral brand loyalty is a desirable outcome of CBBE. In this research, data from purchase panel and consumer

surveys merge to reveal the relationship between a consumer's past behavioral loyalty and their current propensity to give brand associations. The results show a positive relationship, where those with a higher buying frequency and a higher share of category requirements are more likely to give brand associations. The findings also show that share of category requirements is a greater driver of brand association responses than buying frequency. This finding suggests that the use of competitors has a greater dampening effect on brand associations than the reinforcement effect of repeated brand buying. These results have important implications for modeling brand associations, particularly using cross-sectional data.
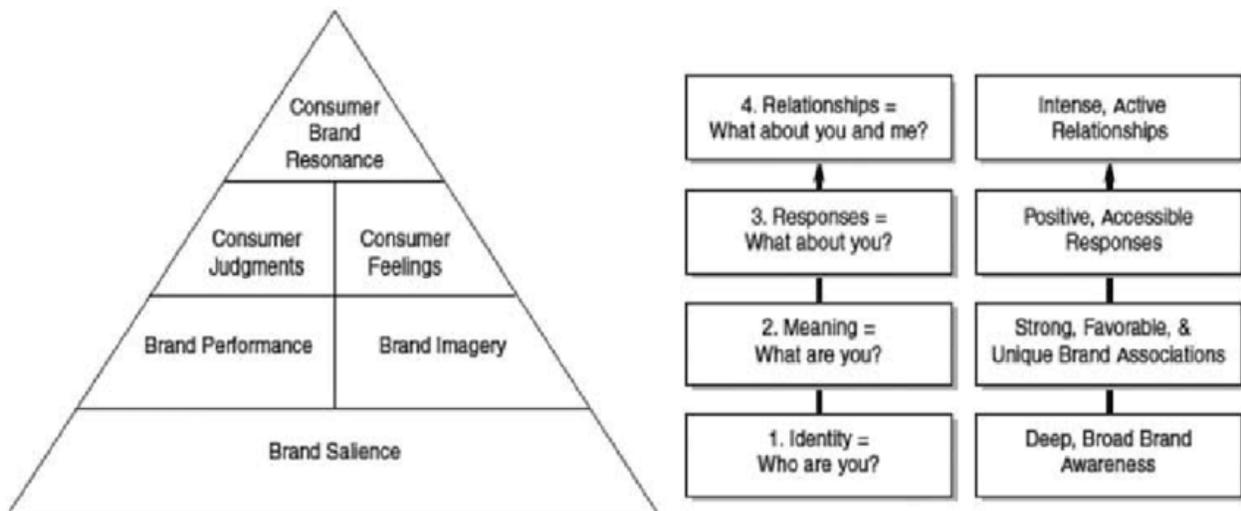
Customer Based Brand Equity Model by Keller

2.6.3 Consumer Behavioral Loyalty: A Segmentation Model and Analysis

Chi Kin Yim, P.K. Kannan - Journal of Business Research, 1999

Extant literature on behavioral brand loyalty has mostly considered loyalty as a notion of consumers being exclusively loyal to a single alternative. With the unprecedented increase in the number of competing product alternatives in the present decade, there has been a clear decrease in the number of such loyal consumers who purchase an alternative exclusively. Many consumers have started to embrace more than one alternative as their favorite brands, thus exhibiting divided loyalties among a few brands. In this article, we propose a modeling framework to study consumer behavioral loyalty as evidenced by these two types of loyalty: the first is hard-core loyalty, when consumers exclusively repeat purchase one product alternative, and the second is reinforcing loyalty, when consumers may switch among product alternatives, but predominantly repeat

purchase one or more product alternatives to a significant extent. We posit that the market is made up of segments of hard-core loyal and segments of potential switchers (reinforcing loyal or otherwise) who are homogeneous in terms of their switching response to product attribute and marketing mix variables. We then model consumers' aggregate conditional switching responses using a linear logit latent class formulation. Our application to the cracker data shows that measuring a product's loyalty in terms of both hard-core and reinforcing loyalties provides more valuable information that is critical to the management of brand loyalty. Our results also reveal that the loyalty-building strategies depend very much on the composition of a brand's hard-core loyal and reinforcing loyal base and on the factors (marketing mix or product attributes) that motivate reinforcers to repeat purchase the brands.

2.6.4 Measuring and Managing Brand Loyalty

Simon Kox, David Walker, 2010

There has been much written about the role of brand loyalty as a primary measure of effective brands marketing and a partial measure of brand equity. To date, however, progress in providing a practical measure of the construct has been very limited. In this empirical study of grocery brands, such a measure was developed in which both brand commitment and brand support were found to be necessary and sufficient conditions for loyalty to exist. Based on this measure, four consumer purchasing styles were identified and characterized as 'loyals', 'habituals', 'variety seekers' and 'switchers'. The strategic implications of segmenting grocery markets on this basis are discussed in both the context of the marketing of brands and managing brand equity.

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CHAPTER III
RESEARCH METHODOLOGY

3.1 Problem Statement:

India's population is now above 135 crores, and there is high positive correlation between human population of a country and Fast-Moving Consumer Goods (FMCG). From the previous industry analysis and literature review we found that India's FMCG industry is moving from one era to another very rapidly. Before 10-15 years we could hardly found Hyper/Supermarket store in a small town of population less than 10 lac. Now we can find these stores at many places even in small towns. Thus, we have entered Modern Trade era (Hypermarket, Supermarket, Discounters, Large Grocery stores etc.). Also due to COVID 19 restrictions in many metro cities we have seen consumers moving towards e-commerce to fulfill their needs of monthly groceries.

Due to increasing importance of Modern Trade and E-commerce loyalty of FMCG consumers is at risk. Major reason behind this is consumers now have choice to select from the multiple options available for the required product. Now they can very easily compare prices, stock keeping units, packaging, promotional schemes of various brands of the same category. They are now able to make their own purchase decision. This makes brand loyalty towards specific product a weak bond which is equally dangerous for both Retailers and Manufacturers.

An ideal situation should be,

Availability of a model depicting relationship among the key variables/factors affecting the brand loyalty of FMCG consumers in Traditional Trade (small grocery shops etc.) and Modern Trade (hyper/supermarkets including E-Commerce) setup.

Also, availability of a tool using which manufacturers and retailers should get a fair idea about the brand loyalty of their brands on timely manner which may help them to take strategic decisions very quickly and to have strategic advantage over their competitors. This model should cover both behavioral aspects, situational aspects and real purchase of the consumers. Also, all size of manufacturers and retailers i.e., big, medium, and small players should get the advantage of it. This means cost of getting this information should not be very high so that only large players can afford it.

Current scenario is,

There are many models of brand loyalty created by various researchers in past, however we hardly find any work done specifically for brand loyalty which differentiate between Traditional Trade and Modern Trade/E-Commerce setup within developing country like India. It is very well-known fact that, brand loyalty parameters are changing from country to country, from market to market (e.g., Traditional Trade, Modern Trade, E-commerce, Discounters etc.) and from one situation to another (e.g., normal days, pandemic period, during natural calamities).

Even after so many technological enhancements, knowing brand loyalty of a given set of consumers is a critical challenge. There are many research companies and analytical teams of manufacturers putting lot of efforts to fuse data from multiple sources and try to get the answers to these questions. In most of the cases they only manage to get idea about the repeat purchasers and not the real brand loyal consumers. Also, it is very difficult to move one step further and to get the idea about the factors responsible for the change in brand loyalty.

Major reason behind this is, more dependency on the data collected easily by way of 'Point of Sale' (POS), and less or no data around behavioral aspects of the buyer. (POS is a data collected with the help of scanner and computer from the billing counter of Hyper/supermarket. This is more reliable data as it is created by scanning the barcode of the product.) Organizations that provide both purchase and behavioral data are charging significantly high amount to the manufacturers. This doesn't allow medium or small-scale manufacturers to get the access to such data and analysis.

Also, there is no specific list of the variables/factors impacting overall loyal behavior of a customer towards a specific brand. There are many different models suggested by various researchers in past however the factors describing the loyal behavior towards FMCG products in Modern Trade setup are rarely available.

Consequences of the current setup is,

In the absence of a variables/features of brand loyalty towards FMCG products in Modern Trade, it is difficult for Manufacturers to design any strategy around factors they need to put more emphasis and where to put less.

As purchase and other behavioral data together are not easily available, manufacturers are not able to get the idea about the brand loyalty of their products. In a way medium and small-scale manufacturer as well as retailers are not able to analyze the status of their brand loyal consumers and to frame business strategies accordingly. As a result of it, many times medium and small brands are either eaten away by large players or they get exit from the market in few months of the launch.

Possible solution to the above problem is,

1. Collect list of all the variables/features from the literature which are affecting brand loyalty of the FMCG products in any kind of setup.
2. Based on empirical research find out the most important ones and relationship among them.
3. Design a model using Statistical process, put it into practical usage with the help of automated tool created using different types of data and Machine Learning algorithms.
4. Put designed model into practical usage with the help of automated tool created using different types of data and Machine Learning algorithms. This would help both manufacturers and retailers to take vital business decision.

3.2 Significance of the study:

India's FMCG industry is very huge and demanding from many decades. It has grown over a period along with the entries of MNCs and development of local companies. Some of the local brands are now called global brands with their footprint in neighboring countries. Also, this industry is changing phases rapidly from traditional trade to modern trade and to e-commerce going forward. With these changes, complexity of the market also increases in terms of demand-supply, market shares of various categories and market leaders.

This empirical research has two main objectives, 1. to build a model considering most impacting variables/features to the brand loyalty of consumers towards FMCG products selling through Modern Trade, and 2. to design a tool based on identified model that can help to know loyalty level of FMCG consumers on real time basis. Model should also help to take design strategy around maintaining brand loyalty level.

3.3 Contribution of research to existing literature:

As no specific research is conducted in context of brand loyalty of FMCG products from MT market in India, this will help many people directly or indirectly. Most of the research ends with the development of model however here efforts are extended further to develop a tool which can be used in real life situation to make very vital decisions to maintain and enhance brand loyalty of the products.

3.3.1 Benefits of research to the society:

All retail consumers of the FMCG products who are purchasing products from the Hyper/supermarkets will get multiple benefits out of the research.

- As per the set up proposed in the research, they will get monitory incentive for contributing in the various parts of the research.
- They will get monitory incentive by responding to some of the research questions.
- Also, by purchasing products on regular basis from the same Modern Trade store of their choice, they will get the monitory benefit in the form of loyalty card.
- Major hidden benefit to the customers out of this process is, product offering would be more competitive in the Modern Trade. This would result in more competitive prices, discounts, promotional offers, quality of products, stock keeping units, flavors, packaging etc.

3.3.2 Benefits of research to the institutions:

- This research would provide direct benefits to both FMCG manufacturers and Modern Trade Retailers. Also, it would provide indirect benefits to the market research companies.
- FMCG Manufacturers:
  - Manufacturers who are dealing with Personal Care, Home Care, Food and Beverage categories would get direct benefits from the research.
  - Benefits of the research are not only restricted to the large players of the industry, but medium and small players can also get the advantage of it.
  - They will get real time data on the brand loyalty of their products, which would help them to decide about their strategy going forward.

- Modern Trade Retailers:
  - Retailers dealing with Hyper/Supermarkets/Discounters will be able to know what is working well in their stores and what is not preferred by their regular customers. This would help them to plan their inventory accordingly.
  - Selling this information to the different manufacturers, they can generate extra revenue form it. Now a day's data (information) about product and its status is very important and producers are ready to may huge amount for the same.
  - Loyalty card offered to their regular customers will ensure fix revenue from the set of customers at fixed frequency. This will reduce overall uncertainty in the business.

3.3.3 Benefits to the future studies in this field:

Once the format to evaluate most important variables/features of brand loyalty towards FMCG products in Modern Trade setup is in place, one can extend it vertically for E-commerce. E-commerce is potentially the future of India's FMCG industry.

Horizontally extension of these study can be done for the Modern Trade FMCG industry in other developing countries of the world (Sri Lanka, Nepal, Bangladesh, Myanmar, Indonesia, Pakistan etc.) after checking the hypothesis that, variables/features impacting the study are same for all developing countries.

3.4 Scope of the Study:

Fast Moving Consumer Goods are such products which touches everyone's life on daily basis. Without these products it is difficult to think of a life. Irrespective of reach or poor, male, or female, urban or rural person all need FMCG products on regular basis.

- In scope: Considering this fact scope of the study includes those people who can make their FMCG product buying decision independently. For this purpose, data would be collected from people living in various states of India. As key focus is on traditional trade vs. modern trade/e-commerce, good representation of both type of buyers is ensured while data collection.
- Out of scope: People from some of the states like Jammu & Kashmir, Assam, Himachal Pradesh etc. are not covered due to political/geographical challenges. Also, good balance

of traditional and modern trade is considered while excluding the whole state from the scope. Minimum age of respondent is fixed at 18 years just to make sure that questions are clear to the respondents and their responses are well supported by facts and their own buying experience.

3.5 Objectives of the Study:

Key objective of the research is to study the brand loyalty parameters in fast moving consumer goods. Once most significant parameters are identified, next objective is to build a decision-making model based on it and to define the process using which model can be put into industrial use.

Below are the research objectives formed to achieve above mentioned objective:

1. To study the most impactful attitudinal antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

2. To study the most impactful behavioral antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

3. To study the most impactful situational antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

4. To design decision making models of brand loyalty towards FMCG products for both traditional trade and modern/e-comm trade

5. To design machine learning/statistical process which can help retailers and manufacturers to know the status of brand loyalty for their brands on real times basis.

Details on the each of the objective mentioned above.

1. To study the most impactful attitudinal antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

In the initial list created based on researcher's experience with the FMCG industry and literature review, 40+ attitudinal parameters are identified which could affect brand loyalty in one or the other way. Out of 40+ potential parameters, around 30 are common for both Traditional Trade and Modern Trade/E-comm, however 10 parameters are only for MT/E-comm. Data would be

collected around these variables and most significantly impacting variables would be filtered out in this process. Impactful variables will be selected for the next round of analysis and model building part.

2. To study the most impactful behavioral antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

10+ behavioral parameters are identified which could affect brand loyalty in one or the other way. Out of 10+ potential parameters, around 6 are common for both Traditional Trade and Modern Trade/E-comm, however 10 parameters are only for MT/E-comm. Data would be collected around these variables and most significantly impacting variables would be filtered out in this process. Impactful variables will be selected for the next round of analysis and model building part.

3. To study the most impactful situational antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

2 situational parameters are identified to include situational component in the study of brand loyalty. Both these parameters would be considered for further study and model building for TT and MT/E-comm. These parameters would become a part of final model which can help to classify buyers into loyal and disloyal groups.

4. To design decision making models of brand loyalty towards FMCG products for both traditional trade and modern/e-comm trade

Based on most impactful variables selected from the previous analysis models would be build using statistical process. There would be two separate models. One for Traditional Trade and another for Modern Trade/E-comm. These models would further help to build the classification/prediction algorithms using Statistical/Machine Learning concepts.

5. To design Statistical/Machine Learning process which can help retailers and manufacturers to know the status of brand loyalty for their brands on real times basis.

Purpose here is to set up a process which can evaluate individual buyers on real time basis and show brand loyalty status of the buyers on real time. Results will be summarized at an aggregate level to have a bigger picture. Final classification would be Loyal, Disloyal, Potential Switcher etc. This classification would help retailers and manufacturers to know their brand status in terms of loyalty. This would help them to design strategy around given brand.

3.6 Definition of key variables/attributes:

1. Brand Affect: A brand's potential to elicit a positive emotional response in the average consumer because of its use.

2. Customer satisfaction: It is defined as a measurement that determines how happy customers are with a company's products, services, and capabilities. Customer learns from past purchase and define his/her behavior accordingly. It also helps to know about word of mouth, complains and repurchase. Customer satisfaction may lead to high repurchase however it is not the only variable which can define repurchase.

3. Switching Cost: It is a cost that consumer face when he/she is switching to new brand. It may be due to high/low price of new brand or may be due to cost associated with technicality of a product (e.g., mosquito repellents are of different design and may not fit to all liquid bottles. If user wants to switch to new brand, then user may have to consider price of repellents.)

4. Brand Trust: It is a positive feeling of consumer about the product based on the experience with product. It gives sense of reliability and safety. More trustworthy brands show higher brand loyalty. Chaudhuri and Holbrook (2001), "the willingness of the average consumer to rely on the ability of the brand to perform its stated function".

5. Relationship Proneness: It is an individual feature of the buyer which indicates, buyer's relative stability to get engage in relationship with a given product or product category.

6. Involvement: An amount of interest that buyer shows for a certain product or brand is called involvement (Park & Young, 1983). It is a continuous commitment towards preferred brands which motivates buyer to do repeat purchase.

7. Perceived Value: It is the customer's evaluation of the benefits of a given product and the amount by which it is superior in comparison to competitors product in terms of satisfying the needs of customer. It is measured in terms of overall amount spent, overall purpose solved, overall satisfaction level achieved and social status.

8. Commitment: An association or binding of a buyer to a specific brand within given category is called commitment. It is very important from brand loyalty point of view as high commitment implies high loyalty. Commitment indicates that buyer is already having positive attitude towards preferable brands which results in to repeated purchases.

9. Repeat Purchase: Repeat purchase of the same brand in each period is an indicator of brand loyalty. It is very important in the study of brand loyalty as it can be measured easily, and reliability is very high compared to attitudinal measures. Only challenge with repeat purchase is, it is difficult to differentiate between real loyalty and simply a repeat purchase as it may be due to unavailability or unaffordability of preferred brand.

10. Brand Relevance: It is manufacturer's ability to connect with buyer's emotions and become personally relevant to them. Sometimes new product categories are created for making brand relevant to the users. Eg. now a days different products under same brands are available for both male and female. Few such subcategories under personal care category are deodorants, bath soaps, face creams etc.

11. Brand Performance: It is brands outcome with respect to pre decided performance target. It is varying from person to person as it is highly personal.

12. Culture: It also plays vital role in defining brand loyalty. In India we are influenced by many human organizations around us. Highly impactful are family, friends, relatives, other social groups, religion, race etc. Culture always transfer knowledge, beliefs to the young generation which they carry relatively longer unless they have strong reasons to switch.

13. Price Worthiness: compared to other similar products, given product is worthy with respect to price and the benefits/satisfaction that we are getting out of it. It is a driving factor for many consumers.

14. Brand Equity: It is a commercial value that can be derived from buyer's perception of brand name of a particular product produced by manufacturer. For eg. Nestle produces noodles under the brand name of Maggi. Whatever new flavor they launch, people tend to buy it.

15. Brand Image: It is brand image as a set of beliefs, ideas and impression that a person holds regarding an object (Kotler (2001)). Also defined as a set of perceptions about a brand on consumer's memory (Keller (1993)).

16. Brand Experience: It is a long-term experience that customers have from a given brand. It includes perception, reactions, feelings. Good experience may result into brand loyalty.

17. Accessibility: How quickly positive attitude towards a product can be recalled is called accessibility. There are many strong brands in the market who often spent lot of money on

advertisement. Main purpose behind it is to recall given brand to their loyal customer group and maintain consistent purchase. In hyper and supermarket, we often see posters to recall certain brands. Also, they announce product name and offers continuously which help consumers to access their good experience and repeat the purchase of same brand.

18. Habit: It is a process of repeated buying number of times over an extended period without getting influenced by other factors of environment and without processing information about familiar product in detail. Habitual buying behavior always helps to create brand loyalty towards given products.

19. Brand Reputation: It is nothing but a perception towards brand showcased by key stakeholders like customers, employees, other partners, society etc. Strong reputation indicates strong brand loyalty. It is very important to maintain and enhance brand reputation overtime. A small miss may result in a big loss in the form of declining loyal customer base.

20. Religion: In India various religions are practiced by different group of people. Different religions have different cultural values. People from different religions follow their specific cultural values and show their buying behavior accordingly. Product having Nonveg content or sometime onion and garlic content are not preferred by certain group of people. It is very important to evaluate role of religion and its value sets on the buying pattern of a consumer.

21. Brand Credibility: It is defined based on Trustworthiness and brand expertise (Erdem and Swait, 2004). High brand credibility increases chances of high brand loyalty. Those brands which are in market for more than 100 years are already enjoying credibility. However, for relatively new brands, managing credibility is little different and challenging. New brands must collect feedback on regular basis and work on improvement areas, need to create transparency and always try to deliver quality products. Now a days due to social media platforms one can acquire feedbacks and views of the consumers very easily. Analyzing them and finding out improvement areas is equally important.

22. Brand Awareness: How much or how quickly consumer recognize the brand is called brand awareness. Brand awareness is a key step in the direction of brand loyalty. In marketing literature, brand awareness is divided in three major types called Brand Recall, Brand Recognition and Brand Dominance.

23. Emotional Value: It is a value that user finds in a product beyond functional value of the product is referred to as Emotional Value. It is at higher level when consumer find it as monetary worth. High emotional value leads to high brand loyalty in many cases.

24. Celebrity Influence: Celebrity can make positive influence on the consumers in terms of creating larger group of brands loyal or repeat customers. In many cases it is evident that consumers do follow their favorite celebrities while selecting brands. In FMCG there is greater chance of celebrity influence as these products can easily be switch/change over short period. Only challenge with such influence is, if there is any negative news about celebrity then it may create serious negative impact on the loyal consumer base.

25. Functional Value: It is the perceived utility derived from an alternative's capacity for functional, utilitarian, or physical performance (Sheth, Newman & Gross, 1991). High functional value helps to increase loyalty level of a product.

26. Brand Attitude: It is nothing but consumer's attitude towards given brand. Brand loyalty study is mostly centered around two key variables 1. Consumer Attitude 2. Consumer Behavior. Consumer behavior is easy to measure as it is based on real purchase. However, consumer attitude is difficult to measure as it depends on various features and most of these features are related to psychological/emotional part of consumer's behavior.

27. Brand Market Share: Many research papers indicates that brand loyalty is affected due to many positive effects of brands overall commercial performance. One of the key performance indicators of brand's commercial performance is market share. Higher market share helps to increase brand loyalty and vice versa is also true (Moisescu, Ovidiu & BERTONCELJ, Andrej. (2010)).

28. Centrality: It is related to the value system of an individual. When individual's value system matches with attitude towards the products/services then it helps to make loyalty as a strong bound.

29. Clarity: A very clear attitude of a buyer is strongly associated with loyalty. Buyer with clear attitude has clear preference of one or two brands from the set of many brands. Inverse is the situation where buyer with low attitude has varying preference and loyalty bound is weak.

30. Family Influence/Social Value: India is a country where family values and set up is still playing an important role in any kind of decision making. In India we can largely observe Nuclear

and Joint families. In both the setups there is a decision maker whose views are considered largely while buying something. So, it is always beneficial to evaluate the behavior of decision maker. Apart from family, in many cases decisions are influenced by relatives, friends and neighbors.

31. Availability: Required product is available in each shop or not is a key factor for change in the buying behavior of consumer. As FMCG products are low risk products, sometimes due to unavailability of a given brand buyer may switch to any other brand. Temporary switch is not very harmful but permanent switch can cause business loss.

32. Situational Factors: Sometimes due to natural calamities or pandemic kind of situation buyer shows different behavior. Such situations may impact the loyal behavior of a buyer and may cause permanent shift.

34. Discounts: Price reduction or more quantity at same price are the ways of providing discount to the buyer. It can play a vital role in manipulating brand loyalty. Buyers may tend to get the advantage of such discounts and show different behavior.

35. Advertising: Advertising can serve multiple objectives. For popular brands it serves the purpose of recall whereas for new brands it spread awareness. Advertising can also help in spreading the message of discounts or more quantity at same prices. Now a days comparison with close competitor is also possible through advertisement.

36. Personal Selling: In hyper/supermarkets many times companies are placing their people to market their products. These people help customer to know all distinct features of the product. This helps to manipulate buyer's decision.

37.Comparing Product Features: Major difference between traditional trade shops and hyper/supermarkets is, in hyper/supermarkets buyers get an opportunity to compare multiple products of same category. They can make comparison in terms of Stock Keeping Unit, Price, Flavor, Quantity etc. This gives them enough opportunity to evaluate product from multiple angles and make right choice. This could vary brand loyalty of a consumer so often.

38. Assortment/Gift Pack/Bended Pack: Mostly in hyper/supermarkets buyers can find assorted packs which gives various flavors of the same brand in one pack. For eg. Coca Cola has its multiple brands in single pack. Also, such packs are available at lower price compared to buying individual

products. Gift packs and bended packs also serves the similar purpose. Opportunity of buying such packs may affect loyalty of buyers in both short and long run.

39. Product Placement: Product placement in hyper/supermarket or on E-commerce platforms always force buyer to evaluate other options before making real purchase of the product. Multiple brand's products are on the shelf, and they are kept side by side in hyper/supermarkets. In E-commerce if buyer searches for a particular brand, then multiple brands are appearing on buyer's screen which forces buyer to select from multiple brands. Brand loyalty remains at risk in such situation.

40. Count of Acceptable Brands: In FMCG it is very likely that person prefers more than one brand. This shows brand loyalty towards multiple brands. While deciding about most preferred brands, buyer always find distinction among them which is varying from most preferred to not at all preferred. Getting knowledge around count of acceptable brands, chances of brand switching can be accessed.

41. Sequence of Purchase: In what sequency an individual is buying FMCG brands can give significant information about brand loyalty. There are various combinations possible, and each combination highlights specific characteristics of an individual.

42. Proportion of Purchase: Within a given category, how much amount one spends on a specific brand is a good indicator of brand loyalty. High proportion spend on a single brand indicates more loyalty towards that brand.

3.7 Hypothesis of the Study:

Following are the hypothesis formed for evaluating above mentioned objectives.

H0: Attitudinal antecedents under study have no impact on brand loyalty of buyers in traditional and modern/e-comm trade.

agH1: At least few attitudinal antecedents under study have impact on brand loyalty of buyers in traditional and modern/e-comm trade.

H0: Behavioral antecedents under study have no impact on brand loyalty of buyers in traditional and modern/e-comm trade.

agH1: At least few behavioral antecedents under study have impact on brand loyalty of buyers in traditional and modern/e-comm trade.

H0: Situational antecedents under study have no impact on brand loyalty of buyers in traditional and modern/e-comm trade.

agH1: At least few situational antecedents under study have impact on brand loyalty of buyers in traditional and modern/e-comm trade.

3.8 Research Design:

Exploratory research has been conducted here to identify the most impactful variable to the overall brand loyalty of consumers towards FMCG products. Primary method of research is used to conduct the overall research. Survey/interview method used to collect major part of data.

3.8.1 Source of data:

Both primary and secondary data used for the research. Major weightage is on primary data around buyer's preferences toward FMCG products.

Primary data: It is collected through structured questionnaire using all close ended questions. Any FMCG product users having age greater than 18 years was eligible to provide responses. Primary data collected around demographics of respondents, respondents' preferences towards behavioral and attitudinal variables/attributes and some general information about buying preferences of respondents towards FMCG channels, Categories and Brands.

Secondary data: Secondary data is collected in two different ways. 1. From research papers to get some idea about previously designed models and previously evaluated brand loyalty parameters. Many such research papers are studied and details of them are noted under literature review. 2. From open web resources many important charts and secondary data points collected just to know the overall size of FMCG industry and categories within it. Some of these data points are also indicating the forecasted values of different categories.

3.8.2 Sampling and data collection:

Use of proper sampling method is very vital to get good quality estimates of population parameters. In case of wrong method of sampling or insufficient sampling, entire analysis and conclusions drawn based on it may go wrong. Keeping these points in mind, 'Three stage probability sampling' is used for this research purpose. Details of sampling units and method applied to collect sample in each stage is as below.

Sampling Process 1: Including only Urban areas for Modern Trade, E-Commerce, and Traditional Trade buying behavior.

Sampling Stage	Type of Sample Unit	Sampling Unit	No. of Units	Data Collection Method
Stage 1	States (28) & Union Territories (9)	State/UT	27 Selected as per the nature of study	Cluster Sampling
Stage 2	Big cities withing States and Union Territories having Modern Trade and E-Commerce facility	Big Cities	498	Cluster Sampling
Stage 3	Total People in States/UTs (Urban)	Individuals	37,71,06,125	Simple Random Sampling Without Replacement
	People having age above 18 years from selected States/UTs -> Big cities	Individuals	26,02,03,226	Simple Random Sampling Without Replacement

For detailed data on Sampling Units of all three stages, please refer to Table 4.1 and 4.2.

Process Steps:

1. All sampling units of first two stages are numbered so that they can be selected using random numbers generated through software. For this purpose 27 States + UTs and 498 big cities in these states are numbered from 1,2,3,…., so on.
2. Units from third stage are selected at random as per the availability of respondent as it is not possible to number all of them.
3. Selection of Cities within states is as follows. Only those Cities are preferred where all channels i.e. Traditional Trade, Modern Trade and E-Commerce are available.
4. Individuals having age > 18 years and literate are selected at random from selected Cities.

5. Pilot study was conducted using research questionnaire. Basic understanding of each question is evaluated in this process. Also 171 responses are collected using pilot study.

6. Data collected from respondents for all three categories, Shampoo, Detergent and Chocolate & Soft drinks is used for estimation of population parameters.

7. Below are the notations used to indicate different stages of sample.

   N = Total number of first stage units in the Population = 37, however number reduced to 27 as 10 can be excluded as per the nature of study

   n = Number of first stage units selected in the sample = 9 (Calculated based on formula. Details mentioned below.)

   M_i = Number of second stage units in the ith first stage unit. i = 1,2,3…N

   m_i = Number of second stage units selected in sample from i^{th} first stage unit. = 5 to 6 Cities from each selected states/UTs.

   B^{ij} = Number of third stage units in the jth second stage unit and i^{th} first stage unit

   b^{ij} = Number of third stage units selected from j^{th} second stage unit and i^{th} first stage unit

8. Selection of states/UTs from the list of 27 qualified states/UTs. For qualification purpose states/UTs.

Stage 1: States & UTs		
Total States & UTs	Population Size (N)	Sample Size (n)
37	27	9

   9 States + 1 UT are selected in the first stage. This number help to select second stage sampling units.

9. Selection of big cities in each State/UTs

Stage 2 : Districts		
Sampled States (As per stage 1)	Population Size (N)	Sample Size (n)
Delhi	15	5
Gujarat	30	6
Karnataka	26	6
Madhya Pradesh	32	6

Maharashtra		44	6
Punjab		17	5
Rajasthan		29	6
West Bengal		61	6
Dadra & Nagar Haveli/Diu & Daman		14	5

From 9 States/UTs, 5-6 big cities are selected. Total big cities selected are 45.

10. Selection of individual respondents from the selected cities in the second stage.

Stage 3: Respondents

All respondents are selected from those cities where Modern Trade, Traditional Trade and E-Comm are available.

Stage 3.1: Respondents											
State + UT	District	Major City	TRU	No_HH	TOT_Population	Population above 18 years	Confidence Level (Z)	Margin of Error (e)	Population Proportion (p)	Infinite Population	Finite Population
25	494	Diu	Urban	5249	23991	16554	85%	15%	50%	23	23
25	495	Daman	Urban	42963	158860	109613	85%	15%	50%	23	23
26	496	Dadra & Nagar Haveli	Urban	40364	160595	110811	85%	15%	50%	23	23
7	90	North West	Urban	695753	3442589	2375386	85%	15%	50%	23	23
7	92	North East	Urban	402187	2220097	1531867	85%	15%	50%	23	23
7	96	West	Urban	532051	2536823	1750408	85%	15%	50%	23	23
7	97	South West	Urban	467117	2149282	1483005	85%	15%	50%	23	23
7	98	South	Urban	571676	2719736	1876618	85%	15%	50%	23	23
24	474	Ahmadabad	Urban	1281652	6063047	4183502	85%	15%	50%	23	23
24	476	Rajkot	Urban	471625	2214050	1527695	85%	15%	50%	23	23
24	477	Jamnagar	Urban	200638	971065	670035	85%	15%	50%	23	23
24	479	Junagadh	Urban	179624	906412	625424	85%	15%	50%	23	23
24	481	Bhavnagar	Urban	236235	1182401	815857	85%	15%	50%	23	23
24	486	Vadodara	Urban	459506	2065771	1425382	85%	15%	50%	23	23
24	492	Surat	Urban	1063520	4849213	3345957	85%	15%	50%	23	23
24	473	Gandhinagar	Urban	127996	600627	414433	85%	15%	50%	23	23
24	482	Anand	Urban	129947	634987	438141	85%	15%	50%	23	23
24	488	Bharuch	Urban	116185	524959	362222	85%	15%	50%	23	23
24	491	Valsad	Urban	147455	635501	438496	85%	15%	50%	23	23
29	572	Bangalore	Urban	2180638	8749944	6037461	85%	15%	50%	23	23

29	575	Dakshina Kannada	Urban	214490	996086	687299	85%	15%	50%	23	23
29	577	Mysore	Urban	294016	1245413	859335	85%	15%	50%	23	23
23	435	Ujjain	Urban	152488	779213	537657	85%	15%	50%	23	23
23	439	Indore	Urban	490140	2427709	1675119	85%	15%	50%	23	23
23	444	Bhopal	Urban	408747	1917051	1322765	85%	15%	50%	23	23
23	451	Jabalpur	Urban	301662	1440034	993623	85%	15%	50%	23	23
23	421	Gwalior	Urban	239351	1273792	878916	85%	15%	50%	23	23
3	37	Jalandhar	Urban	247953	1161171	801208	85%	15%	50%	23	23
3	41	Ludhiana	Urban	436030	2069708	1428099	85%	15%	50%	23	23
3	48	Patiala	Urban	158036	763280	526663	85%	15%	50%	23	23
3	49	Amritsar	Urban	273905	1334611	920882	85%	15%	50%	23	23
8	110	Jaipur	Urban	669293	3471847	2395574	85%	15%	50%	23	23
8	113	Jodhpur	Urban	234790	1264614	872584	85%	15%	50%	23	23
8	119	Ajmer	Urban	201088	1035410	714433	85%	15%	50%	23	23
8	127	Kota	Urban	245150	1176604	811857	85%	15%	50%	23	23
19	338	Hugli	Urban	505943	2128499	1468664	85%	15%	50%	23	23
19	342	Kolkata	Urban	1024928	4496694	3102719	85%	15%	50%	23	23
19	335	Barddhaman	Urban	659366	3078299	2124026	85%	15%	50%	23	23
27	515	Aurangabad	Urban	330965	1620170	1117917	85%	15%	50%	23	23
27	516	Nashik	Urban	545577	2597373	1792187	85%	15%	50%	23	23
27	517	Thane	Urban	1987566	8514678	5875128	85%	15%	50%	23	23
27	518	Mumbai Suburban	Urban	2105604	9356962	6456304	85%	15%	50%	23	23
27	519	Mumbai	Urban	674339	3085411	2128934	85%	15%	50%	23	23
27	521	Pune	Urban	1371531	5751182	3968316	85%	15%	50%	23	23
27	505	Nagpur	Urban	701547	3178759	2193344	85%	15%	50%	23	23

* Few adjustments are made for Metro cities to collect more data points. Number of respondents are added to metro cities compared to the one suggested by formula. Same amount is reduced from Dadra & Nagar* Haveli/Diu & Daman.

From 9 States/UTs and 5-6 big cities from each States/UTs 1037 respondents are selected to collect data through structured questionnaire.

11. Selection of individual respondents from the selected cities in the second stage.

    Stage 4: Respondents

    All respondents are selected from those villages which are nearby big cities. Focus here is to get data on those consumers who are only buying from Traditional Trade Stores.

State + UT	District	Major City	TRU	No_HH	TOT_P	Population above 18 years	Confidence Level (Z)	Margin of Error (e)	Population Proportion (p)	Infinite Population	Finite Population
25	494	Diu	Rural	5331	28083	19377	85%	15%	50%	23	23
25	495	Daman	Rural	7413	32313	22296	85%	15%	50%	23	23
26	496	Dadra & Nagar Haveli	Rural	36094	183114	126349	85%	15%	50%	23	23
24	469	Banas Kantha	Rural	478438	2705591	1866858	85%	15%	50%	23	23
24	472	Sabar Kantha	Rural	406039	2064869	1424760	85%	15%	50%	23	23
24	479	Junagadh	Rural	347702	1836670	1267302	85%	15%	50%	23	23
24	483	Kheda	Rural	359691	1776276	1225630	85%	15%	50%	23	23
24	484	Panch Mahals	Rural	378648	2055949	1418605	85%	15%	50%	23	23
24	485	Dohad	Rural	298702	1935461	1335468	85%	15%	50%	23	23
24	486	Vadodara	Rural	417600	2099855	1448900	85%	15%	50%	23	23
27	499	Jalgaon	Rural	624570	2887206	1992172	85%	15%	50%	23	23
27	516	Nashik	Rural	677310	3509814	2421772	85%	15%	50%	23	23
27	517	Thane	Rural	541599	2545470	1756374	85%	15%	50%	23	23
27	521	Pune	Rural	779972	3678226	2537976	85%	15%	50%	23	23
27	522	Ahmadnagar	Rural	739083	3630542	2505074	85%	15%	50%	23	23
27	526	Solapur	Rural	593560	2918665	2013879	85%	15%	50%	23	23
27	530	Kolhapur	Rural	568519	2645992	1825734	85%	15%	50%	23	23
19	333	Murshidabad	Rural	1286200	5703115	3935149	85%	15%	50%	23	23
19	335	Barddhaman	Rural	1071561	4639264	3201092	85%	15%	50%	23	23
19	337	North Twenty-Four Parganas	Rural	993234	4277619	2951557	85%	15%	50%	23	23
19	343	South Twenty-Four Parganas	Rural	1298259	6074188	4191190	85%	15%	50%	23	23
19	344	Paschim Medinipur	Rural	1142875	5190771	3581632	85%	15%	50%	23	23
19	345	Purba Medinipur	Rural	988784	4503161	3107181	85%	15%	50%	23	23
08	104	Alwar	Rural	511517	3019728	2083612	85%	15%	50%	23	23
08	105	Bharatpur	Rural	338689	2053363	1416820	85%	15%	50%	23	23
08	110	Jaipur	Rural	507803	3154331	2176488	85%	15%	50%	23	23
08	112	Nagaur	Rural	476736	2670539	1842672	85%	15%	50%	23	23
08	113	Jodhpur	Rural	414223	2422551	1671560	85%	15%	50%	23	23
08	115	Barmer	Rural	418990	2421914	1671121	85%	15%	50%	23	23
08	130	Udaipur	Rural	495973	2459994	1697396	85%	15%	50%	23	23

03	035	Gurdaspur	Rural	312300	1639004	1130913	85%	15%	50%	23	23
03	038	Hoshiarpur	Rural	264831	1251656	863643	85%	15%	50%	23	23
03	041	Ludhiana	Rural	280796	1429031	986031	85%	15%	50%	23	23
03	043	Firozpur	Rural	276967	1476518	1018797	85%	15%	50%	23	23
03	048	Patiala	Rural	214257	1132406	781360	85%	15%	50%	23	23
03	049	Amritsar	Rural	214993	1156045	797671	85%	15%	50%	23	23
03	053	Sangrur	Rural	217864	1139204	786051	85%	15%	50%	23	23
29	555	Belgaum	Rural	719233	3568466	2462242	85%	15%	50%	23	23
29	557	Bijapur	Rural	309751	1675353	1155994	85%	15%	50%	23	23
29	565	Bellary	Rural	295258	1532356	1057326	85%	15%	50%	23	23
29	571	Tumkur	Rural	497521	2079902	1435132	85%	15%	50%	23	23
29	577	Mysore	Rural	406952	1755714	1211443	85%	15%	50%	23	23
29	579	Gulbarga	Rural	312880	1730775	1194235	85%	15%	50%	23	23
07	090	Northwest	Rural	40500	213950	147626	85%	15%	50%	23	23
07	091	North	Rural	3312	17746	12245	85%	15%	50%	23	23
07	092	Northeast	Rural	3938	21527	14854	85%	15%	50%	23	23
07	097	Southwest	Rural	27322	143676	99136	85%	15%	50%	23	23
07	098	South	Rural	2457	12193	8413	85%	15%	50%	23	23

* Few adjustments are made for villages to collect more data points. Just to make sure data collected is complete.

From villages near by 48 big cities/towns, 1106 respondents are selected to collect data of their buying behavior towards FMCG products.

3.9 Research Instrument:

For primary data collection purpose, structured questionnaire used with all closed ended questions. Respondents just need to provide their inputs either in paper or in soft copy of questionnaire. It was not possible to prepare Google form for online data collection as there were few questions which were asking respondents to provide list of their favorite brands etc.

Data collected using interview method. Before collecting any data, most of the questions were explained to the respondents and then data collected from them. 38 questions were asked to collect respondents view about different Brand Loyalty parameters. Five-point Likert Scale is used to collect data on attributes (non-measurable quantities). 1 indicates 'Strongly Disagree' and 5 indicates 'Strongly Agree'. Copy of questionnaire is attached in the report.

3.10 Pilot Study:

Pilot study was carried out to check the nature of questions asked in the questionnaire. Some of the jargons used in the questionnaire were replaced with easy words. Also, few questions were modified such that respondents can understand them easily.

Pilot study also helped to collect initial data and to know the overall average and amount of variation in it. To check the reliability and consistency of data collection instrument, Cronbach's Alpha coefficient was calculated which turned around 0.875 which indicates that questionnaire was valid and reliable for data collection.

3.11 Administration of Questionnaire:

Data collected as per the sampling plan described under 'Sampling and data collection'. Final sampling units i.e. individual respondents were selected at random as it was not possible to number them. Following points were considered while collecting data.

- Incomplete questionnaires were replaced with complete one.
- To check overall inputs, few checks were incorporated in the questionnaire itself. Using those check some of the responses were rejected.
- Both hard and soft copies of responses were summarized in excel file for further data cleaning and analysis.

CHAPTER IV
DATA ANALYSIS AND
INTERPRETATION

4.1 Introduction:

After collecting required data, analysis of the data started to get actionable outcomes. Overall analysis was divided in two parts, Descriptive and Inferential. Descriptive analysis only gives description of data trends available in the evaluated sample. Outcomes of descriptive analysis cannot be considered as true for the whole population. To generalize the outcomes over whole population, Inferential analysis is used.

4.1.1 Descriptive Analysis

Under descriptive analysis data is summarized using doughnut chart and bar chart.

- Descriptive analysis carried out to know the overall sentiment of respondents towards various aspects of brand loyalty. Also, to have basic idea about the demographic structure of group of respondents.
- Few comments are made based on the charts.

4.1.2 Inferential Analysis

- To generalize results at all India level it is very necessary to carry out inferential analysis.
- To study the most impactful Attitudinal, Behavioural and Situational variables that are impacting overall brand loyalty of FMCG products inferential analysis carried out.
- Also, to design model based on key variables, it was necessary to use inferential analysis.
- Inferential analysis was carried out using multiple statistical methods like, Exploratory Factor Analysis (EFA), Structured Equation Model (SEM), Hypothesis Testing etc.

4.1.3 Objectives 1, 2 and 3

- To study the most impactful attitudinal antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.
- To study the most impactful behavioural antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.
- To study the most impactful situational antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

4.1.3.1 Descriptive analysis output:

Age

18-30	31-40	41-50	51-60
134	5	10	2

Gender

Female	Male
58	93

Family Type

Joint	Nuclear
50	101

Family members

2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	18	20
4	18	62	20	21	2	4	4	5	3	2	1	1	1	1	1	1

Head of the Family

Grand Parents	Father	Mother	Brother/Sister
33	105	12	1

FMCG Channels

Modern Trade	E-Commerce
123	28

After using my preferred brands, I get positive feeling.

- Strongly Disagree 2%
- Disagree 8%
- Undecided/Neutral 40%
- Agree 48%
- Strongly Agree

I am very satisfied with brands which I use so I repeat purchase.

- Strongly Disagree 1%
- Disagree 9%
- Undecided/Neutral 42%
- Agree 43%
- Strongly Agree

I buy only those brands on which I have faith.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

5% 4% 11% 43% 37%

I have developed emotional relationship with the brands I purchase.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

13% 16% 24% 25% 22%

When I am involved in my favorite brands, I never look for other brands.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

20% 7% 22% 22% 29%

The return I am getting on money spent on FMCG decides my product loyalty.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

5% 10% 23% 37% 25%

I never buy other brands if my favorite brands are not available.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

15% 10% 36% 24% 15%

My brands remains updated with change in technology and buyer's preferences.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

28% 5% 11% 14% 42%

Brand performance really matters to me for loyalty towards it.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

33% 8% 11% 11% 37%

I keep religious beliefs in center while selecting my brands.

- Strongly Disagree
- Disagree
- Undecided/Neutral
- Agree
- Strongly Agree

14% 5% 37% 12% 32%

4.1.3.2 Inferential analysis output:

Objective 1, 2, 3 and 4

1. To study the most impactful attitudinal antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

2. To study the most impactful behavioral antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

3. To study the most impactful situational antecedents defining brand loyalty of buyers in traditional and modern/e-comm trade.

4. To design decision making models of brand loyalty towards FMCG products for both traditional trade and modern/e-comm trade

Steps followed:

1. Whole analysis is carried out considering following path.

   (Further analysis is done for Modern Trade/E-comm – Shampoo)

2. Including demographic variables and brand loyalty attributes, 48 features are examined to check correlation among variables under study.

	Age Group	Gender	Family Type	Total Member	Head	BRAF1	CUSA1	SWCO1	BRTR1	REPR1	INVO1	PEVA1	COMM1	BRRE1	BRPE1	CULT1	PRWO1	BREQ1	BRIM1	ACCE1	HABI1	BRRE1.1	BRCR1	EMVA1	FUVA1	BRAT2	CENT1	FASO1	AVAI1	SIFA1	DISC1	ADVE1	PESE1	COPF1	GIPC1	PRPL1	BRAW1	CLIF1	REPU1	REPU3	BRMS1	CLAR1	REPU2	Sh_Accept	Unique Pref. Brand
Age Group		0.0	0.2	0.2	0.2	0.1	0.1	0.2	0.3	0.0	0.1	0.0	0.2	0.0	0.4	0.0	0.2	0.1	0.2	0.1	0.2	0.1	0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.2	0.2	0.0	0.2	0.2	0.3	0.1	0.1	0.2	0.3	0.2	0.2	0.0
Gender			0.1	0.1	0.1	0.3	0.1	0.1	0.2	0.3	0.2	0.1	0.0	0.4	0.0	0.2	0.2	0.4	0.3	0.3	0.2	0.1	0.1	0.3	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.1	0.5	0.1	0.0	0.2	0.1	0.1	0.1	0.1	0.0	
Family Type				0.7	0.8	0.2	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.4	0.0	0.2	0.1	0.0	0.3	0.1	0.2	0.1	0.0	0.1	0.1	0.2	0.1	0.2	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.2	0.2	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.1
Total Member					0.4	0.2	0.0	0.1	0.0	0.1	0.2	0.0	0.2	0.2	0.0	0.2	0.1	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.0	0.7	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.2	0.1	0.1	0.2	0.1	0.1	0.0	0.2	0.2	0.1
Head						0.0	0.2	0.1	0.1	0.0	0.2	0.1	0.2	0.3	0.1	0.2	0.0	0.2	0.2	0.2	0.2	0.0	0.0	0.2	0.1	0.1	0.3	0.0	0.0	0.1	0.1	0.0	0.2	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.0	0.1	0.1		
BRAF1							0.4	0.2	0.4	0.4	0.2	0.7	0.1	0.4	0.3	0.1	0.5	0.1	0.7	0.5	0.6	0.4	0.1	0.5	0.4	0.1	0.3	0.0	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.5	0.1	0.4	0.2	0.3	0.1	0.0	0.1
CUSA1								0.0	0.5	0.1	0.3	0.6	0.2	0.2	0.2	0.2	0.3	0.0	0.2	0.4	0.4	0.3	0.3	0.6	0.4	0.0	0.3	0.2	0.0	0.3	0.0	0.3	0.1	0.3	0.3	0.0	0.5	0.3	0.1	0.2	0.1	0.1	0.1	0.2	0.0
SWCO1									0.3	0.3	0.4	0.1	0.1	0.1	0.2	0.0	0.0	0.4	0.0	0.3	0.1	0.1	0.2	0.0	0.2	0.2	0.2	0.3	0.0	0.2	0.4	0.2	0.2	0.3	0.1	0.2	0.4	0.1	0.2	0.3	0.2	0.1			
BRTR1										0.1	0.5	0.4	0.2	0.4	0.2	0.3	0.2	0.2	0.5	0.7	0.5	0.4	0.3	0.7	0.7	0.1	0.3	0.1	0.1	0.4	0.1	0.3	0.2	0.6	0.5	0.3	0.4	0.4	0.1	0.4	0.0	0.0	0.2	0.1	0.3
REPR1											0.3	0.2	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.0	0.2	0.0	0.0	0.2	0.2	0.1	0.1	0.0	0.5	0.2	0.3	0.1	0.0	0.2	0.4	0.2	0.3	0.2	0.1	0.3	0.2	0.2	0.0	0.2	0.3
INVO1												0.3	0.6	0.0	0.1	0.1	0.0	0.3	0.2	0.4	0.2	0.1	0.0	0.3	0.4	0.1	0.4	0.3	0.1	0.2	0.1	0.2	0.1	0.0	0.3	0.2	0.0	0.5	0.1	0.2	0.4	0.1	0.2	0.4	0.2
PEVA1													0.2	0.2	0.4	0.0	0.2	0.1	0.6	0.5	0.6	0.4	0.2	0.7	0.4	0.1	0.4	0.1	0.1	0.4	0.2	0.4	0.3	0.3	0.3	0.3	0.1	0.4	0.1	0.4	0.2	0.3	0.0	0.2	0.2
COMM1														0.2	0.1	0.4	0.2	0.2	0.1	0.0	0.1	0.0	0.1	0.0	0.2	0.1	0.2	0.1	0.2	0.1	0.4	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.2	0.3	0.1	0.2	0.3	0.1	0.1
BRRE1															0.2	0.4	0.3	0.3	0.6	0.5	0.5	0.3	0.1	0.3	0.4	0.1	0.0	0.2	0.2	0.0	0.4	0.2	0.2	0.3	0.1	0.3	0.2	0.0	0.3	0.1	0.1	0.4	0.2	0.1	0.1
BRPE1																0.0	0.0	0.0	0.2	0.4	0.3	0.3	0.1	0.4	0.2	0.1	0.3	0.1	0.2	0.2	0.1	0.2	0.3	0.1	0.3	0.2	0.0	0.3	0.1	0.1	0.4	0.2	0.1	0.1	0.4
CULT1																	0.4	0.0	0.1	0.2	0.1	0.1	0.4	0.0	0.2	0.3	0.3	0.1	0.3	0.3	0.2	0.0	0.2	0.1	0.2	0.1	0.3	0.0	0.2	0.2	0.4	0.2	0.2	0.1	0.1
PRWO1																		0.1	0.4	0.2	0.2	0.1	0.3	0.2	0.0	0.1	0.1	0.2	0.2	0.4	0.2	0.2	0.1	0.1	0.0	0.1	0.4	0.2	0.1	0.3	0.4	0.4	0.1	0.1	0.0
BREQ1																			0.2	0.3	0.3	0.1	0.1	0.0	0.3	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.1	0.3	0.3	0.0	0.2	0.3	0.0	0.0	0.3	0.0	0.0	0.1	0.0
BRIM1																				0.6	0.8	0.5	0.1	0.5	0.4	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.3	0.4	0.6	0.3	0.3	0.2	0.4	0.1	0.4	0.1	0.1	0.1
ACCE1																					0.7	0.3	0.3	0.8	0.7	0.1	0.2	0.0	0.2	0.0	0.3	0.2	0.5	0.5	0.4	0.3	0.5	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.3
HABI1																						0.4	0.2	0.7	0.4	0.1	0.2	0.1	0.1	0.1	0.0	0.4	0.3	0.3	0.3	0.5	0.3	0.4	0.3	0.3	0.2	0.3	0.1	0.0	0.0
BRRE1.1																							0.5	0.2	0.2	0.2	0.5	0.1	0.1	0.0	0.0	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.3	0.0	0.1	0.1	0.0	0.0
BRCR1																								0.3	0.2	0.1	0.3	0.1	0.2	0.1	0.2	0.0	0.1	0.4	0.0	0.2	0.1	0.2	0.2	0.1	0.4	0.2	0.2	0.3	0.1
EMVA1																									0.6	0.1	0.2	0.2	0.1	0.4	0.1	0.4	0.2	0.5	0.4	0.4	0.4	0.4	0.0	0.1	0.3	0.0	0.1	0.1	0.3
FUVA1																										0.1	0.1	0.1	0.0	0.4	0.3	0.3	0.0	0.5	0.6	0.1	0.5	0.4	0.1	0.4	0.2	0.0	0.0	0.1	0.1
BRAT2																											0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.2
CENT1																												0.0	0.0	0.1	0.1	0.2	0.5	0.3	0.3	0.1	0.2	0.2	0.1	0.5	0.1	0.1	0.2	0.1	0.1
FASO1																													0.2	0.2	0.1	0.0	0.1	0.3	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.2	0.2	0.0	0.1
AVAI1																														0.0	0.6	0.1	0.1	0.1	0.1	0.2	0.0	0.0	0.2	0.3	0.1	0.2	0.3	0.1	
SIFA1																															0.1	0.3	0.2	0.2	0.2	0.1	0.3	0.3	0.1	0.4	0.0	0.1	0.1	0.2	0.2
DISC1																																0.2	0.0	0.1	0.2	0.0	0.1	0.3	0.2	0.1	0.6	0.0	0.2	0.0	0.2
ADVE1																																	0.5	0.2	0.1	0.3	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.1
PESE1																																		0.2	0.2	0.3	0.1	0.4	0.3	0.1	0.2	0.1	0.1	0.2	0.1
COPF1																																			0.5	0.0	0.4	0.3	0.0	0.3	0.1	0.2	0.0	0.1	0.1
GIPC1																																				0.1	0.4	0.4	0.3	0.3	0.3	0.0	0.1	0.1	0.3
PRPL1																																					0.0	0.4	0.0	0.0	0.3	0.1	0.1	0.1	0.1
BRAW1																																						0.2	0.0	0.4	0.1	0.1	0.1	0.0	0.2
CLIF1																																							0.0	0.2	0.2	0.1	0.1	0.1	0.1
REPU1																																								0.0	0.1	0.0	0.3	0.1	0.1
REPU3																																									0.2	0.5	0.3	0.1	0.1
BRMS1																																										0.0	0.4	0.2	0.1
CLAR1																																											0.4	0.1	0.2
REPU2																																												0.3	0.1
Sh_Accept																																													0.3
Unique Pref. Brand																																													

As there is no significant correlation between any pair of variables under study, no variable is dropped from the study in the initial stage.

3. Exploratory Factor Analysis (EFA):

As it was not feasible to include all 48 features under study. EFA was conducted to reduce number of features.

3.1 Bartlett's test of sphericity compares an observed correlation matrix to the identity matrix. Basically, it checks if correlation matrix is different from identity matrix (where any variable is not correlated with any other variable). If this is the case, we can conclude that, we can find out meaningful factors which are nothing but combination of correlated variables.

Bartlett's test of sphericity value

= (Chi-square value, p value)

= (2783.4639961670214, 1.0963640879336344e-131)

As p value is very close to zero, we conclude that H0 is rejected, and we can apply Exploratory Factor Analysis (EFA) to the given data. It indicates that, for sure we will get specific factors if we do further analysis.

3.2 Calculate eigen values

```
array([8.26293186, 2.80373299, 2.70130416, 2.26197164, 2.03440575,
       1.80799263, 1.68055251, 1.57950712, 1.53033608, 1.46252251,
       1.4232142,  1.37854466, 1.26495309, 1.16027677, 1.0955717,
       1.00653519, 0.96819068, 0.91876095, 0.85091664, 0.82747097,
       0.81627005, 0.78259785, 0.75913953, 0.71518116, 0.66993481,
       0.62104389, 0.59076934, 0.57165337, 0.5486558,  0.51117922,
       0.47779586, 0.43656646, 0.42007683, 0.3820965,  0.3727672,
       0.35808967, 0.34260393, 0.33293262, 0.30005712, 0.28619398,
       0.26145972, 0.2545296,  0.21108344, 0.19214479, 0.18230931,
       0.17094478, 0.14766188, 0.14427377, 0.12029545])
```

As 16 eigen values are greater than 1. Finally, I got 16 factors in the initial round.

3.3 Get Scree plot.
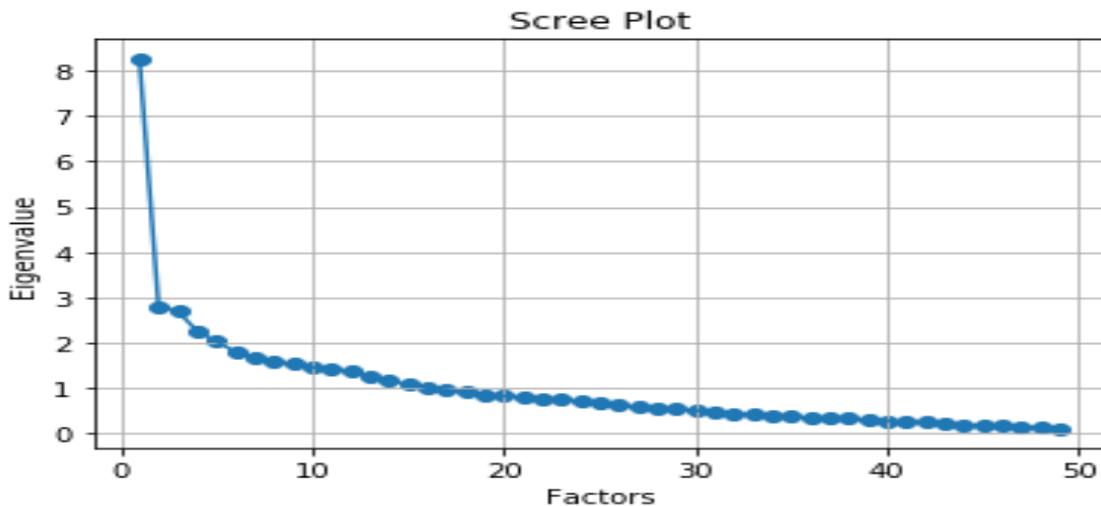
Scree plot also indicates 16 initial factors from given data.

3.4 Final selection of factors.

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
0	-0.3	0.1	-0.1	-0.1	0.0	0.1	0.1	-0.1	0.2	0.1	-0.1	-0.2	0.3	0.1	-0.2	-0.1
1	0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	-0.1	0.0	0.0	0.1
2	0.1	0.0	-0.2	-0.1	-0.1	0.2	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.5	0.0	0.0
3	0.1	0.0	0.9	0.1	0.0	0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.2	0.1	0.0
4	0.0	-0.1	-0.7	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0
5	0.2	0.0	0.7	0.1	-0.1	0.0	-0.2	0.0	0.0	0.1	0.0	0.0	0.1	0.0	-0.2	-0.1
6	0.1	0.2	-0.1	0.0	0.0	-0.2	0.1	0.0	-0.1	0.0	-0.3	0.0	0.0	0.2	-0.1	0.2
7	0.2	0.1	0.0	0.8	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
8	0.2	0.2	0.2	0.6	0.0	0.1	0.1	0.1	0.2	-0.1	0.1	0.0	0.1	-0.2	-0.1	0.1
9	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.0	-0.1	0.1	0.8	0.1	0.0	0.0	0.0	0.0
10	0.3	0.2	0.1	0.3	0.1	0.0	0.1	0.1	0.0	0.0	-0.2	0.3	0.0	-0.3	-0.2	-0.1
11	-0.1	0.0	0.2	0.0	-0.1	-0.1	0.5	0.0	-0.2	0.1	0.3	0.1	0.1	-0.3	0.0	0.3
12	0.5	0.1	0.0	0.2	-0.1	0.0	0.3	-0.1	0.1	0.0	0.0	0.2	0.0	0.2	0.1	0.2
13	0.3	0.7	0.1	0.2	0.0	0.1	0.0	0.0	0.1	0.1	-0.1	0.1	0.1	0.0	0.1	0.2
14	0.2	0.1	0.0	0.1	-0.2	0.0	0.5	0.2	0.0	0.1	0.0	-0.1	0.0	0.2	0.1	0.0
15	0.2	0.2	0.0	0.1	0.0	0.2	0.0	0.1	0.7	0.0	-0.1	0.0	0.1	0.1	0.0	0.0
16	0.1	0.5	-0.1	0.1	0.0	0.1	-0.1	0.0	0.2	0.0	0.0	0.2	0.1	-0.1	-0.1	0.0
17	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.4	0.0	0.2	0.0	0.4	0.0	0.2	0.0	0.1	-0.2
18	0.3	0.3	0.1	0.0	0.0	0.2	0.1	-0.3	0.3	0.0	0.2	0.0	0.0	-0.1	0.0	-0.1
19	0.4	0.1	0.0	0.1	0.1	0.1	0.0	0.2	0.3	-0.2	0.0	0.1	0.0	-0.1	0.1	0.3
20	0.6	0.2	0.0	0.1	0.0	0.2	-0.1	0.1	0.1	-0.1	0.0	0.0	0.4	0.0	0.0	0.3
21	0.6	0.1	0.0	0.2	0.1	0.3	0.0	0.1	0.1	0.0	0.0	-0.1	0.0	-0.1	0.2	-0.1
22	0.6	0.1	0.0	0.1	-0.1	0.1	0.1	0.0	-0.1	0.0	0.0	0.0	-0.1	0.0	0.1	-0.1
23	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.3	0.1	0.4	-0.1	-0.2	-0.1	-0.1	-0.1	0.2
24	0.1	0.0	0.0	0.0	0.1	-0.1	0.2	-0.1	-0.1	0.7	0.0	0.0	0.2	-0.1	0.0	-0.2
25	0.3	0.4	0.1	0.3	0.1	0.2	0.1	0.1	0.0	0.1	-0.1	0.1	0.1	-0.1	0.2	-0.1
26	0.5	0.2	0.0	0.3	0.0	0.0	0.0	0.3	0.1	0.1	0.0	0.1	0.2	-0.1	0.2	0.0
27	0.4	0.4	0.1	0.0	0.1	0.3	0.1	0.1	-0.3	0.0	-0.1	0.2	0.3	-0.1	-0.1	0.0
28	0.2	0.0	0.0	0.1	0.0	0.1	0.1	0.6	0.0	-0.1	0.1	0.0	0.1	0.0	0.0	0.0
29	0.0	-0.1	0.0	-0.1	0.1	0.1	0.0	0.0	0.0	0.6	0.1	0.1	-0.1	0.1	-0.1	0.1
30	0.0	0.0	-0.1	0.0	0.0	0.0	0.6	0.0	0.0	0.1	0.0	0.0	0.1	0.0	-0.1	0.0
31	0.4	0.1	0.0	0.0	0.1	0.2	-0.3	0.1	0.1	0.1	0.2	0.0	0.1	0.1	0.1	-0.2
32	0.2	0.1	0.0	0.1	0.0	0.1	0.2	0.3	0.3	-0.1	0.0	0.1	0.2	0.2	0.0	-0.1
33	0.1	0.7	0.1	0.0	0.2	0.1	0.2	0.2	0.1	-0.2	0.2	0.0	0.1	0.2	0.1	-0.1
34	0.3	0.2	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.4	0.4	0.2	-0.2
35	0.3	0.3	0.0	0.0	0.1	0.3	-0.1	0.5	0.1	0.1	-0.1	0.0	0.2	0.0	0.2	0.2
36	0.3	0.1	-0.1	-0.1	0.1	0.2	0.0	0.1	0.0	-0.1	0.0	0.1	0.2	0.1	0.7	0.0
37	0.2	0.1	0.0	0.2	0.1	0.6	-0.1	0.2	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.0
38	0.6	0.2	0.2	0.0	0.0	0.1	-0.1	0.2	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0
39	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.4	0.0	0.1	0.0
40	0.1	0.1	0.1	0.1	-0.1	0.5	0.0	-0.1	0.1	0.0	-0.1	0.0	0.1	0.2	0.0	0.1
41	0.6	0.1	0.1	-0.1	0.0	0.0	0.0	0.1	0.3	0.0	0.1	0.2	0.1	0.1	-0.1	-0.1
42	0.1	0.1	0.1	-0.2	0.0	0.3	0.0	0.0	0.2	0.2	0.0	0.6	0.0	0.0	0.2	-0.1
43	0.6	-0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.1
44	0.1	0.2	-0.1	-0.2	-0.1	0.5	0.1	0.4	0.0	0.0	0.1	0.1	0.0	0.1	0.1	-0.1
45	-0.1	0.3	0.0	0.0	0.5	-0.1	-0.1	0.0	0.1	0.2	0.0	-0.1	0.0	0.0	-0.1	0.0
46	0.0	0.0	0.0	0.1	1.0	0.0	0.0	0.1	0.2	0.0	0.0	0.1	0.1	-0.1	0.1	0.1
47	0.1	0.0	0.1	0.0	0.6	0.0	-0.1	-0.1	-0.1	0.0	-0.1	0.0	0.0	0.0	0.1	-0.1
48	-0.3	0.1	0.0	-0.3	0.2	0.1	-0.2	-0.1	0.0	0.2	0.0	-0.2	-0.2	-0.2	0.1	0.2

Red and yellow highlighted values show statistically significant loadings. Factors having 2 or more such highlighted values are considered under final list of factors. Finally, I got 7 factors with required number of significant variables in it.

Final factors,

Factor No.	Factor	Variable 1	Variable 2	Variable 3	Variable 4	Variable 5	Variable 6	Variable 7
Factor 0	Brand Attitude	When I am involved in my favourite brands, I never look for other brands.	My brand delivers which it promises.	Without any recall efforts, I can remember my brands quickly.	Buying preferred brand is now my habit.	I recognize my favourite brands even by colour of its packet.	My buying behaviour towards favourite brands is never deviating in normal conditions.	I have complete clarity about my brands so I do not prefer other brands.
Factor 1	Brand Popularity	The return I am getting on money spent on FMCG decides my product loyalty.	My brands remains updated with change in technology and buyer's preferences.	Advertising of FMCG products help me to take buying decision.				
Factor 2	Consumer Satisfaction	After using my preferred brands I get positive feeling.	I am very satisfied with brands which I use so I repeat purchase.					
Factor 3	Brand Switch	Due to product placement, I sometimes change my buying decision.	I like to try different FMCG brands every time.	I usually get board after buying same brand for some time.				
Factor 4	Brand Commitment	I have develop emotional relationship with the brands I purchase.	I never buy other brands if my favourite brands are not available.	If my favourite brand is not available in store, I don't purchase other brand.				
Factor 5	Purchase Decision	I prefer to buy brands which are more than 50 years old with good track record.	My purchase decision always based on choice of family members.					

4. Structured Equation Modelling (SEM):

4.1 All variables used for defining factors are further considered for SEM analysis. SEM can help to check various relationship among the variables and to define model which can further help to take important business decisions.

4.2 Few hypothetical relationships among variables are defined as follows.

Measurement model

BrandAttitude =~ INVO1 + BRIM1 + ACCE1+ HABI1 + BRAW1 + REPU3 + CLAR1

BrandPopularity =~ PEVA1 + BRPE1 + ADVE1

FamilyDemographics =~ FamilyType + TotalMember + Head

ConsumerSatisfaction =~ BRAF1 + CUSA1

BrandSwitch =~ PRPL1 + REPU1 + REPU2

BrandCommitement =~ REPR1 + COMM1 + AVAI1

PurchaseDecision =~ BRCR1 + FASO1

Regressions

BrandLoyalty ~ BrandAttitude + BrandPopularity + FamilyDemographics + ConsumerSatisfaction + BrandSwitch + BrandCommitement + PurchaseDecision

4.3 SEM model fitting process run using Python's 'SEMOPY' library. Output of the Python process is as follows.

#	lval	op	rval	Estimate	Std. Err	z-value	p-value		#	lval	op	rval	Estimate	Std. Err	z-value	p-value
0	INVO1	~	BrandAttitude	1.0	-	-	-		41	BrandSwitch	~~	BrandPopularity	0.3	0.1	3.1	0.0
1	BRIM1	~	BrandAttitude	0.9	0.2	5.7	0.0		42	BrandSwitch	~~	BrandAttitude	0.2	0.1	3.0	0.0
2	ACCE1	~	BrandAttitude	0.9	0.2	5.9	0.0		43	ConsumerSatisfaction	~~	ConsumerSatisfaction	0.3	0.1	4.0	0.0
3	HABI1	~	BrandAttitude	0.9	0.2	5.3	0.0		44	ConsumerSatisfaction	~~	BrandCommitement	0.1	0.0	1.7	0.1
4	BRAW1	~	BrandAttitude	1.1	0.2	6.0	0.0		45	ConsumerSatisfaction	~~	BrandPopularity	0.3	0.1	4.0	0.0
5	REPU3	~	BrandAttitude	0.8	0.2	5.2	0.0		46	ConsumerSatisfaction	~~	BrandAttitude	0.2	0.1	3.6	0.0
6	CLAR1	~	BrandAttitude	0.9	0.2	5.5	0.0		47	FamilyDemographics	~~	FamilyDemographics	0.2	0.0	5.8	0.0
7	PEVA1	~	BrandPopularity	1.0	-	-	-		48	FamilyDemographics	~~	ConsumerSatisfaction	0.1	0.0	2.7	0.0
8	BRPE1	~	BrandPopularity	0.7	0.1	6.0	0.0		49	FamilyDemographics	~~	BrandCommitement	0.0	0.0	0.0	1.0
9	ADVE1	~	BrandPopularity	0.7	0.1	6.2	0.0		50	FamilyDemographics	~~	BrandPopularity	0.0	0.0	1.2	0.2
10	FamilyType	~	FamilyDemographics	1.0	-	-	-		51	FamilyDemographics	~~	BrandAttitude	0.1	0.0	1.8	0.1
11	TotalMember	~	FamilyDemographics	-4.4	0.7	-6.8	0.0		52	BrandCommitement	~~	BrandCommitement	0.3	0.1	2.1	0.0
12	Head	~	FamilyDemographics	0.8	0.1	6.7	0.0		53	BrandCommitement	~~	BrandPopularity	0.1	0.1	1.0	0.3
13	BRAF1	~	ConsumerSatisfaction	1.0	-	-	-		54	BrandCommitement	~~	BrandAttitude	0.1	0.0	1.7	0.1
14	CUSA1	~	ConsumerSatisfaction	1.2	0.2	6.0	0.0		55	BrandAttitude	~~	BrandAttitude	0.5	0.1	3.4	0.0
15	PRPL1	~	BrandSwitch	1.0	-	-	-		56	BrandPopularity	~~	BrandPopularity	0.9	0.2	5.5	0.0
16	REPU1	~	BrandSwitch	1.0	0.2	4.9	0.0		57	BrandPopularity	~~	BrandAttitude	0.4	0.1	4.3	0.0
17	REPU2	~	BrandSwitch	0.9	0.2	4.2	0.0		58	BRIM1	~~	BRIM1	0.6	0.1	7.5	0.0
18	REPR1	~	BrandCommitement	1.0	-	-	-		59	Head	~~	Head	0.2	0.0	7.1	0.0
19	COMM1	~	BrandCommitement	1.2	0.4	3.3	0.0		60	COMM1	~~	COMM1	1.0	0.2	5.9	0.0
20	AVAI1	~	BrandCommitement	1.5	0.4	3.3	0.0		61	AVAI1	~~	AVAI1	0.9	0.2	4.6	0.0
21	BRCR1	~	PurchaseDecision	1.0	-	-	-		62	BrandLoyalty	~~	BrandLoyalty	0.0	0.0	3.3	0.0
22	FASO1	~	PurchaseDecision	0.4	0.1	2.9	0.0		63	REPU2	~~	REPU2	1.1	0.1	7.6	0.0
23	BrandLoyalty	~	BrandAttitude	0.1	0.1	2.6	0.0		64	BRCR1	~~	BRCR1	0.2	0.4	0.5	0.6
24	BrandLoyalty	~	BrandPopularity	0.0	0.0	1.2	0.2		65	BRAW1	~~	BRAW1	0.6	0.1	7.2	0.0
25	BrandLoyalty	~	FamilyDemographics	0.0	0.0	0.2	0.8		66	PRPL1	~~	PRPL1	0.7	0.1	6.5	0.0
26	BrandLoyalty	~	ConsumerSatisfaction	0.0	0.1	0.3	0.8		67	TotalMember	~~	TotalMember	5.3	0.8	7.0	0.0
27	BrandLoyalty	~	BrandSwitch	0.2	0.1	3.6	0.0		68	FamilyType	~~	FamilyType	0.0	0.0	1.1	0.3
28	BrandLoyalty	~	BrandCommitement	-0.1	0.1	-1.1	0.3		69	ADVE1	~~	ADVE1	0.8	0.1	7.6	0.0
29	BrandLoyalty	~	PurchaseDecision	0.1	0.1	2.6	0.0		70	FASO1	~~	FASO1	1.4	0.2	8.0	0.0
30	PurchaseDecision	~~	PurchaseDecision	1.3	0.4	3.1	0.0		71	REPR1	~~	REPR1	1.3	0.2	7.4	0.0
31	PurchaseDecision	~~	BrandSwitch	-0.1	0.1	-1.6	0.1		72	BRAF1	~~	BRAF1	0.4	0.1	5.6	0.0
32	PurchaseDecision	~~	FamilyDemographics	0.0	0.0	-0.5	0.6		73	PEVA1	~~	PEVA1	0.3	0.1	2.5	0.0
33	PurchaseDecision	~~	ConsumerSatisfaction	0.0	0.1	0.1	0.9		74	REPU1	~~	REPU1	0.7	0.1	6.6	0.0
34	PurchaseDecision	~~	BrandCommitement	0.2	0.1	2.5	0.0		75	REPU3	~~	REPU3	0.8	0.1	7.9	0.0
35	PurchaseDecision	~~	BrandPopularity	0.0	0.1	0.0	1.0		76	ACCE1	~~	ACCE1	0.5	0.1	7.4	0.0
36	PurchaseDecision	~~	BrandAttitude	0.0	0.1	0.4	0.7		77	BRPE1	~~	BRPE1	1.0	0.1	7.7	0.0
37	BrandSwitch	~~	BrandSwitch	0.4	0.1	3.3	0.0		78	INVO1	~~	INVO1	1.0	0.1	7.9	0.0
38	BrandSwitch	~~	FamilyDemographics	0.0	0.0	1.2	0.2		79	CUSA1	~~	CUSA1	0.2	0.1	3.0	0.0
39	BrandSwitch	~~	ConsumerSatisfaction	0.1	0.1	2.4	0.0		80	HABI1	~~	HABI1	0.8	0.1	7.9	0.0
40	BrandSwitch	~~	BrandCommitement	0.0	0.1	0.5	0.6		81	CLAR1	~~	CLAR1	0.7	0.1	7.8	0.0

All yellow highlighted variables are the one where p value is low, so they are statistically significant to become part of brand loyalty model.

4.4 Further model is fitted with yellow highlighted variables. Model looks as below.
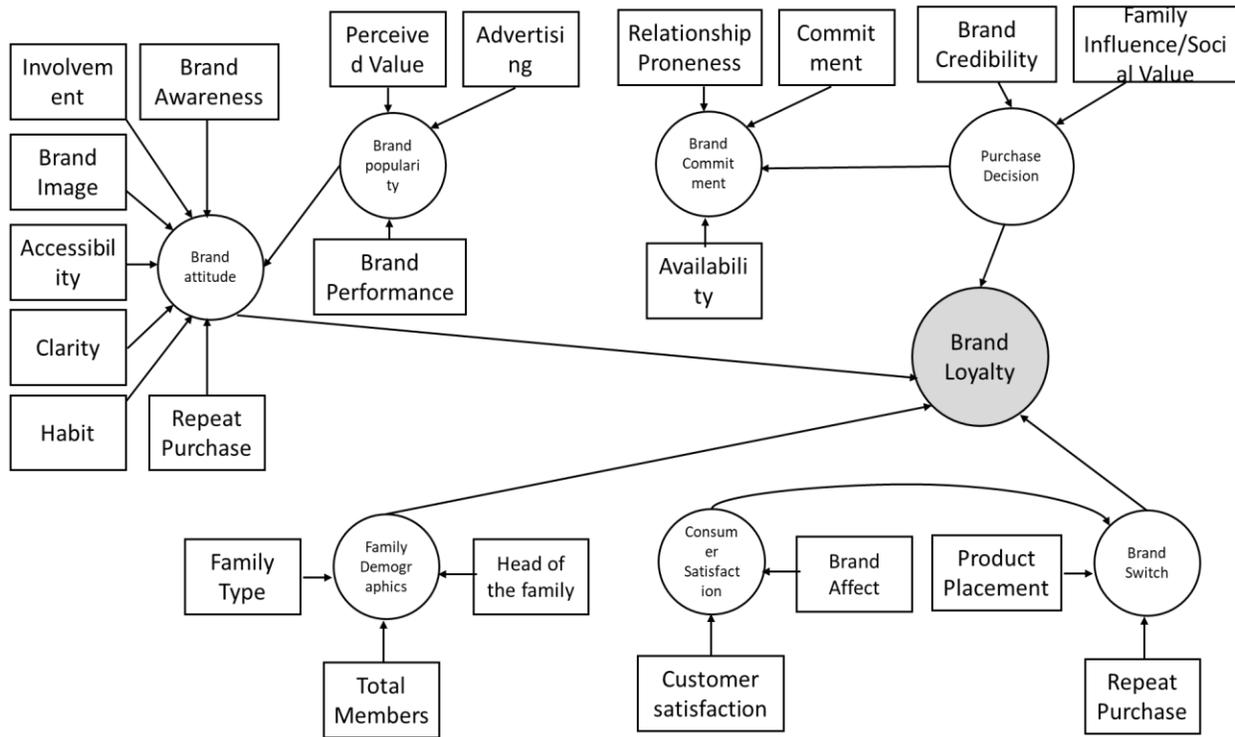
4.4 Conclusion:

From the outcomes of initial analysis, it has been concluded that Brand Loyalty is affected by many latent variables like Brand Attitude, Brand Popularity, Brand Commitment, Purchase Decision, Family Demographics, Consumer Satisfaction and Brand Switch.

Also, these latent variables are further affected by many measurable variables. Above mentioned model will improve further with more data points.

Questionnaire used for data collection:

Brand Loyalty Parameters of Fast Moving Consumer Goods (FMCG)
Research Questionnaire

Dear Respondent,

Thank you so much in advance for your valuable time to provide inputs on the research questions below. Your true responses will help us to design a model that can further help FMCG manufacturers and retailers in India. Your responses are very important for the study so please answer them with utmost accuracy and quality. We assure you that, this questionnaire is only meant for educational study and your views and personal information would remain with us with greater security. No personal Information would get publish in any media. Provided data would only be summarize and use for research analysis. Thank you once again.

Devang Kale (Research Scholar – M. S. University of Baroda, Faculty of Management Studies. (+91 9925111885)

Name of Respondent: _____

Age Group: 18-30 ☐   31-40 ☐   41-50 ☐   51-60 ☐   >61 ☐

Gender: F ☐   M ☐   City: _____   State: _____

Mobile No.: ☐☐☐☐☐☐☐☐☐☐

Email: _____@_____

Family Type: Joint ☐   Nuclear ☐   Total Family Members: _____

Head of the Family: Grand Parents ☐   Father ☐   Mother ☐   Brother/Sister ☐

From where you buy FMCG products?:   Traditional Grocery Stores ☐   Hyper/Super Markets ☐   Online Purchase ☐

Name of Retailers (only for hyper/supermarkets and online purchases): _____

Given Rs. 100 how much you spend through?:   Traditional Grocery Stores ☐   Hyper/Super Markets ☐   Online Purchase ☐

Please write your favorite FMCG brand names under each category given below. (Write them in order of preference.)

Shampoos	Washing Powders	Soft Drinks	Chocolates

Given Rs. 100 how much you will spend to buy your favorite brands of given categories?

Shampoo brands		Soft Drink brands	
Washing Powder brands		Chocolate brands	

1

Strongly Disagree (SD) - 1

Disagree (D) - 2

Undecided/Neutral (UN)- 3

Agree (A) - 4

Strongly Agree(SA) - 5

	Note: Provide inputs with respect to your favorite brands mentioned above.	Shampoo brands					Washing Powder brands					Soft Drink & Chocolate brands				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
1	After using my preferred brands, I get positive feeling.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
2	I am very satisfied with brands which I use so I repeat purchase.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
3	I do not switch to other brands as they are costly.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
4	I buy only those brands on which I have faith.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
5	I have developed emotional relationship with the brands I purchase.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
6	When I am involved in my favorite brands, I never look for other brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
7	The return I am getting on money spent on FMCG decides my product loyalty.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
8	I never buy other brands if my favorite brands are not available.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
9	My brands remains updated with change in technology and buyer's preferences.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
10	Brand performance really matters to me for loyalty towards it.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
11	I keep religious beliefs in center while selecting my brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
12	My brands are economical.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
13	It is wise decision to purchases my brand even if other brands are same.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
14	My brand delivers which it promises.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
15	Without any recall efforts, I can remember my brands quickly.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
16	Buying preferred brand is now my habit.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA

	Note: Provide inputs with respect to your favorite brands mentioned above.	**Shampoo brands**					**Washing Powder brands**					**Soft Drink & Chocolate brands**				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
17	I prefer to buy brands which are reputed among the larger group of buyers.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
18	I prefer to buy brands which are more than 50 years old with good track record.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
19	I feel good when I use my favorite brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
20	I like packaging and other features of my favorite brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
21	In my next purchase I would like to buy these brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
22	I prefer to buy brands which are matching with my value system.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
23	My purchase decision always based on choice of family members.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
24	If my favorite brand is not available in store, I don't purchase another brand.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
25	During Pandemic, I used to buy brands which were available nearby and not the one which I prefer.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
26	I never use to switch to other brand only because they offer discounts.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
27	Advertising of FMCG products help me to take buying decision.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
28	Personal selling in super stores helps me to take right buying decision.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
29	I must compare product features of various brands before buying the final one.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
30	I continue to buy same brand as gift/bended/assortment pack are available for it.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA

3

| **Strongly Disagree (SD) - 1** | | **Undecided/Neutral (UN) -3** | | **Agree (A) - 4** |
| **Disagree (D) - 2** | | | | **Strongly Agree(SA) - 5** |

	Note: Provide inputs with respect to your favorite brands mentioned above.	**Shampoo brands**					**Washing Powder brands**					**Soft Drink & Chocolate brands**				
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
31	Due to product placement, I sometimes change my buying decision.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
32	I recognize my favorite brands even by color of its packet.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
33	My purchase decision never changes based on the celebrity endorsement.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
34	I like to try different FMCG brands every time.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
35	My buying behavior towards favorite brands is never deviating in normal conditions.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
36	I do consider brand's market share before buying it.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
37	I have complete clarity about my brands, so I do not prefer other brands.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA
38	I usually get board after buying same brand for some time.	SD	D	UN	A	SA	SD	D	UN	A	SA	SD	D	UN	A	SA

FMCG Brands that you purchased in the last few months.

Month	Shampoos	Washing Powders	Soft Drinks	Chocolates
Jun 22				
May 22				
Apr 22				
Mar 22				
Feb 22				
Jan 22				
Dec 21				
Nov 21				

FMCG Brands Acceptance/Rejection scale. Please specify **count of brands** under each category.

Level	Shampoos	Washing Powders	Soft Drinks	Chocolates
Acceptable				
Neutral				
Not Acceptable				

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