Socio-economic factors influencing brand switching – A study on personal care products

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Abstract

Marketing academics and practitioners have acknowledged that consumers look for brands that provide them with unique and memorable experiences. As a result, the concept of brand experience has become of great interest to marketers. Emotions play an important role in determining the extent of satisfaction or dis satisfaction with purchased brands of products or services. A consumer who subsequently experiences positive emotions such as joy and pleasant surprise is likely to be satisfied with the brands purchased. Conversely, of course, if the consumer experiences negative emotions such as distress or anger, the result is dis satisfaction. Consumers in general are more emotionally involved with personal care products because of many intrinsic as well as extrinsic factors. It reflects who they are. These emotions become the influencing factors on consumer's satisfaction and behaviour.

Objective: This study provides a meaningful insight into analysing the impact of emotional branding factors on post consumption satisfaction and brand switching behaviour. Selected personal care products are chosen for the study

Methodology: This paper draws on a non-probability quota sample of consumers belonging to Chennai.

Results: The present study shows that emotional branding can influence post consumption satisfaction and can reduce the chance of brand switching.

Research implications/Limitations: It is recognized that the study focus is on the regions of Chennai; hence it cannot be generalized for the whole industry. Further studies can explore the different dimensions in other regions.

Paper type – Research paper

Keywords: Emotions, Emotional branding, Post consumption satisfaction, brand switching behaviour.

INTRODUCTION

More and more brands and products are being launched every day. At such times, the customer gives very less time and attention is given to brands. Brands have to attract customers within seconds. Thus, the brand building starts much before the customer enters the final buying stage. Equally important is the fact, that at the buying stage, the customer can switch brands easily. Instead of deciding to go ahead with a brand, the customer can decide to finalise a competitor's product or brand. So what are the reasons for brand switching?

Reasons for Brand Switching:

(i)   Value for money: The first and foremost condition which comes to mind when a customer is buying a product is value for money. So, one of the major reason for brand switching is "not enough value" being provided by a brand against the price being offered to the customer. This value can be monetary, it can be emotional value or it can be targeted towards the personality of the buyer. Increase the value offering to stop the customer from brand switching.

(ii)   Marketing communications: It has to attract new customers and build the brand. Naturally, if a competitor's brand is good at it, lot of customers will shift brands immediately.

(iii) Brand fatigue: The last and most valid reason is when people want to try new things. Hence, when customers want to try something new in the market, they do brand switching and try out a new brand. Such customers are highly likely to return to the old brand again.

The decision by consumers to substitute alternative brands for the ones they currently consume. This may be a response to dissatisfaction with their existing brand, the attractions of newly-available

brands or consumer's search for variety Brand switching may be induced by advertising and sales promotion designed to overcome brand loyalty to existing brands.

LITERATURE REVIEW

Customer satisfaction has been the subject of many studies since the early 1970s which have shown it to be a construct with reasonably good reliability that is distinct from related constructs such as customer attitudes, product performance and service quality (Oliver, 1980, 1981; Westbrook and Oliver, 1981; Churchill and Surprenant, 1982; Tse and Wilton, 1988; Iacobuccietal., 1995; Sprengetal., 1996). Customer satisfaction is generally defined as the customer's psychological response to his/her positive evaluation of the consumption outcome in relation to his/her expectation (Hunt, 1977; Oliver, 1981; Tse and Wilton, 1988; Kristensen, et al., 1999). This definition is rooted in the disconfirmation paradigm, which suggests that satisfaction judgments are formed in a process of comparison of perceived performance with pre-experience expectations. Satisfaction results from positive disconfirmation - i.e. product performance is greater than that initially expected. This formulation of the link between satisfaction and its antecedents posits only an indirect effect of product performance on satisfaction. The key antecedent is held to be the disconfirmation - that is the intervening process that conveys the effects of expectation and product performance. Bolton and Drew (1991) concluded that most empirical studies of the traditional disconfirmation model concentrate on investigation of the determinants, its interaction and instruments of customer satisfaction with a partial thinking. Current researches of this model focus on the integrated measurement with an index, the American Customer Satisfaction Index (ACSI), was proposed by Fornell, et al. (1996). Wirtz, et al. (1999) suggested a model of customer satisfaction index (CSI) which was made of nine elements including overall service quality (OSQ), expectation (E), perception (P), disconfirmation, equity, attribution, customer satisfaction index, customer complaint and customer loyalty repurchase intention (PI). However, a number of empirical studies have shown that, for durable and highinvolvement products, product usage and performance has a direct effect on satisfaction (Churchill and Surprenant, 1982; Tse and Wilton, 1988; Patterson. 1993; Shaffer and Sherrell, 1997). According to these studies, usage and performance are either the sole or the dominant determinant of customer satisfaction and the influence of expectations and disconfirmation is either absent or minor. More recently, Kristensen, et al. (1999) argue that performance/quality is the main driver of satisfaction in most cases.

Although it is generally accepted that prior expectation does influence usage and performance, there is considerable uncertainty regarding the nature of its impact. Anderson (1973) suggests that there are at least three theories concerning the relationship between expectations and product satisfaction. Empirical studies on the relationship between expectation and product usage and performance have generated inconsistent results with expectation being shown to have positive, negative and no effect on performance (for a brief review see Kristensen, et al., 1999). In part, this is due to complexity of expectation as a concept (researchers have differing conceptualisations) and the difficulty of capturing it empirically (Gronroos, 1993; Cronin and Taylor, 1992; Kristensen, et al, 1999. Kristensen, et al., (1999, p.602) observes that expectation is such a complex concept that it is hard to achieve reliable and valid measures. Similarly, Gronroos (1993, p.61) notes that it does not seem possible to make independent measurements of customer expectations... Shukla (2001) also observes that the real challenge in measuring the satisfacti on (or dissatisfaction) is that it just cannot be measured by taking into consideration performance and expectation. The whole measurement is a very complex process. It does seem valid, at least in certain circumstances, to develop models based on customer experience of product quality alone. In this article, we follow this general rational and focus on the relation of product usage and satisfaction. We do not probe into how expectations of different groups of consumers are formed, or how expectations influence their perception.

The above mentioned literature shows that there remains a gap in our understanding of brand loyalty and switching behaviours. The factors that allow the brand switching to occur require further study, and this article is an attempt to provide further exploration of this phenomenon.

PERSONAL CARE INDUSTRY

India's personal care industry is composed of hair care, bath products, skin care and cosmetics, and oral care. The sector is driven by rising income, rapid urbanization, and celebrity promotions. This industry accounts for 22% of the country's fast-moving consumer goods (FMCG), which is the term for Consumer Packaged Goods in India. Foreign direct investment in this sector totaled $691 million in 2014.

Hair care is a main category of this industry. A study by Nielsen, a market research firm, determined that shampoo is the most popular FMCG product in India. The $818 million shampoo segment is dominated by **Hindustan Unilever Ltd.**, owned by U.K.-based Unilever. Its most popular brands are *Sunsilk*, *Clear*, and *Clinic Plus*. Hair oil is another important product, valued at $1.3 billion annually. India-based **Marico's Parachute** and **Dabur** are leaders in the production of branded coconut hair oil. Estimated at $1 billion, the soap and bath category is significant. Soap is a prevalent product found in more than 90% of Indian households. The most common brands include Godrej's *Cinthol*, Reckitt Benckiser's *Dettol*, Wipro's *Santoor*, and Unilever's *Lux*, *Dove*, *Hamam*, and *Lifebuoy*. For men, shaving cream and razors are important personal care items. **Procter & Gamble's***Gillette* is the most popular shaving cream and razor brand in India.

Within the cosmetics category, India's most prevalent products are skin creams, lotions, whitening creams, and makeup. Hindustan Unilever has three brands that are popular among Indian women—*Fair & Lovely*, *Lakmé*, and *Ponds*. *Fair & Lovely* was the world's first skin lightening cream and is the company's leading skin care brand. **Colgate Palmolive's** *Charmis* moisturizer is also prominent. The majority of the demand for cosmetics comes from working men and women. **L'Oreal Paris** develops both skin care and cosmetic products for India. New York-based **Revlon** expanded further to smaller cities in India, generating $40 million in revenues in 2014.

The organic skin care category grows at over 20 percent annually and is expected to total $157 million in 2020, according to Azafran Innovacion, an organic skincare group. Large Indian organic skin care companies include **Himalaya Herbals** and **Biotique**. Both specialize in Ayurveda-based products.

The oral care category is the smallest category; less than half of Indian consumers utilize western-style products such as toothpaste. **Colgate Palmolive** dominates more than half of this industry and was named India's most trusted brand four years in a row by a brand equity survey. Hindustan Unilever is another significant player with toothpaste brands *Pepsodent* and*Close Up*.

OBJECTIVES

The research addresses the following issues:
(i) To study the impact of demographic characteristics namely, Age, Gender, Marital status, Status group, Family composition on Brand Switching
(ii) To study the reasons for switching brand

RESEARCH METHODOLOGY

The present study is descriptive research based on the questionnaire circulated in the areas of Chennai, Tamil Nadu. The questionnaire had multiple choice questions to know general information like Age, Gender, Marital status, Family composition, Status group and specific information like their personal care products, number of years used, brand loyalty, brand switching and their emotional responses toward personal care products.

The data collected was analyzed mainly through descriptive statistics, using chi-square method. The SPSS (version 20.0) software was used to execute the analysis process. Methods such as histograms, pie charts and tabular formats were used to derive and summarize the data. The desired level of significance was 0.05 with the chi square test.

ANALYSIS AND INTERPRETATION

Socio-economic profiles of the customers have greater impact on the brand switching behaviour of the customers. Initially the Age, Gender, Marital status, Family composition, Education, Income, Status group were analysed.

Table 1 : Socio-economic profiles of the respondents

Variables	Categories	Percentage of respondents
Gender	Male	30%
	Female	70%
Marital status	Married	45
	Single	55
Age	Below 20	0
	20 -30 years	40
	30 – 40 years	60
	40 – 50 years	0
	50 – 60 years	0
	Above 60 years	0
Family composition	<= 2 Adults	30
	3 Adults	25
	>3 Adults	15
	<= 2 Children	25
	3 Children	0
	>3 Children	5
Education	Intermediate & below	0
	Graduate	10
	Post graduate	75
	Doctoral & professional	15
Income	Below 15000	15
	15000 – 25000	25
	25000 – 35000	10
	35000 – 45000	20
	Above 45000	30
Status group	Student	20
	Employed	60
	Unemployed	10
	Business	0
	Home maker	10

The majority of the respondents are female. The marital status is almost similar. The age group of the respondents are 20 – 30 years and 30 – 40 years, who are young adults and Adults. Most of the respondents are well educated. Their family composition is Adults with or without 2 children. The respondents were distributed fairly belonging to all income levels.

They are Student or employed and very few were unemployed or home maker.

Chi-square of socio-economic variables and brand loyalty:

Hypothesis 1:
H0: There is no significant association between gender and brand switching
H1: There is significant association between gender and brand switching
Table 2: Gender and Brand switching

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.791	4	.774
Likelihood Ratio	2.299	4	.681
Linear-by-Linear Association	.012	1	.912

Interpretation:
The Chi-square test revealed that the Pearson's significant level 0.774 is greater than 0.05; hence the null hypothesis is accepted. And it is concluded that there is no association between gender and brand switching.

Hypothesis 2:
H0: There is no significant association between age and brand switching
H1: There is significant association between age and brand switching
Table 3: Age and Brand switching

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.520	4	.014
Likelihood Ratio	14.909	4	.005
Linear-by-Linear Association	8.437	1	.004

Interpretation:
The Chi-square test revealed that the Pearson's significant level 0.014 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between age and brand switching.

Hypothesis 3:
H0: There is no significant association between marital status and brand switching
H1: There is significant association between marital status and brand switching
Table 4: Marital status and Brand switching

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.413	4	.001
Likelihood Ratio	25.116	4	.000
Linear-by-Linear Association	15.468	1	.000

Interpretation:
The Chi-square test revealed that the Pearson's significant level 0.001 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between marital status and brand switching.

Hypothesis 4:
H0: There is no significant association between family composition and brand switching
H1: There is significant association between family composition and brand switching
Table 5: Family composition and Brand switching

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.714	16	.000
Likelihood Ratio	36.884	16	.002
Linear-by-Linear Association	2.284	1	.131

Interpretation:
The Chi-square test revealed that the Pearson's significant level 0.000 is less than 0.05; hence the alternate hypothesis is accepted. And it is concluded that there is association between family composition and brand switching.

Hypothesis 5:
H0: There is no significant association between status group and brand switching
H1: There is significant association between status group and brand switching

Table 6: Status group and Brand switching

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.317	12	.061
Likelihood Ratio	21.813	12	.040
Linear-by-Linear Association	.036	1	.850

Interpretation:
The Chi-square test revealed that the Pearson's significant level 0.061 is greater than 0.05; hence the null hypothesis is accepted. And it is concluded that there is no association between status group and brand switching.

SUGGESTIONS & CONCLUSION

This study identifies how effectively the socio-economic factors like gender, age, marital status, family composition, status group can influence consumer brand switching. Loyal consumers exhibit more positive emotions like trust, commitment, love, happy, pride and so on. The study has analysed the switching behaviour of soap, creams and talcum powder.
It is concluded that there is no association between gender and brand switching. Both male and Female show same tendencies when it comes to brand switching.

It is concluded that there is association between age and brand switching. Age has a predominant role in brand switching. Naturally the older you grow more loyal we are towards the brand.

It is concluded that there is association between marital status and brand switching. Married customers tend to switch brands less frequently.

It is concluded that there is association between family composition and brand switching.

It is concluded that there is no association between status group and brand switching. Any dis-satisfied customer irrespective of the status group can switch brands.

In today's world of impulse buying, strong promotions and changing trends, marketers must position their brands in a unique and strong way to retain their customers. A new way is emotional branding, since satisfaction exhibits more positive emotions.

Rucker and Petty build on this area and focus on emotions with the same valence. Previous research has shown that some *negative* emotions, such as anger and anxiety, involve a state of high psychological and physiological arousal (such as increased heart rate, increased left-prefrontal activity in the brain). Other negative emotions, such as sadness and depression, involve a state of low arousal. Using these facts, Rucker and Petty examined how the level of emotion activation affects persuasion.

Although we might consider ourselves as making purely rational decisions, we make purchases for emotional reasons frequently. This behaviour can be impacted by the brands themselves as well as their advocates. To market successfully, brands need to be aware of their identity.

People tend to justify emotional choices with non-emotional reasons. This phenomenon is called post-hoc realization.

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