EXPLAINING THE FACTORS OF BRAND LOYALTY AT RETAIL STORE WITH SPECIAL EMPHASIS ON SHOPPERS STOP

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ABSTRACT

The purpose of this research is to investigate the factors of brand loyalty towards retail store (a multi brand apparel store, India). The five factors of brand loyalty are Price, Product Quality, Assortments, Customer Service and Offers. Product quality has shown strong correlation with brand loyalty. In order to increase customer satisfaction and drive them to be brand loyalists, marketers are encouraged to develop aggressive marketing programs. The primary data collected by questionnaires was analyzed by using conjoint analysis. The research results showed that there is a significant involvement between factors of brand loyalty (product quality, price, assortments, service quality and offers) with Shoppers Stop brand loyalty. It also throws light on the fact to increase brand loyalty Shoppers Stop must focus on the assortments available at the stores and the kind of seasonal offers. The paper concludes highlighting multi brands apparel stores to incorporate these key attributes (product quality, price, assortments, service quality and offers) in practice in order to serve and attract more customers and increase brand equity.

KEYWORDS: Brand loyalty, Brand equity, Multi brand store, Shoppers Stop,

INTRODUCTION

The Indian Retail sector has been able to capture the world's attention in the past few years. Being one of the most lucrative retail destination for the past three four years, it had retail giants like Wal-Mart, Carrefour and Tesco sizing up the potential partners and waiting to enter the fray.

India's retail growth is largely driven by the increasing disposal incomes, favorable demographics, changing lifestyles, growth of middle class segment and a high potential for penetration into urban and rural market. But with ongoing financial crisis there has been a significant credit squeeze, low operating cost and low customer satisfaction.

India's retail market is expected to cross 1.3 trillion USD by 2020 from the current market size of 500 billion USD (FICCI, 2012). Modern retail with a penetration of only 5% is expected to grow about six times from the current 27 billion USD to 220 billion USD, across all categories and segments (FICCI, 2012).

There are many major players in Indian retail market like Pantaloons retail, Shoppers Stop, Lifestyle, Reliance retail, Tata Trent etc., which have gain popularity in due course of times. Some players like Pantaloons, Tata Trent are well known for their in house brands while the others like Shoppers Stop, Lifestyle etc. are the house for international and domestic brands. In the highly competitive market to increase the share these retail giants are building on to increase the brand loyalty in the existing as well as potential customers.

Brand loyalty is a consumer's conscious or unconscious decision that is expressed through the intention or behavior to repurchase a particular brand continually.

Brand loyalty has been proclaimed to be the ultimate goal of marketing (Reichheld and Sasser, 1990). In marketing, brand loyalty consists of a consumer's commitment to repurchase the brand through repeated buying of a product or a service or other positive behaviors such as word of mouth. This indicates that the repurchase decision very much depends on trust and quality performance of the product or service (Chaudhuri and Holbrook, 2001).

The purpose of this research is to investigate how the respondents are influenced by factors of brand loyalty towards Shoppers Stop. K Raheja corp. group is the owner of Shoppers Stop Ltd. It's offering the customers international experience through its 56 stores across 23 cities in India. The annual turnover of the company for the financial year 2011-12 is `2192 crores (Shoppers Stop annual report 2011-12) up by 17% from last year. It's the host of international as well as domestic brands like Tommy Hilfiger, CK jeans, Mango, Esprit, UCB, MUSTANG etc. Shoppers Stop Ltd has eight formats of store under its umbrella which includes Home Stop, Mother care, Crossword etc.

Brand loyalty is defined as when consumers become committed to your brand and make repeat purchase (Brandchannel.com, 2006) in order to satisfy their desires. There are many operational definitions of brand loyalty. In general, brand loyalty can be defined as the strength of preference for a brand compared to other similar available options. However, Bloemer and Kasper (1995) defined true brand loyalty as having six necessary conditions which are: 1) the biased (i.e. non-random); 2) behavioral response (i.e. purchase); 3) expressed over time; 4) by some decision-making unit; 5) with respect to one or more alternative brands out of a set of such brands; and 6) a

function of psychological processes. Thus, brand loyalty is a function of both behaviour and attitudes. It is a consumer's preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, image, or level of quality at the right price. This perception becomes the foundation for new buying habits. Consumers will initially make a trial purchases of the brand and, when satisfied with the purchase, tend to form habits and continue to purchase the same brand because the product is safe and familiar. For marketers "brand loyalty" has always been a subject for discussion as it varies according to consumer behavior and their preferences. For wide variety of products and services there are many factors on which the loyalty of consumers depends.

LITERATURE REVIEW

Store loyalty comprises of consumer attitudes, purchase intentions and actual purchasing behavior (Anic, 2006). Most of the research studies define store loyalty as multidimensional concept which includes behavioral and attitudinal factors (Bustos-Reyes and González-Benito, 2008; Evan schitzky et al., 2006). Attitudinal loyalty is customer's psychological attitude towards brand or store (Yavas, 2009). Behavioral loyalty reflects to customer behaviour: past patronage in the same store and possibility of future repeat patronage (Yavas, 2009). In order to understand customer long term relationships both are important, attitudinal and behavioral loyalty (Yavas, 2009).

The success of a brand in the long term is not based on the number of consumers that buy it once, but on the number of consumers who become regular buyers of the brand. Thus, repeat purchases and customer loyalty are prioritized by retailers (Odin et al., 1999). Bayus (1992) suggested that maintaining brand loyalty is becoming a critical component in the development of competitive strategy, thus highlighting the importance of developing methods to measure and evaluate brand loyalty.

Davis (2002) identified positive consequences resulting from a strong brand other than simply increased sales. Strong brands have been correlated with increasing market share; lending credibility to new product developments; as well as commanding a premium. Most importantly, consumers appear fewer prices sensitive and more trusting towards these brands.

Dick et al. (1997) find in their study that consumers judging brand quality on the basis of direct and indirect attributes. Direct attributes include ingredients, taste and texture, while indirect attributes are price and brand name. Direct factors are difficult for consumers to test without

consuming the product. Therefore, dependence on indirect quality indicators such as brand name and price are more heavily relied upon. The researcher further suggested that a detailed understanding of how these indirect attributes impact different consumer groups in their purchasing decisions may help retailers to improve success of brands. Desai and Talukdar (2003) design a product-price saliency framework to inspect how consumers form an overall store price image (OSPI). Their study shows that products with high unit prices and high purchase frequency are more salient and therefore contribute more to OSPI, with purchase frequency dominating unit price in importance. Alba et al. (1994) studied how consumers' perceptions of store prices change with prior beliefs and information. Their study revealed that, although prior beliefs affect price perceptions, frequency of price advantage dominates both prior beliefs and magnitude of price advantage in influencing consumers' perceptions of store price level.

OBJECTIVES

1. To identify the factors which influence the brand loyalty of customers at Shoppers Stop.
2. To study the variations among the different factors that affects brand loyalty of the store.

RESEARCH METHODOLOGY

We propose to carry out this part of research through detailed questionnaire which will be circulated offline as well as online. The online method is suggested to save time as well as other resources. The offline questionnaire will allow us the opportunity to visit the apparel stores for real time experience. Based on the extensive literature review, key attributes were identified. Further 16 profiles were constructed to estimation stimuli set. On this the sample was asked to fill in the preference order through a questionnaire sheet and then conjoint analysis was performed to get into the insights of the decisions made by the consumer. After collection of the sample conjoint analysis was performed on the data fulfilling the objectives of the study.

STUDY FRAMEWORK

The first and major task was to identify the attributes for the brand loyalty. The study defined five key attributes based on the pilot study on the shoppers at Shoppers stop and extensive discussion with the staff. Having chosen the attributes, levels were assigned to them. These should be realistic, plausible and capable of being ranked. The attributes and levels chosen for this study are shown in Table 1

Table 1: Attributes and their levels

Attributes	Level 1	Level 2	Level 3
Price	Rarely	Sometimes	Mostly
Assortments	Rarely	Sometimes	Mostly
Customer Service	Rarely	Sometimes	Mostly
Product quality	Rarely	Sometimes	Mostly
Offers	Rarely	Sometimes	Mostly

Price
The first attribute "Price" refers to the fact that to what level consumers consider price (Brand Loyalty) when shopping at Shoppers Stop. Price has always been a predominant factor whenever consumers purchases any product or services. Optimum pricing according to the products leads to loyalty. It varies from rarely to mostly. In addition, customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with alternative brands (Evans *et al.*, 1996; Keller, 2003). Basically, long-term relationships of service loyalty make loyal customers more prices tolerant, since loyalty discourages customers from making price comparison with other products by shopping around. Price has increasingly become a focal point in consumers' judgments of offer value as well as their overall assessment of the retailer (De Ruyter*et al.*, 1999).

Assortments
The second attribute "Assortments" refers to the variety available at the store. Do consumers consider mostly the variety or sometimes they look for it. Is variety is always what they look for whenever they step in the store. According to Sproles and Kendall (1986), fashion consciousness is generally defined as an awareness of new styles, changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy.

Customer Service
The third attribute "Customer service" throws the light of the customer handling skills of the sales executives. A common definition of service quality is that the service should correspond to the customers' expectations and satisfy their needs and requirements (Gronroos, 1990). Service quality is a kind of personal selling, and involves direct interactions between salespeople and potential buyers. Consumers like to shop at specific stores because they like the services provided and are assured of certain service privileges. The impact of salespeople-consumer relationships will generally result in long-term orientation of consumers towards the store or brand. Trust in salespeople appears to relate to overall perceptions of the store's service quality, and results in the consumer being totally satisfied with the stores in the end. Additionally, personalization (i.e. reliability, responsiveness, personalization and tangibles) significantly influence consumers' experience and evaluation of service, and in turn, affects the brand loyalty of consumers (To and Leung, 2001).

Product Quality
The fourth attribute is "product quality". It has been observed that consumers are willing to pay more for the high quality products. Product Quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as "fitness for use" or 'conformance to requirement" (Russell and Taylor, 2006). Consumers may repeat the purchase of single brands or switch around several brands due to the tangible quality of the product sold. According to Frings (2005), the components of product quality of fashion merchandise include size measurement, cutting or fitting, material, colour, function and the performance of the merchandise. Perfectionist or quality consciousness is defined as an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available (Sproles and Kendall, 1986).

Offers
The last attribute "offers" is the most critical one. Researchers say that Indian consumers are very price conscious, and most of the retail stores generate their annual profits from the biannual sales. So are Offers really a matter of concern for the Brand loyal customers of shoppers stop.

The attributes and levels in table 1 gave rise to 243 combinations. To reduce this number of profiles to a manageable level, in this study a component of the statistical package SPSS 20.0 (Orthoplan) was used. Thus the 243 possible profiles were reduced to 16. The 16 hypothetical profiles considered are shown in Table 2.

In order to elicit the preferences for the various profiles, in this study a rating approach was utilized. The respondents expressed their preferences for a particular candidate on a scale of 1 to 36, where 1 stands for absolutely undesirable, and 36 stands for absolutely desirable. The survey was conducted using the traditional "paper and pencil" method.

Table 2 : Generated list of profiles

PRICE	ASSORTMENTS	CUSTOMER SERVICE	PRODUCT QUALITY	OFFERS
Sometimes	Mostly	Mostly	Mostly	Sometimes
Rarely	Sometimes	Mostly	Mostly	Sometimes
Mostly	Sometimes	Mostly	Mostly	Sometimes
Sometimes	Mostly	Sometimes	Mostly	Sometimes
Rarely	Mostly	Sometimes	Mostly	Rarely
Rarely	Mostly	Mostly	Mostly	Rarely
Mostly	Rarely	Rarely	Sometimes	Mostly
Rarely	Sometimes	Sometimes	Rarely	Mostly
Sometimes	Rarely	Rarely	Sometimes	Rarely
Mostly	Rarely	Mostly	Mostly	Mostly
Mostly	Mostly	Sometimes	Rarely	Rarely
Sometimes	Sometimes	Rarely	Mostly	Rarely
Rarely	Rarely	Sometimes	Mostly	Rarely
Sometimes	Rarely	Rarely	Rarely	Mostly
Rarely	Rarely	Rarely	Rarely	Rarely
Rarely	Rarely	Mostly	Sometimes	Sometimes

SAMPLING PLAN

The data used for the study is the primary data collected from the respondents present at the store (Select city walk-Saket). Weekends were chosen to collect the data as during these days, store witness high footfalls. The total number of 123 respondents was targeted for the survey. Convenience sampling was the method employed.

RESEARCH INSTRUMENT

The pretested questionnaire was used for collection of primary data from total of 123 respondents. Out of those only 100 responses were found to be valid. The respondents fall in the age group of 19 to 30 years.

RESULTS

The results obtained from conjoint analysis are as follows.

UTILITY SCORE

Table 3 shows the calculated utility scores and their standard errors for each factor level. Higher utility values indicate greater preference from the perspective of the consumers. The high importance comes out with reference to product quality as an important brand loyal factor with highest score. But a point of concern is assortments and offer that lack as a brand loyal factors.

Table 3 : Utility score of different factors

|		Utility Estimate	Std. Error
Price	Rarely	-3.069	.627
	Sometimes	2.073	.767
	Mostly	.996	.625
Assortments	Rarely	-.169	.695
	Sometimes	.378	.636
	Mostly	-.208	.742
Customer_Service	Rarely	-3.299	1.050
	Sometimes	1.922	.660
	Mostly	1.376	.859
Product_Quality	Rarely	-2.846	.682
	Sometimes	-.274	.795
	Mostly	3.121	.685
Offers	Rarely	.037	.682
	Sometimes	.220	.811
	Mostly	-.257	.711
(Constant)		20.754	.462
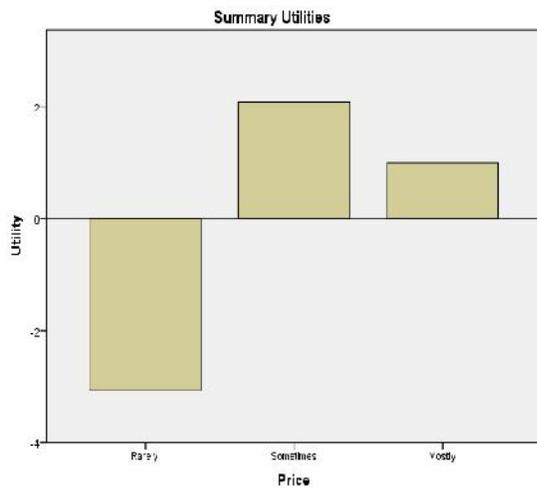
Fig 1: Price Utility Score
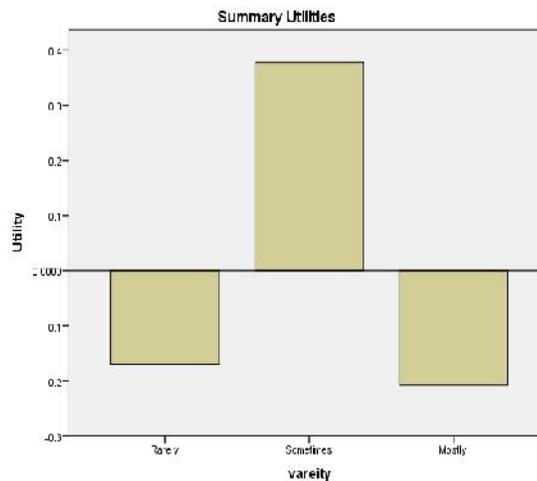

Fig 2: Variety Utility Score
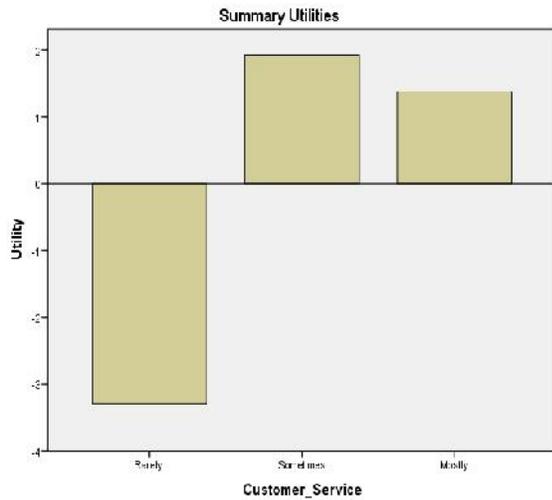
Fig 3: Customer Service Utility Score
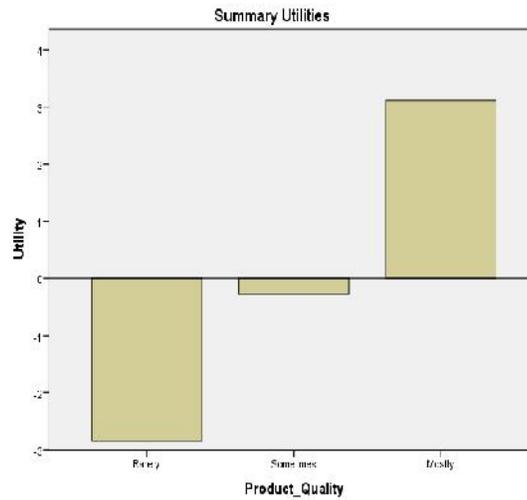
Fig 4: Product Quality Utility Score
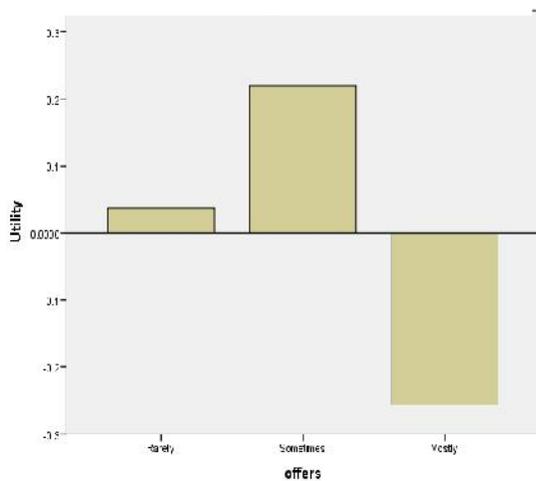
Fig 5: Offers Utility Score
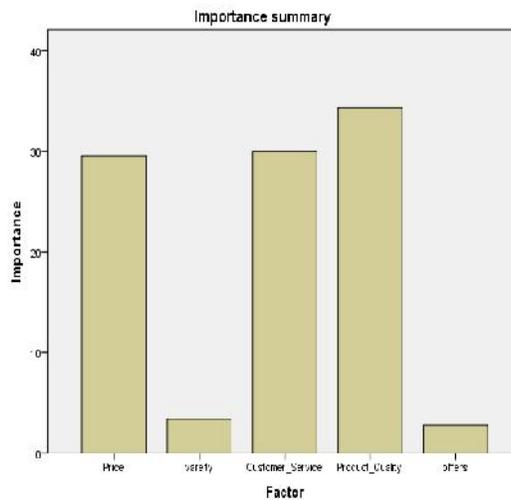
Fig 6: Importance Summary

The figure 1 highlights the fact that people do consider price sometimes when being loyal to Shoppers Stop. The reason can be attributed to the fact that prices are almost similar across all major retail formats.

Figure 2 indicates that consumers are conscious about the variety at the stores. They are not ignorant towards assortments when being loyal to the Store. But for them this is not the very necessary condition for being brand loyal at Shoppers Stop.

Figure 3 shows that customer service is one of the predominant factors for them to be loyal. They perceived the front staff as responsiveness in a manner that they were quick to help and resolve necessary queries.

Figure 4 highlights the fact that product quality in the most important parameter for customers to be loyal at shoppers stop. They perceive the quality standards really at par. This factor makes them visit the store again and make repeat purchases.

Figure 5 clearly indicates that offers such as seasonal discounts or exchange offers are not much appreciated by

the consumers. They want offers that entice them to make purchase at the store. Consumers are very much ignorant of the offers at shoppers stop. This parameter is of least significance in terms of brand loyalty.

The importance summary shown by Figure 6 clearly indicates that **Price, customer service and product quality** are the major dominant factors for brand loyalty at Shoppers Stop. **Assortments and offers** are less lucrative factors for brand loyalty of customers at Shoppers Stop.

RELATIVE IMPORTANCE

Table 4 : Importance Scores

Importance Values	
Price	29.566
Assortments	3.368
Customer_Service	30.018
Product_Quality	34.309
Offers	2.739

The range of the values (highest to lowest) for each factor provides a measure of how important the factor is to

overall decision making. Factors with greater utility ranges play a more significant role than those with smaller ranges. We observe from the table 4 about the relative scores that consumers are very much satisfied with the Product quality (34.3%). They have also taken price (29.5%) into consideration for brand loyalty. Customer service (30%) of the sales executive is also pleasing when it comes to brand loyalty. The matter of concern is assortments which only 3.36% of consumers have taken into consideration for their brand loyalty. Same is the case with offers where only 2.74% consumers are happy. So the conclusion of the research suggests that Shoppers Stop must focus on increasing assortments/ variety and offers at their stores, so that it can generate more number of brand loyal consumers.

CONCLUSION
The study leads to the fact that price, assortments, customer service, product quality and offers are amongst the major factors for determining brand loyalty at Shoppers Stop. It can be concluded that loyal customers of Shoppers Stop are pretty much satisfied with the price, customer service and product quality, while it lacks is the assortments and offers that are important for the consumers. Therefore shoppers stop, in order to retain its loyal customers and increasing the loyal customers should focus more on assortments and offers at the store. If they come up with more variety and styles, then this would also be the major brand loyalty factors for the customers. Regarding offers, they should be tailored in such a fashion that customers feels to get the benefit out of it. The offers should not be for the sake of offers they should be able to provide real value to consumers.

LIMITATIONS
The following are the limitations for the study:

1. Permission to collect the data was provided only for weekends and for the evening hours by the store head.

2. Following the time constraint, only one store was targeted for data collection.

3. Since the questionnaire involved moderate level of understanding, so online data collection technique was not employed.

4. The research suffers from the quality of the composition of the sample, as only those respondents were covered who were shopping at shoppers stop.

5. The limited heterogeneity in respondents' demographic characteristics could have affected both the nature and the extent of the brand loyalty variables.

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