CONSUMER BEHAVIOUR ON BRAND LOYALTY: A STUDY OF CONSUMER ELECTRONC HOME APPLIANCE IN BHUTAN



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Abstract

Today, the consumer and the society have been the centre point around which all the marketing strategies evolve. Consumers are bombarded with numerous choices and developing a successful marketing strategy has become vital for any product's success. Core product branding along with labeling and designs must be available to the potential buyers. For the successful marketing of a product today the producers and marketers are immensely trying to develop market share highly loyal to their brand. Consumer's affiliation towards any particular brand is influenced by various reasons such as offers, past experiences, etc.

The research takes into account individual brand choices of 500 respondents. They were asked to share their brand loyalty and consciousness for electronic home appliances available in Bhutan.

This study has been mainly focused towards consumer behavior on brand loyalty in the developing Bhutanese market. It is also a behavioral study to determine the awareness on brand loyalty among the Bhutanese consumers. The research works towards assessing the prevalent brand loyalty amongst the Bhutanese consumers towards electronic home appliances. It was determined that most of the Bhutanese consumers are brand loyal in term of using same brands for different products and they view quality and price as the major factors influencing brand loyalty.

Keywords: Brands Loyalty, Consumer Behavior, Developing Market, Electronic Home Appliances, Branding, Consumer, Model.

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Today, industrialization is considered as the impetus of the overall development of the country. The growing industrialization has not only resulted to the swift development of the top most developed nations but has also showed a way towards the growth and development to the developing countries. Though Bhutan is still known as an agricultural country, it is gradually shifting towards industrialization. The increasing industrial activities in the country have led to the establishment of number of industries with the increasing range of products for the consumers.

Due to the wide range of products available to the consumers, the successful marketing of a product has become a tough job. The marketers therefore have known that only the core product alone is not sufficient for the successful marketing. The product should be presented through proper branding, packaging and labeling. The product needs to have their certain name, symbol, design or the combination of all to identify to the buyers.

Almost all of the products available in the market go through branding. In the modern world brand has become so strong that hardly anything goes unbranded. Brand is not only a name given to a product but also a technique by which the quality or the product of various producers are differentiated. Every brand has a certain image in the market and is known for its own features and quality. For the successful marketing of a product today the producers and marketers are immensely trying to develop market share highly loyal to their brand.

It is highly important for all marketers to know what consumers think about the numerous products that are offered to them. This study is based on the various question put across them regarding the selected electronic consumer home appliances that would reveal the impact of the branding of the products on the Bhutanese consumers.

The selected four electronic home appliances for the study are as follows:

- a) Television
- b) Music System
- c) Refrigerator
- d) Microwave

This term paper on study on consumer behavior on brand loyalty has been confined to level of awareness of the selected products of the study, impact of various factors on the consumers' brand preference and purchasing behavior.

1.2 Objectives of the Study

As the brand loyalty is a temporal aspect of the consumer behavior, it facilitates in understanding the consumer behavior. This study hence is being carried out mainly to understand the prevailing brand loyalty in consumer electronic products.

- The objective of the study can be summarized as under:
- To examine the brand awareness among Bhutanese consumers.
- To find out what share of Bhutanese consumers are brand loyal.
- To find out the correlation of the brand loyalty for consumer electronic products.
- To recommend the measures that may prove helpful to those willing to conduct further studies on the subject.

1.3 Statement of the Problems

The significant growth of industrial sector in Bhutan has led to the establishment of various industries in the nation and consecutively the production of wide ranges of consumer products. Besides the products produced in the country, the number of products is being imported from the other countries. Development in transportation and communication, different types of scientific inventions, development in political understandings etc have made the world narrower. Today, the world itself has been developed as a single market.

These various developments made in both national and international perspective have increased the types of the production as well as the alternative brands of products in the Bhutanese market. Bhutanese consumers are not compelled to buy any particular brand rather they are provided with different brands and they are quite free to choose the one they think is the best. But the impact of this greater freedom on consumer purchasing pattern along with consumer response and attitude towards the different brands available in the market is still unseen. In spite of availability of different brands in the market, do the consumers stick up to any particular brand or do they repeatedly purchase the same brand? This is a burning question in the Bhutaneseconsumer market.

So, the basic problem area of this study is to measure brand loyalty of Bhutanese consumers. Within this area, various aspects of brand loyalty such as percentage of brand loyal

consumers, correlates of brand loyalty in consumer electronic home appliances, brand-switching behavior etc. will be studied.

Visualizing the above case, the present scholar has developed a single statement of the problem to govern the total study on a more systematic manner. The statement of the problem read as, "What is the extent of consumer behavior on brand loyalty of the selected electronic home appliances marketed in Bhutan?"

1.4 Research Questions

The following research questions attempt to defuse the above-mentioned statement of the problem in a more specific and precise manner:

RQ I: To what extent are the consumers aware of the consumer electronic brands marketed in Bhutan?

RQ II: To what extent is the brand of these products important to the consumers?

RQ III: Is the consumers of these products brand loyal?

RQ IV: What are the factors affecting the brand loyalty of the consumers?

RQ V: Do the demographic factors of the consumer play have any statistical association in brand loyalty?

1.5 Importance of the Study

The Bhutanese market has grown more competitive in the recent years and still in a pace towards the extension and betterment. The success or failure of any of the existing and upcoming units of various industries is directly related to the economic future of country. The success of an industry is the function of successful marketing of its products. In the era of cut throat competition, successful marketing of the products demands a through understanding of consumers needs and wants, taste, choices and reaction on integral factors like price, quality etc. In short they must have through knowledge of consumer behavior, as the customer satisfaction is the key point of the success.

As the focus of the study is brand loyalty – a temporal aspect of consumer behavior, the study will be highly beneficial to the marketers and manufacturers. It will be also helpful to understand consumers' attitude towards the brand (i.e. product), and this in turn sheds light on different aspects such as effectiveness of branding policy, advertising policy, consumers' response

to price, quality and availability of the product and consumer's perception of the total image of the manufacturer.

Brand loyalty is also one way of segmenting a market. If the consumers are identified as loyal and non-loyal, market may accordingly be segmented as loyal consumers market and non-loyal consumer market. It will also give sellers or marketers protection from competition and greater control in planning marketing mix.

1.6 Limitations of the Study:

There are some limitations of the study that are summarized as under:

Only the selected consumer electronic home appliances are chosen for the study and therefore the study will be limited to these kinds of products only and will not be applicable for the other products.

The study is entirely based on the response, attitude and reaction of the respondents. The study is conducted with the limited sample size that too from the urban area of the nation and therefore is too small in comparison to the population.

1.7 Organization of the Study

This study is divided into five chapters.

The first chapter is an introductory chapter that includes focus of the study, statement of the problem, importance of the study and objective of the study and the delineation of the area of study.

The second chapter is the literature review, which includes the theoretical concepts of the study as well as reviews the studies that have been done earlier.

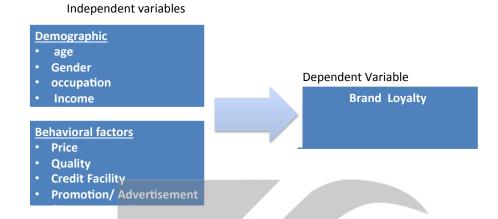
The third chapter explains the research methodology to be implemented to carry out the study. This explains research design, source of data, the population, sample and data collection processing and procedures to be employed.

The fourth chapter incorporates the main body of the study, i.e. data presentation and analysis. This chapter also at the end includes some major findings of the study.

The fifth chapter provides the summary and conclusions of the study.

1.8 Conceptual Framework

Conceptual Framework



1.9 Hypothesis:

- H1 -To study the impact of price on consumer brand loyalty, as price is a major attribute in the developing countries.
- H2- to study the impact of advertisement and promotions on consumers buying capacity of a particular brand.
- H3- to see if consumer behavior towards product quality, brings about willingness to buy, thus bringing about consumer brand loyalty.
- H4 To find out the difference on consumer brand loyalty when measure by gender
- H5 To find out the difference on consumer brand loyalty when measure by age
- H6 To find out the difference on consumer brand loyalty when measure by profession
- H7 To find out the difference on consumer brand loyalty when measure by family income

CHAPTER 2

LITERATURE REVIEW

Marketing is indeed an ancient art; it has been practiced in one form or the other since the days of Adam and Eve. Its emergence as a management discipline, however, is of relatively recent origin. And within this relatively short period, it has gained a great deal of importance and stature. In fact, today most management thinkers and practitioners the world over regard marketing as the most important of all management functions in any business.

2.1 Conceptual Review:

Marketing has been developing together with development in human civilization. If we turn three or four hundred years back to the history of human civilization, we find marketing of that time, by modern standard, relatively uncultured. Craftsmen carried on their business face to face with consumers. They did no need any mechanism or tools or techniques of marketing, as used today, for propagation of qualities of their products and for successful marketing of these products. But that stage could not last long. Human needs and wants changed. Human aspiration for excellence and better status gave birth to thousands of discoveries, inventions and innovations, and established thousands of units of different types of industry to fulfill those aspirations. These changes in turn not only invented different sophisticated tools and techniques, and effective strategies for successful marketing but also made the marketing a most competitive field.

Today the philosophy of marketing guiding the marketing activity of the organizations has been changed drastically. Originally, companies based their marketing decisions largely on immediate company profit calculations. Then they began to recognize the long-run importance of satisfying consumers' wants. And now they are beginning to factor society's interest in their decision-making. That is to say, companies have shifted their emphasis from production to product, selling, consumer and society respectively.

Today, the marketing philosophy of the organizations is the societal marketing concept. The societal marketing concept holds that "the organization's task is to determine the needs, wants and interest of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and society's well-being." (Kotler, 1998)

Thus, today the consumer and the society have been the center point around which all the marketing activities revolve. The various advancements made in marketing have established the consumers as the sovereign power in the marketing world. So, in order to be successful, products

must be produced according to the need of the consumers and interest of the society. In the modern business world, understanding of consumer choice, purchasing and decision making process, brand preference, factors affecting decision making process, etc., or, say, understanding of consumer behavior is the most necessary to become a successful marketer.

Study of consumer behavior has now been prevailed as an effective measure helping to develop the successful marketing strategy. This growing need and importance of behavioral study of consumer gave birth to brand loyalty as a separate subject of study.

Brand Loyalty is a concept of major importance in Marketing. The reason is that brand loyalty is one of the factors that determine a firm's market share. Market share is an asset in itself, since new entrants in a market face an entry barrier because they lack market share.

However "Brand loyalty is a temporal aspect of consumer behavior." (Engel and Blackwell, 1982), brand loyalty, though may seem simple at a glance, it is not a simple concept. Schiffman and Kanuk (1990) stated that, "Just as there are different approaches to the definition and measurement of information processing, so to there are different views as to the definition of brand loyalty".

Brand loyalty, in marketing, consists of a consumers commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviors such as word of mouth advocacy (Dick et al., 1994).

Brand loyalty has also been defined as (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 reference to one or more alternative brands out of a set of such brands, and is (6) a function of psychological (i.e. decision-making, evaluative) process. (Jacobyand Chestnut, 1982)

Studies on brand loyalty began when researches on consumer behavior became popular around late 50s and early 60sEngel and Blackwell, 1982). Different scholars, experts, behavioral scientists and researchers have defined brand loyalty in different ways and have utilized different approaches and criteria to measure-brand loyalty. Some have defined brand loyalty in terms of the both consumer behavior and consumer attitude. Assael (1987), for instance presents brand loyalty as a commitment due to favorable attitudes learned from past purchased. Wernerfelt (1991) defined it as if a consumer purchasing pattern depends positively on the last brand purchased. In fact Wernerfelt (1991) defines two types of brand loyalty; the first is called "inertial" brand loyalty and the second "cost-based" brand loyalty. Moreover, Aeker (1991) also stated that loyalty can be measured emotionally involved in a brand from the purchasers.

The consumers worldwide are not same, and because all aspects of consumer behavior are culture-bound and not subject to, mere environmental factors but integrated in all of human behavior, there is an increased need to identify and understand this integration. From these

following concerned, brand and country of origin has major role in consumer preference and influence their consumption. Nagashima (1970) defined the definition of country of origin based on his study on comparison of Japanese and US attitude towards foreign products as the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country and this image reflected value of product such as representative products, national characteristics, economic and political background, history, and traditions. Norjaya et al (2007) stated that the country of origin brand image and equity can form the consumers' beliefs and evaluations about a product as well as it can influence their purchase behaviors. Moreover, the country of origin image has strength to abuse products importers and enhancing consumers' belief about attributes of products and evaluated the value of brands (Srikatanyoo and Gnoth, 2002). The result of study the relationships between country-of-origin image and brand equity of electrical appliances, which includes televisions, refrigerators and air-conditioners by Norjaya et al (2007) found that brand loyalty has the strongest impact towards consumer brand equity, and country of origin also have significantly influence consumers' perception towards brand. These can explains the important of brand and country of brand originated.

The marketers today have realized that the understanding of consumer behavior is the must and to be in the market they must be offering the consumers what they want. This modern theory has made the sellers become conscious enough to create an image of what they are offering so that the ultimate consumers would identify their product amidst of several likewise made available and thus they have begun to brand their products.

Strong brands preference can help the firm establish an image and identity in the market presence (Aaker, 1996). Most of the products today are sold by brands. In the developed countries like United Kingdom, United States of America and Japan even vegetable products are sold by brands. In term of household electrical appliance, Norjaya et al (2007) also suggested that should enhance and promote the better image of their brand's original country in order to support the overall image of the brand in all their marketing because well-known or good image countries generally will have higher demand than brands from countries with unfavorable image, this can make it easier to sell.

This increasing use of brand has significantly increased the necessity to understand the brand loyalty behavior of the consumers all over the world. Because marketers are concerned with actual consumer purchasing pattern and with consumers' beliefs and opinions concerning their brand and competing brands, today no one denies indispensability of understanding the brand loyalty behavior for successful marketing of the products.

By now, many researchers on brand loyalty have been carried out. But, as stated above they are not based on the same definition nor they have employed the same approach or criteria to measure brand loyalty. Different researches are based on different definitions and have used different measures of brand loyalty. Therefore, it seems very much necessary to pay particular attention on definition of the terms and approaches to measurement while reviewing the researches.

One of the earliest studies defined brand loyalty to the sequence of purchasing a specific brand(Engel andBlackwell, 1982). The key insight of this definition is that the purchasing pattern of a specific brand determines loyalty to the brand. This definition classifies brand loyal in four categories:

01. Undivided Loyalty 02. Divided Loyalty

03. Unstable Loyalty 04. No Loyalty

For example: If A, B, C, D, E, F are the various brands in the particular product category, the consumer of the product could be classified as having the following types of loyalty:

- 01. Undivided Loyalty if the purchase sequence is AAAAA
- 02. Divided Loyalty if the purchase sequence is ABABAB
- 03. Unstable Loyalty if the purchase sequence is AAABBB
- 04. No Loyalty if the purchase sequence is ABCDEF

Thus it is obvious that according to this definition brand-choice sequence is the criteria that measure the brand loyalty.

Using this definition or adopting brand-choice sequences approach to brand loyalty, George Brown analyzed the purchase records of 100 households in Chicago Tribune Panel for such frequently purchased items such as coffee, orange juice, soap and margarine, and found that the percentage of households, demonstrating some degree of loyalty varied from 54 to 95 percent depending on the product involved. In fact the percentage of households that undividedly loyal varied from 12 percent to 73 percent across products. (Engel and Blackwell, 1982)

George Brown's study is an important study on brand loyalty. This study has proved that brand loyalty does exist and varies across products. Thus it justifies the rational of conducting research on brand loyalty. The contribution made by this study for development of concept of brand loyalty is considered significant. However, the study suffers from certain shortcomings. The major shortcoming is the definition of brand loyalty the study has adopted.

Brand Loyalty if defined according to the sequence of purchasing a specific brand suffers from many practical problems. About the problems Charlton and Ehrenberg (1973) stated 'The approach has led to few generalizable results, because there is no simple way of summarizing purchase sequences quantitatively. Different consumers buy at different rates. Their purchase

sequences are invariably out of phase with one another, and it is difficult to aggregate the buying behavior of one consumer with that of another who buys, say, more frequently. There is also no common time scale for relating any one measure of aggregate behavior to other aspects of buying behavior or to other events in the market place. The purchase sequence approach, therefore, does not facilitate the kinds of comparisons between consumers, brand, or product fields that are likely to lead to generalizable results (Charlton and Ehrenberg, 1973). The very problems as described by Charlton and Ehrenberg have made the purchase sequence definition of brand loyalty of little use today. Finding out merely the existence of brand Loyalty is not very much effective for developing marketing strategy unless and until it is comparable between consumers and between products leading the generalizable results.

In place of brand-choice sequence Leaster Guest used preference statement over time as a measure of brand loyalty in his study carried out in 1941. In 1941 he collected data concerning the brand awareness and preferences of students. In follow-up studies of these same persons 12 and 20 years later he found suggestive evidence of high degree of loyalty toward brand names (Schiffman and Kanuk, 1990).

What comes out from the study of Leaster Guest is that brand loyalty exists even when it is defined as preference statements over time. Guest's findings of suggestive evidence of high degree of loyalty toward brand names give more weight to the need of understanding brand loyalty behavior. Additionally, Biedenback and Marell (2010) have stated that customer experience is related to brand loyalty. According to preference statement approach, brand loyalty is measured on the basis of preferences expressed by the consumers to a particular brand over a certain time. But preference statement alone is not real representative of brand loyalty. What the consumers do in the actual purchase is of equal importance together with what they prefer.

"Brand loyalty is the proportion of total purchases with in a give product category devoted to the most frequently purchased brand or set of brands." (Engel and Blackwell, 1982)

This definition employs proportion of purchases as the measure of brand loyalty. In other words, according to this dentition brand loyalty is measured on the basis of the proportion of total purchases within a given product category to the most frequently purchased brand or set or brands. Greater the proportion of purchase of a brand or set of brand, higher the loyalty.

The major advantage of proportion of purchase as a measure of brand loyalty is that it, i.e. the proportion of purchases, is quantifiable and, therefore is useful in a wide variety of mathematic models. The followers of proportion of purchase definition of brand loyalty have used it both as a conceptual as well as operational definition. Using this definition of brand loyalty Cunningham developed the concept of multi-brand loyalty in various forms such as Dual Band Loyalty, Triple brand Loyalty and so on.

Blatberg and Sen (1982) have extended the proportion of purchases approach to segments that are loyal to national or private brands as a category as well as specific brand within each of those categories.

One segment of population they found to be "high national brand loyal" and found that the proportion of purchases devoted to the favorite brand ranged from about 90 to 100 percent within this segment (Engel and Blackwell,1982).

Thus, also the research based on proportion of purchase approach proves the existence of brand loyalty. Hence, it can be concluded that brand loyalty does exist but the study on brand loyalty does not complete only with this conclusion. Together with this conclusion another question arises — what type of loyalty? Finding out only the existence of brand loyalty cannot serve the purpose of the strategy builders unless it is found out what type of loyalty it is. The loyalty revealed by different consumers is not the same. The factors causing loyalty may vary from person to person or consumer to consumer. Similarly, the degree of loyalty varies across products. Therefore, it is necessary to take into account all the factors causing variations or differences while defining brand loyalty.

All the definitions of brand loyalty stated on the previous pages and the researches based on those definitions have focused mainly on the consumer behavior or consumer purchases. There are three approaches to brand loyalty used by the researchers: brand—choice sequence approach as used by George Brown, Preference over time as used by Leaster Guest, and proportion of purchases as used by Blatberg and Sen. None of these approaches is sufficient enough to crystallize the concept of brand loyalty. Commenting on these definitions Schiffman and Kanuk states:

"From the view point of cognitive learning theorists, such behavioral definitions lack precision, since they do not distinguish between the real brand loyal buyer who is intentionally faithful, and the spurious brand loyal buyer who repeats a brand purchase because it is the only one available at he store or because it is displayed more prominently than others, or who flies a specific airline because its telephone number comes most easily to mind." (Schiffman and Kanuk, 1990)

Brand loyalty must be defined in the way that could distinguish between a loyal buyer and a spurious loyal buyer. If the marketers treat both types of buyer alike, they cannot get the desired result because there is a vast difference between a spurious loyal buyer and a true loyal buyer. 'The spurious loyal buyer lack any attachment to brand attributes, and they can be immediately captured by another brand that offers a better deal, a coupon, or enhanced point-of-purchase visibility through displays and other devices' (Engel and Blackwell, R.D., 1982)

The definitions of brand loyalty, based on the brand choice sequence approach or preference over time approach or proportion of purchase approach, are the operational definitions.

They do not make any differentiation between a spurious loyal buyer and a true loyal buyer. Similarly, according to these definitions it is difficult to compare and synthesize the findings. For example, even in the same study, results may vary according to the approach used. They define brand loyalty in terms of consumer behavior or consumer purchases only. In this sense, they are definitions of repeat purchase behavior rater than brand loyalty behavior. Brand loyalty is something more than repeat purchase.

'To be truly brand loyal, the consumer must hold a favorable attitude toward the brand in addition to purchasing it repeatedly. (Engel andBlackwell,1982)

Definition of brand loyalty that has taken into account both the purchasing pattern and the attitudinal factors can depict the real picture of brand loyalty. In other words brand loyalty can be better measured by the both consumer purchases and consumer preferences rather that only by consumer purchases.

The definition given by Jacoby is considered the best, easiest to understand and most complete of all the definitions based on preference-purchase approach. Jacoby defines the Brand loyalty as biased behavioral response expressed overtime 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 process.

The theme of Jacoby's definition is that brand loyalty should be measured in terms of both consumer purchases and consumer preferences. Brand loyalty is purchase behavior of a decision-making unit. Such behavior is based on psychological processes and is biased for one or more brands for a specific time period. Jacoby's definition is quite able to distinguish between a true loyal buyer and spurious loyal buyer. Evaluation of consumer purchases explains which specific brand or set of brands a consumer purchases repeatedly where as the evaluation of consumer preferences answers why he repeats purchase of that brand or brands. He may buy the same brand or brands due to many factors such as psychological commitment, ignorance of other alternative brands, unavailability of other alternative brands at the store, and many other factors too. It is necessary to know which factor is contributing to loyalty.

Another important aspect of Jacoby's definition is that is recognizes the existence of multi-brand loyalty. When we speak of brand loyalty, we concentrate our mind especially on a specific brand. We think that brand loyalty is the consumer's loyalty to a specific brand. But reality is rather different. Brand loyalty means loyalty to one or more brands that the consumer repeatedly purchases of the given product category.

Since preference-purchase definition of brand loyalty includes both the consumer preference and the consumer purchase, it puts forward a clear-cut concept of brand loyalty. Brand

loyalty as a concept is both and input variable and an output variable. As an input variable it is the cause of the consumer decision and as an output variable it is the result of the consumer decision. Hence, understanding of concept of brand loyalty comes out to be an important toll of developing successful marketing strategy.

Researchers have not only defined what brand loyalty is but have also endeavored to find out how it i.e. brand loyalty develops. The question 'How does brand loyalty develop?' has occupied an important place in the literature on brand loyalty. However, the researchers have not the same attitude toward the development of brand loyalty. Likewise on definitions, the researchers have different view on how brand loyalty develops. (Schiffman, L.G., Kanuk, L.L., 1990)

Behavioral scientists who favor the theory of instrumental conditioning believe that brand loyalty results from and initial product trial that is reinforced through satisfaction leading to repeat purchase. Consumer purchases a particular brand as a trial and if this very trial can satisfy his need for what he purchased the product, makes him repeat the purchase of the same brand.

On the other hand, cognitive researchers emphasize the role of mental process in building brand loyalty. They believe that consumers engage in extensive problem solving behavior involving brand and attribute comparison leading to a strong brand preference and repeat purchase behavior. In other words, brand loyalty is an outcome of mental process of the consumer. The consumers are not loyal to a brand simply because the brand satisfies their need. They are loyal to a specific brand or a set of brands because they have developed a positive attitude towards that brand or brands. Such an attitude is developed through a decision making process.

But the involvement theorists do not agree with the cognitive theorists and behavioral scientists favoring the theory of instrumental conditioning. Involvements theorists believe that frequent exposure to T.V. commercials that are rich in visual cues and symbolism and short in duration, buttressed by strong in-store displays creates a type of brand loyalty for low involvements purchases.

Studies on brand loyalty have also tried to find out when brand loyalty develops. The research evidence suggests that a great deal of brand loyalty develops quite early in life within the context of family life. (Moschis et al., 1990)

One study comparing middle-school children with high-school students found that both groups scored high on the ability to express brand preferences, but that the older group had significantly more brand preferences. (Moore and Stephnes, 1990).

What children learn is apparently quite lasting. A long-term study among children in grades 3 through 11 found, twenty years later, that about a quarter of the subjects who responded preferred and still used the same brands they did in the earlier study. (Schiffman and Kanuk, 1990)

Thus, the researches reveal that the brand loyalty develops early in the life of a person and such loyalty has a long lasting effect on the whole life of the person. However, this may not be true for all the persons. The modern world is characterized by fast change. Most of the persons who are keeping pace with this world are supposed to change their behavior time by time. The different factors in the environment in which they live have an inexorable impact on their behavior. Hence, it is not hundred percent correct that the impact of brand loyalty developed at a certain stage of life can be seen even throughout the rest of the life time.

Thus, the studies on brand loyalty have analyzed what, how and when of brand loyalty, and have presented it as a special phenomenon for scientific analysis and prediction. Brand loyalty is the result of good brand image and brand preferences and choice. Brand loyalty has many marketing implications.

"Brand Loyalty is one way of segmenting a market" (Engel and Blackwell, 1982) If the consumers are identifiable as loyal and non loyal, the market can accordingly be segmented as loyal consumer market and non loyal consumer market and separate strategy can be used for each.

Manufacturers always like to know about the market captured by each brand, which product is profitable to produce, which area is better to sell and how much should be produced. In this sense, the understanding of brand loyalty is a major instrument to make a production plan and employ control mechanism to avoid any future difficulty.

Thus, knowledge of brand loyalty has been proved an important as well as a successful marketing strategy. That's why the experts suggest brand switching and brand loyalty studies should be made on a continuous basis.

In short, knowledge of brand loyalty makes the manufacturers aware of probable future progress and gives warning to take suitable action to avoid any adverse situation likely to prevail in the future.

2.2 Brand Switching

As the name implied brand switching mean consumer's habit of constantly shifting from one brand to another. In this sense brand switching is opposite to brand loyalty – a brand loyal consumer is stuck up to a specific brand or a set of brands. The buyer who is habitual to brand switching is loyal to no brand. Understanding of why consumers are involved in brand switching behavior is very important for complete understanding of brand loyalty behavior because why consumers switch brand explains, to a great extent, why consumers are not brand loyal.

There are many causes of occurrence of brand switching behavior. "It is not unusual to switch brand simply because of variety seeking", said by McAliester and Pessimier (1990).

Some consumers switch brand because they are dissatisfied or bored with a product, other because they are more concerned with price than with brand names. (Schiffman and Kanuk, 1990)

A consumer having been loyal to a brand for long time may switch to other brand because of being dissatisfied or being bored with the brand he has been using for long time. Similarly, if the consumer is more price conscious than brand then even a slight price-cut in the competitive brands may make him move towards those brands.

But the research studies on brand switching reveal that brand switching is not very much stronger as it is generally thought. In other words, brand switching is not very much threatening to the manufacturers. A study on consumer purchase habits by S.P. Ray reported that brands with larger market shares have proportionately larger groups of loyal buyers. Another study reported that, contrary to many marketers' beliefs, brand loyalty is not declining significantly. The slight decline that has been measured appears to be due to an increase by marketers in sales promotion (e.g. special price deals, coupons, sweepstakes, free samples etc) at an expense of advertising, and to greater consumer awareness of price, more comparative advertising and more targeting toward specialty niches (Schiffman and Kanuk, 1990).

Thus it follows that some intra-personal factors such as dissatisfaction, boredom, price consciousness and aspiration for testing new brands cause brand switch. Similarly, also some external factors like special price deals coupons, sweepstakes, free samples and comparative advertising etc may cause brand switch. But what the researches show is that "such a brand switch can not be converted onto brand loyalty. (Schiffman, L.G., Kanuk, L.L., 1990) The consumers do not keep on sticking up to the brand, which they are switched to. Together with the end of such special deals as price-cuts, free samples, coupons etc, consumers return back to their previous brands.

2.3 Brand loyalty correlates

Brand loyalty correlates mean the various factors that are related or associated with differential degrees of brand loyalty. Brand loyalty correlates explain why brand loyalty varies across products and consumers. Many researchers have been conducted to find out such correlates of brand loyalty. Engel and Blackwell after analyzing the finding of around 34 researches conducted by various scholars and experts have made the following conclusions:

- Socio-economic, demographic and psychological variables generally do not distinguish brand-loyal consumers from other consumers when traditional definitions of brand loyalty are used.
- 2. When extended definitions of brand loyalty are used, some socio-economic, demographic, and psychological variables are related to brand loyalty. However, those relationships tend to be product specific rather than ubiquitous across product categories.
- 3. There is limited evidence that the loyalty behavior of an informal group leader affects the behavior of other group members.
- 4. Store loyalty is commonly associated with brand loyalty.
- 5. There is some evidence that brand loyalty is inversely related to number of stores shopped.
- 6. The relationship between amount purchased and brand loyalty is uncertain because of contradictory finding.
- 7. The relationship between inter-purchase time and brand loyalty is uncertain due to contradictory findings.
- 8. There is limited evidence that perceived risk is positively related to brand loyalty.
- 9. Market-structure variable, including the extensiveness of distribution and the market share of the leading brand exert a positive influence on brand loyalty.
- 10. The effect of the number of alternative brands, special deals and the price activity are uncertain due to contradictory findings.

(Engel and Blackwell, 1982)

The researcher had cited to previous study to understand the association between sociodemographic and brand loyalty. In term of gender, Chi et al. (2009) stated that gender did not play a role in loyalty formation. However, some products might affect difference loyalty due to gender such as study of Moutinho and Goode (1995) women were more loyal if the service performance was acceptable, while men were more loyal based on product performance. In case of marital status, there is few related research of marital status and brand loyalty. The result from the study of East et al. (1995) found single person showed slightly less loyalty towards brand than other household types. However, some study found that marital status has very little relation to brand loyalty (Oh et al., 2002).

Additionally, the study by Mishra and Prasad (2014) tried to identify between consumers' brand loyalty with respect to various product categories and socio demographic variables of India respondents, the result found education background, residence type, and family size has a significant correlation with customer loyalty. In term of age, Cole et al. (2008) cited that older age groups have higher brand loyalty than other groups because of deeper relationships with brands over a period of time.

Thus, what it comes out from the conclusions made by Engel and Blackwell is that even though the researchers have found out some factors such as socio-economy, demography, store loyalty, number of stores shopped, market share of leading brand as the correlates of brand loyalty, yet their (researchers') finding are contradictory concerning to other factors such as amount purchased, inter-purchase to time, number of alternative brands etc. It seems that the researchers have not yet been reached to any concrete result about what are correlates and non-correlates of brand loyalty. The above mentioned to some extent defines and affects the purchases and therefore could be considered the correlates of brand loyalty.

Brand loyalty is a wider concept. What factors are correlated with it is a serious question. There may be hundred of factors having been correlated to it. It is necessary to develop the most scientific and widely accepted research instrument to find out what are correlates and non-correlates of brand loyalty. The main cause of the contradiction among research findings is "absence of widely accepted research tradition." (Engel and Blackwell, 1982) Researches so far have used different definitions of brand loyalty. Some have used traditional definitions which measure brand loyalty on the basis of the consumer purchases where as others have used extended definitions of brand loyalty which measure brand loyalty on the basis of both consumer purchases and consumer preferences. Due to the use of different definitions and approaches the researchers' findings concerning to brand loyalty correlates have been resulted into confusion and contradiction. Hence it is not only difficult but also impossible to state exactly what are the correlates and non-correlates of brand loyalty.

Brand loyalty correlates are the important aspect of study on brand loyalty. Brand loyalty correlates tell why brand loyalty varies across products and consumers. Similarly, brand loyalty correlates identify the characteristics of brand-loyal consumers and distinguish them from the non loyal ones. Thus, the brand loyalty correlates are of high importance for the marketers. Therefore, there must not be any contradiction or confusion about the correlates. Correlates must be defined

and stated precisely so that the marketers could use them as the efficacious guidelines for making strategies. And, this can be better done by improving the weaknesses of the past attempts and by developing the most scientific and widely accepted research tradition.

2.4 Brand Loyalty Models

Wide ranges of models have been employed in an attempt to understand and predict brand-loyalty behavior. Brand loyalty models analyze brand-loyalty behavior of the consumer. They identify factors affecting loyalty behavior and predict how such factors are likely to affect the behavior in the future.

The models that have been employed to analyze the brand loyalty behavior are stochastic in nature. Stochastic models predict behavior on the basis of probabilities (Harper et al., 1982)

That is to say, stochastic models treat the response of consumer in the market place as the outcome of some probabilistic processes. The models recognize that there are many factors such as consumer variable and exogenous variable that determine the outcome of behavior. Even though these factors or variables are not measured or explicitly included in the model, they are represented by probability distribution and their effect is accounted. So far, most attempt at stochastic modeling have been concerned with predicting brand-switching behavior and the rate of trial and repeat purchasing for new products. Some of the questions that inevitably arise in such attempts are:

- 1.Are all members or the population (i.e. the target market segment) the same so far as brand loyalty behavior is concerned? This question is related with degree of loyalty that varies across consumers.
- 2.Do the acts of purchasing and using the given brand affect the probability that the given brand being purchased again in the near future? This question is related with whether or not short term learning is incorporated in the brand choice process.
- 3.Are the probabilities of brand choice changing systematically over time because of the influence of promotion, distribution, or shifting tastes?

All these three questions basically deal with impact of consumer variables such as personality, attitudes, income etc. and exogenous variables such as advertising, price, competitive activity etc. on the outcome of behavior. Considerable efforts have been made to develop models that describe a functional relationship between and probability of choosing a brand during a

purchase occasion and the factors (i.e. attitude, personality, income, past purchase, price, competitive activity etc.) that affect this probability. Some of these models that are important as well as most widely used are reviewed here.

2.4.1Bernoulli Model:

According to the Bernoulli model the consumer is supposed to have a constant probability of purchasing the brand under study, and the probability of purchasing the brand under study is determined from aggregate brand choice data. The model also assumes that the factors like consumer characteristics, prior purchases, or all external influences etc., have no effect on the probability. (Engel, J.F., Blackwell, R.D., 1982)

For example:

Let the brand under study be "A", all other brands be "B" and the probability of purchasing the brand "A" at a purchase occasion is P (A_t). Then, according to Bernoulli model P (A_t) is determined from aggregate brand choices between A and B.

Determining the probability of purchasing a particular brand form aggregate brand choices data, however recognized that the certain anticipated or unanticipated circumstances such as limited number of brands available at the store, specials or out-of-stock conditions may have effect on the probability. For example, if brand under study is available at many stores, then the probability of buying that brand may be greater for the consumers who purchase that brand.

There are several variations of the basic Bernoulli model. Although these variations have explicitly considered the heterogeneity in the population, yet they have not abandoned the assumption made by the basic model, i.e. the past purchased have no effect on the present or future purchase probability.

2.4.2 Markov Model:

Markov model assumes that past purchase influence the probability of current purchases. Many models have been built up on this basis assumption and they all are known as Markov models. Among these models, the most commonly used one is the first-order Markov model.

The first-order Markov model analyzes the impact of short-term consumer learning on the purchase probability. This model assumes that the outcome of the last purchase decision affects the brand-choice probability on the next trial but the model denies that except the last one other previous purchase have effect on the probability. For example: the purchase sequences AB and BB

would both lead to the same prediction about probability of purchasing brand A on the next purchase because in both cases the last purchase is brand B.

The first-order Markov model can be better illustrated by a tabular presentation as shown below supposing for a product category having three brands. Let us suppose the following probabilities (These probabilities are conditional or transitional probabilities of moving from one state to another in any two consecutive time periods and are estimated on the basis of past purchase data for a sample of customers) representing brand-choice behavior of customers in a place.

		NEXT PURCHASE			
LAST PURCHASE		A		В	С
A		0.80		0.10	0.10
В		0.10		0.60	0.30
С		0.30		0.30	0.40

The probabilities stated in the table above or the transitional matrix given above show that the brand purchases in the last purchase exerts great influence on the probabilities that are applicable in the next purchase. That is, if "A" is bought in last purchase, it is almost certain to be bought in the next purchase. If a consumer purchased brand "A" during a certain period, there is an 80 percent chance that he will buy the "A" again during the next purchase, 10 percent chances of buying "B" and the same of the buying "C". Similarly, if the same consumer purchased brand "B" in the place of brand "A" in the last purchase, then his chance of buying brand "A" in the next purchase is 10 percent that of buying "B" is 60 percent and the "C" is 30 percent.

The transitional matrix mentioned above, which the Markov model assumes to be satisfactory (i.e. they remain unchanged through time), can be used to predict the future brandshare values for brand "A", "B" and "C". Furthermore, the transitional matrix (probabilities) in the model can be used as one way of measuring both the holding power of a given brand and its ability to attract patronage from other brands. A further use of the model had been to estimate the number of periods that will pass before a given brand will be tried.

However, there are some factors in the first-order Markov model which the other experts point out as the weaknesses of the model. They have challenged the assumptions such as stationary transitional matrix, first-order, population homogeneity etc. and have developed other models (i.e. previous purchase affects the brand choice probability in the present and the future), which are, to

a great extent, independent of these assumptions. Some of such models are the second-order Markov model which considers the effect of last two purchases, models based on non-stationary transitional matrix, and the models bringing into account the impact of population heterogeneity on brand-choice probability. (Boyd, H.W., Massy, W.F., 1982)

2.4.3 Linear Learning Model:

That is, past purchase affects the future brand-choice. However, this model assumes that the consumer's brand-choice probability changes by a certain amount depending on the outcome of a given brand choice event (whereas in the Markov Model, the probability is set to a predetermined value that depends solely on the outcome of the event). Suppose that buying brand "A" raises the probability of buying brand "A" by 10percent, while purchasing competing brand "B" causes the probability of buying brand "A" to drop by 5 percent. If the probability was 0.70 before a given trial, it would be either 0.80 or 0.65 after the trial, depending on the outcome. Similarly, if the initial probability was 0.40 the same model would produce output probability of 0.50 after the purchase of "A" and 0.35 after the purchase of "B". Thus, linear learning model shows that there is a linear relationship between pre-purchase and post purchase probabilities.

For the first time Alfred Kuchn applied this model to brand-choice data and found that it provided good predictions. Many researchers have tested this model even after Alfred Kuchn and have found the performance of the model rather well in most of the tests. There are many models so far developed as the modifications to the basic linear learning model. Some of them, considered as important, are those which incorporate the effects of external market forces into learning model by making their parameters functions of these forces. (Boyd, H.W., Massy, W.F., 1982)

2.4.4 New Trier Model:

The New Trier model was developed by David A. Akar (1969) to model the behavior of a consumer who has purchased a new brand. New brand here implies the one that is not used before by a consumer, or if even used before, that is completely forgotten he had used that before.

According to this model, there is a trial period after the initial purchase and the probability of purchasing a particular brand in the future is an outcome of the consumers' experiences relating that brand in the trial period. In the initial purchase the probability of purchasing the particular brand is constant for the consumer who bought it. This is the trial period purchase that affects the probability. After the initial purchase there may be a number of trial-period purchases. The

number of such purchases may vary from consumer to consumer. During the very trial period purchases the consumer develops a new probability of purchasing the brand and it may not necessarily result into purchase of the brand that was purchased in the initial purchase, it may also result into rejection of that brand. (Engel and Blackwell, 1982)

Thus, the New Trier Model assumes that past purchase do not affect the present or future purchase probability and the probability is non stationary and varies from consumer to consumer. Even though the model is considered simple and easier to understand, the assumption of the zero-order processes has limited its use.

2.4.5 Probability Diffusion Model:

David Montgomery proposed the probability diffusion model. This model assumes that the past purchases do not affect the brand-choice probability in the time to come. According to this model, and individual's response probability is a function of external environmental factors. The probability is non-stationary and varies from consumer to consumer. Thus the mechanism of the probability diffusion model is, to some extent, related to that of the Markov Model. (Boyd and Massy, 1982)

Above we reviewed some widely used brand loyalty models based on the stochastic structure. Having been based on the principle of stochastic model, these models therefore cannot be free from the problems immanent into the stochastic model. All the stochastic models of brand loyalty stated above have been applied primarily to the products that are frequently purchased and relatively low priced. These models avoid the issue of multi-brand loyalty, and neglect the change in stochastic process. Similarly, the effects of heterogeneity and non-stationary are quite confusing in the models. (Engel and Blackwell, 1982).

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Introduction

The basic aim of the present study is to generate the sketch of the awareness in Bhutanese consumer on brands offered to them being mainly focused on the urban market of Bhutan. In order to achieve the objective, data have been collected from the selected sample consumers. The research methodology employed in the present study has been described in this chapter.

The overall chapter has been developed in eight sections. The first section of the chapter presents the study approach and its design, whereas population of the study has been discussed in the second section. The third section deals with the sampling techniques. Development of data collection tools and research administration mechanism has been discussed in the fourth and fifth sections respectively. The sixth and seventh sections present data reduction and analysis techniques and work schedule respectively.

3.2 Study Approach and Design

The study includes both the qualitative and quantitative data analysis. The qualitative factors such as sex, educational level etc influencing the consumers' behavior have been studied and also the quantitative data which can be expressed in numbers have been collected and studied for the research purpose.

The research deign is the specification of methods and procedures for acquiring the information needed to structure or to solve problems. The study is exploratory in nature. The study mainly will aim at finding out the Bhutanese consumer perception on brand loyalty as per the products. The survey research design is adopted for the purpose. As stated by Zikmund (2003), surveys provide inexpensive and efficiency of assessing information about the population. The data and the information then collected are tabulated, analyzed and interpreted as per the need of the study in attaining its objectives.

3.3 Population

All the Bhutanese ultimate consumers of the products selected for the study are considered as the population of the study. As the study is being held for the electronic products, the main focus of the study is the urban areas where there is access to the electricity. The present research being an academic research focuses only on Thimphu, the capital city as it is the country's main area where the consumers for the required kinds of the products are found maximum.

3.4 Sampling Techniques

Because the researcher cannot acquire data from whole population, sampling strategy is a very important approach to reach the research objectives due to saving time and cost of data collecting (Saunders et al. 2009). Respondents are selected to represent the entire population. There are many strategies to determine the sample size. Out of this huge population, the researcher calculated sample size by using Taro Yamane table determination of sample size (1967). Due to large scale of population over than 100,000 of Bhutanese who can access to electricity in the study, the researcher determined the degree of confidence at 95% (p-value < 0.05) and a sample of 400 consumers is taken for the study.

Additionally, non-probability sampling approach were applied for the research, which also stated by Zigmund (2003) that certain characteristics of the population sample will be selected. Moreover, the consumers thus selected as sample for the study have been randomly picked up on convenience sampling basis taking into consideration that various people with proper differentiation on variables such as age, sex, education etc. are included.

TABLE NO. 1: Sample Size Determination by Yamane T. (1967)

Size of	Sample Size (n) for Precision (e)			
Population	±3%	±5%	±7%	±10%
500	a	222	145	83
600	a	240	152	86

700	a	255	158	88
800	a	267	163	89
900	a	277	166	90
1,000	a	286	169	91
2,000	714	333	185	95
3,000	811	353	191	97
4,000	870	364	194	98
5,000	909	370	196	98
6,000	938	375	197	98
7,000	959	378	198	99
8,000	976	381	199	99
9,000	989	383	200	99
10,000	1,000	385	200	99
15,000	1,034	390	201	99
20,000	1,053	392	204	100
25,000	1,064	394	204	100
50,000	1,087	397	204	100
100,000	1,099	398	204	100
>100,000	1,111	400	204	100

3.5 Development of Data Collection Tools

In order to meet the mentioned objectives, the primary data is used. The primary data source is the responses of the consumers selected as the sample for the study. For this purpose the present researcher has developed a set of consumer survey questionnaire (see Annex A) for achieving research objective. The questionnaire contained with four sections. First section was demographic information of Bhutanese respondents including sex, age, marital status, careers, education background, income, and family system. Section 2 and 3 mentioned about general information and consumer behavior of electrical home appliances, which is including check list and five-point Likert questions. And last section of questionnaire also contained with perception through price, promotion, and product towards brand loyalty of consumers. This section also adopted five-point Likert scale questions for measuring agreement from following attributes towards brand loyalty.

3.6 Research Administration Mechanism

The data is collected through a self-administered questionnaire survey at respondent's place at mutually convenient time by the researcher. The respondents are supported by oral explanation at the point of contact wherever needed to minimize the error of the study and get the accurate result.

3.7 Data Reduction and Analysis Techniques

The data collected as per the personal reactions of the consumers taken as the sample is appropriately organized and then tabulated. In order to analyze gathered data, Statistical Package Social Science or SPSS Program was used for analyzing and summarizing answers from the questionnaires. For achieving research objectives, the researcher applied various statistics in the study. The details are represented as following:

Firstly, descriptive statistics were used for analyzing the summary the demographic information and consumer awareness of electronic brands marketed in Bhutan from 400 respondents. Mann (1995) stated that descriptive statistics are quantitative approach which is using various statistical analyses for describing raw data and manipulated it into easy and informative format. Descriptive statistic such as percentage is used for describing the summary of information. Moreover, mean score, and standard deviation are applied for measuring importance of the brand in electronic home appliances. Additionally, the researcher also represented the summary and interpreting in the form of table, figure, and chart. For the data analysis technique, the researcher also applied Chi-square test for testing association between demographic factors and brand loyalty. The results of Chi-square test are illustrated into cross-tabulation form of table with percentage. The researcher also set confidence level with 95% for accepting the association between variables.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

This chapter incorporates the data and information collected from the ultimate consumers that are presented and analyzed for the attainment of the stated objectives of the study. The survey includes the responses of 400 individuals and the analysis and the interpretation of what is found from the study has been explained at the end of the chapter.

The data and information collected from the consumers are presented, interpreted and analyzed according to the research questions formulated for the study. Research questions formulated for the study have been responded by the means of the very analysis and interpretation. Therefore, each research question is reviewed first before the collation of the data for the interpretation and analysis.

4.1 Characteristic of Respondents:

A sample of 400 consumers selected for the study have been randomly picked up on convenience sampling basis taking into consideration that the people with proper differentiation on variables such as age, sex, education etc are included. The following table (Table no. 2) shows the characteristic of the respondents:

TABLE NO.2: Characteristic of Respondents

Characteristics		Frequency (in %)
	15yrs -25yrs	188 (46.8)
	25 yrs -35yrs	122 (28)
Age	More than 35yrs	100 (25.2)
	Female	192 (48)
Sex	Male	208 (52)
	Divorcee	16 (3.5)
Marital status	Married	96 (24.5)
	Single	288 (72)

	Business	32 (7.5)		
Profession	Service	210 (52.5)		
	Student	152 (38)		
	Others	8 (2)		
	Graduate	296 (74)		
Education	Intermediate	64 (16)		
	BCSE	20 (5)		
	Literate	20 (5)		
	Joint	120 (30)		
Family System	Nuclear	280 (70)		
	Below 20000	100 (25)		
Family Income	20000 - 40000	168 (42)		
	More than 40000	133 (33)		
Total		400 (100)		

As shown in the table, different variables of the respondents are taken into account for the data collection and analysis. Of the total sample, there are 46.8 percent come under the age of 15 yrs to 25 yrs, 28 percent come under the age of 25yrs to 35yrs and the remaining 25.2 percent are more than 35 yrs. As the product chosen for the study in a high involvement product, the study doesn't include people of the age group less than 15yrs.

Similarly, 48 percent of the total respondents are Male and 52 percent of the total respondents are female. 24.5 percent of the total respondents are married, 74 percent are Single and remaining 3.5 percent of the total respondents are Divorcee.

If we categorize the respondents on the basis of their profession, 7.5 percent of the respondents are running some kind of business, 52.5 percent are involved in the service sector, 38 percent are students and the remaining 2 percent of the respondents are involved in other activities.

In terms of education, 74 percent of the respondents are graduates, 16 percent have passed intermediate level, 5 percent have completed their BCSE and the other 5 percent are just literate.

On the basis of family system, 30 percent of the total respondents live in a joint family and the remaining 70 percent live in a nuclear family.

For income categorization, the monthly income of the respondent has been taken into accounts. About 25 percent of the total respondents have the family monthly income below Nu 20,000, more than 40 percent of the respondents have family monthly income about Nu 20,000 to Nu 40,000 and around 33 percent of the respondents have family monthly income more than 40,000.

4.2 Brand Awareness of Bhutanese Consumers:

The first research question formulated for this study is to identify the brand awareness of the Bhutanese Consumers in relation to the electronic home appliances. For this the respondents were given a scale to measure the importance of brands to them in electronic home appliances. The scale included five points from 1 to 5; 1 representing the minimum and 5 representing the maximum. The respondents were asked to tick on the box they thought was the most appropriate. Different respondents have ticked different points 1 to 5. The weighted mean of the consumers' responses concerning to the importance of the brand has been calculated and presented in the table (Table no. 3) below:

TABLE NO. 3: Importance of Brand

	N	Min	Max	Mean	Std. Deviation
Importance	1		5	3.93	0.967

Table no. 3 revealed that the consumers have given on an average 3.93 ± 0.967 point for the importance of the brand in electronic home appliances. According to the scales provided to the respondents and the result observed, their approaches have been nearer to the highest value. This response shows that the Bhutanese consumers give brand high importance to electronic home appliances. This shows that the consumers are willing to learn about the brands they are being offered and that brand is an important factor to their purchase.

To be more specific about the brand awareness of the Bhutanese consumers, they were asked if they bought the products selected for the study by brand or by inspection or by influence. Their responses to this question have been depicted in the following diagram (Diagram no. 1)

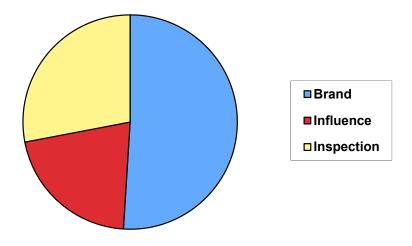


DIAGRAM NO. 1: Use of Brand in Purchasing Products

The Diagram No.1 shows how the Bhutanese consumers buy the electronic home appliances such as Television, Music System, Refrigerator and Microwave in relation to the options provided to them as by brand, by inspection or by influence. As shown in the diagram, more than 50 percent of the respondents claimed that they buy these products by Brand, about 28 percent buy the products through inspection and only about 21 percent of the total respondent said that they buy the products through influence.

In the aforesaid, one must not be confused by the terms "brand", "inspection" and "influence". Buying by brand indicates the buying with the complete knowledge of the product/service in terms of name, sign, symbol, term or combination of them which the producer or seller gives to it in order to differentiate it from the products of the other producers and sellers while buying by inspection means buying a product by observation or examinations. And buying by the influence is buying a product because of the recommendation of the second person.

4.3 Brand Loyalty in Bhutanese Consumers in Electronic Home Appliances:

In the country like Bhutan, it is hard to have the repeated purchase behavior in the high involvement product. So, the researcher has questioned if the consumers go for the same brand for different kinds of home appliances as most of the brands have different product ranges under the same brand for the electronic home appliances. They were asked how often they would go for the same brand for different kinds of consumer home appliances. For an example, if a consumer buys a Sony Television how likely he/she is to buy a Sony Music System or if a consumer buys a LG

television how likely is he/she is to buy LG music system, LG refrigerator and a LG Microwave too.

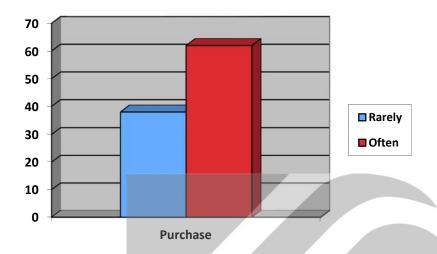


DIAGRAM NO. 2: Brand Loyalty in Multiple product purchase

As shown in the diagram, more than 60 percent of the respondents said that they often prefer the same brand in different products they use and about 38 percent said that they rarely prefer the same brand in different products while no one claimed to have always preferred the same brand for different kinds of electronic home appliances.

Furthermore, they were asked which brand/s they prefer buying for Television, Music System, Refrigerator and Micro wave. Following tables (Table no. 4, 5, 6 and 7) show the brand preferences of the consumers:

TABLE NO.4: Brand Preference of Television

Brands	Preference Percentage
Sony	60
LG	21
Samsung	10
Others	9
Total	100

TABLE NO. 5: Brand Preference of Music System

Brands	Preference Percentage
Sony	46
Philips	26
Samsung	10
Others	18
Total	100

TABLE NO. 6: Brand Preference of Refrigerator

Brands	Preference Percentage
LG	31
Samsung	21
Philips	6
Videocon	5
Others	38
Total	100

TABLE NO. 7: Brand Preference of Microwave

Brands	Preference Percentage
LG	47
Samsung	12
Philips	11
Black and Decker	6
Others	24
Total	100

As shown in the table, in the Television and Music system, the brand Sony is preferred by the majority. As Sony doesn't offer other home appliances products like Refrigerator and Microwave, the other leading brands like LG and Samsung in the Television and Music System are leading in Refrigerator and Microwave sections. From these tables too, we can say that most of the

consumers prefer to use same brands in different products. It shows that the Bhutanese consumers are quite loyal to the brands they prefer.

4.4 Factors affecting brand loyalty:

The researcher asked the respondents if the factors like price, quality, advertisement etc contribute to the brand loyalty to know their importance in building brand loyalty. The following table (Table no. 8) shows if the consumers think that these factors are related to brand loyalty:

TABLE NO. 8: Factors affecting brand loyalty

		Relation with brand loyalty		
Factors		Yes (in %)	No (in %)	
Price		95	5	
Quality		100	0	
Advertisement		65	35	
Star-Cast (Brand A	mbassador)	45	55	
Credit facility		68	32	

The above table shows that most of the consumers think that the price and quality are factors that influence brand loyalty. About 95 percent of the total respondents think price is related to brand loyalty and all of the sample respondents who were questioned think quality contributes in making consumers brand loyalty. More than 60 percent of the total respondents think that even advertisement and Credit facility play a role in brand loyalty whereas only around 45 percent think that the star cast (Brand Ambassador) also encourages people to stick to a particular brand.

To be more clear about their role in brand loyalty, the respondents were also asked which of the factor/s do they think plays the most important role in brand loyalty. The following table (Table no. 9) shows the responses of the sample:

TABLE NO. 9: Most important factor influencing brand loyalty

Most important Factors	Frequency in %
Advertisement	2
Price and Quality	27
Price	5

Quality	66
Total	100

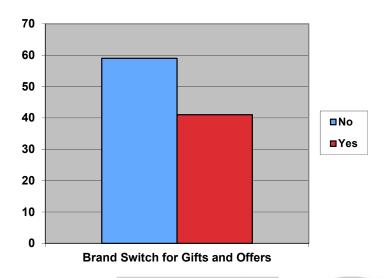
Among the total respondents, more than 65 percent think that quality is the most important factor determining brand loyalty. About 27 percent think that price and quality are the most important factors and both the factors contribute equally in brand loyalty whereas only about 5 percent and 2 percent of the total respondents think that solely price and advertisement of the product are the most important factors in brand loyalty respectively.

4.5 Factors causing brand switching and the relationship of the consumers' demography in the decision making process:

There are different factors which may cause consumers shift the brand. Marketers may come up with different offers providing consumers additional benefits in the product or sometimes other factors like unavailability of the product in the market and the attractive display of the competitive product in the market may swift the consumers to the brand even if they had previously decided buying a the other brand. The researcher here has tried to analyze the effect of such factors in switching brands and the relationship of consumers' demography like age, sex, income status, marital status etc in decision making process of switching the brands due to these factors.

4.5.1 Gifts and Offers:

In today's highly competitive environment, marketers are coming up with different gifts and special offers providing additional benefits to the consumers. The study has tried to know the effect of these gifts and offers in deciding the brand. The respondents were asked if they would go for the other brand than the one they had previously preferred if the other brand offers some additional benefits in terms of gifts and offers. The following diagram (Diagram no. 3) shows the effect of the gifts and offers to the consumers:



DIAMGRAM NO.3: Effect of Gift and Offers in Brand switch

As shown in the diagram, almost 60 percent of the respondents said that they won't switch their preferred brand for gifts and special offers whereas about 40 percent of the respondents will switch their preferred brand if the competitor brand offers them additional benefits in terms of gifts and offers.

The consumers have been categorized into different segments on the basis of demography to know which segment is more influenced by such kinds of gifts and offers also the study tries to know the influence of such gifts and offers on the how the purchasing decision was taken and the involvement of others in decision making process.

4.5.2. Association of Sex and Gifts and Offers:

The following table (Table no. 10) shows the statistical association between the sex and gifts and offer association:

TABLE NO. 10: Sex and Gifts and Offers Association

		Brand Switch for gifts	S		
		No	Yes	Total	P value
Sex	Female	60.4%	39.6%	100.0%	0.782
Sex	Male	57.7%	42.3%	100.0%	
Total		59.0%	41.0%	100.0%	

As shown in the Table, about 39 percent of the female respondents will switch brand for gifts and offers whereas around 42 percent of the male respondents will switch brand for gifts and offers. Though higher percentage of male than female seem to switch brands for gifts and special offers, the association is not statistically significant (P value greater than 0.05).

4.5.3 Association of Age and Gifts and Offers:

The following table (Table no. 11) shows the statistical association between age group and gifts and offers association:

TABLE NO.11: Association of Age and Gifts and Offers

			,		Brand	Switch		
				4	for Gifts	5		
					No	Yes	Total	P Value
	15-25				61.2%	38.8%	100.0%	0.583
Age	25-35				63.0%	37.0%	100.0%	
	More tha	n 35		45	50.0%	50.0%	100.0%	
Total					59.0%	41.0%	100.0%	

As shown in the table, about 38 percent of the respondents under 15 to 25 yrs of age will switch brands for gifts and offers, about 37 percent of the respondents under the age of 25 to 35 yrs will switch brand for gifts and other special offers and around 50 percent of the respondents of more than 35 yrs of age will switch brand for special offers and gifts. But there is no significant relationship between age of the consumers and gift association. (P value greater than 0.05)

4.5.4Marital Status and Gifts and Offers Association:

The following table (Table no.12) shows the relationship between marital status and gifts and offers association:

TABLE NO.12: Marital Status and Gifts and Offers Association

Brand Sv		Brand Switch fo	r Gifts		
		No	Yes	Total	P Value
Marital Status	Divorcee	50.0%	50.0%	100.0%	0.926

	Married	58.3%	41.7%	100.0%	
	Single	59.7%	40.3%	100.0%	
Total	•	59.0%	41.0%	100.0%	

The above table shows that about 50 percent of the divorcee consumers will switch brand for gifts and other special offers, about 41 percent of the married consumers will switch brand for gifts and other special offers and around 40 percent of the single consumers will switch brand for gifts and other special offers. However, the marital status of the consumer doesn't have any statistical association with gifts and offers.

4.5.5 Association of Profession and Gifts and Offers:

The following table (Table no. 13) shows the relationship between profession of the consumers and gifts and offers association:

TABLE NO.13: Profession and Gifts and Offers Association

		Brand Switch for Gifts			
		No	Yes	Total	P Value
Profession	Business	30.0%	70.0%	100.0%	0.019
	Service	71.2%	28.8%	100.0%	
	Students	50.0%	50.0%	100.0%	
Total		59.0%	41.0%	100.0%	

The above table shows that about 70 percent of the respondents involved in Business will switch brand for gifts and special offers, around 29 percent of the respondents involved in service sectors will switch brand for gifts and special offers and about 50 percent of the students will switch brand for gifts and special offers. There is a significant statistical association between profession and the gifts and offers association (P value less than 0.05). Business persons are more likely to switch brand for the gifts and special offers and consumers involved in the service sector in least likely to switch brand for gifts and offers in comparison to business persons and students.

4.5.6 Association of Education and Gifts and Offers:

The following table (Table no. 14) shows the statistical association of education and gifts and offers:

TABLE NO.14: Education and Gifts and Offers Association

		Brand Switch for Gifts and Offers			
		No	Yes	Total	P Value
	Graduate	63.5%	36.5%	100.0%	2.651
Education	Intermediate	50.0%	50.0%	100.0%	
	BCSE	40.0%	60.0%	100.0%	
Total		59.0%	41.0%	100.0%	

As shown in the table, more than 35 percent of the graduates switch brand for gifts and special offers, about 50 percent of the intermediate degree holder switch brand for gifts and special offers and about 60 percent of the BCSE passed respondents switch brand for gifts and special offers. But there is no statistical association between education and gifts and offers (P value greater than 0.05).

4.5.7Association of Family System and Gifts and Offers:

The following table (Table no. 15) shows the statistical association between family system and gifts and offers:

TABLE NO. 15: Family System and Gifts and Offers Association

Brand Switch for Gifts and Offers					
		No	Yes	Total	P value
Family	Joint Family	56.7%	43.3%	100.0%	0.756
System	Nuclear Family	60.0%	40.0%	100.0%	
Total	<u>'</u>	59.0%	41.0%	100.0%	

As shown in the table, about 43 percent of the respondents living in a joint family switch brand for gifts and special offers and about 41 percent of the respondents living in a nuclear family switch brand for gifts and offers. There is no statistical association between family system and gifts and offers (P value greater than 0.05).

4.5.8Association of Family income and Gifts and Offers:

The following table (Table no. 16) shows the statistical association between family income and gifts and offers:

TABLE NO.16: Family income and Gifts and Offers Association:

		Brand switch for Gifts and Offers			
In Nu		No	Yes	Total	P value
Monthly	Below 20000	36.0%	64.0%	100.0%	0.000
Family	20000 -40000	85.7%	14.3%	100.0%	
income	More than 40000	42.4%	57.6%	100.0%	
Total		59.0%	41.0%	100.0%	

The above table shows that about 64 percent of the respondents having monthly family income below 20000 switch brand for gifts and special offers, about 14.3 percent of the respondents having monthly family income between Nu 20,000 to Nu 40,000 switch brand for gifts and special offers and about 57.6 percent of the respondents having more than Nu 40,000 monthly family income switch brand for gifts and special offers. There is a statistical association between family income and gifts and offers (P value is less than 0.05). Consumers having monthly family income below Nu 20,000 are more likely to switch brands for gifts and offer whereas the consumers having monthly family income between Nu 20,000 to Nu 40,000 are least likely to switch brands for gifts and offers.

4.5.9 Association of Gifts and Offers and how consumers make their purchase decision:

The following table (Table no. 17) shows the statistical association between gifts and offers and how consumers make their purchase decision:

TABLE NO.17: Purchase process and Gifts and Offers Association:

		Brand Switch for gifts and offers			
		No	Yes	Total	P value
Buy through	Brand	64.7 %	35.3%	100.0%	0.005
	Influence	28.6%	71.4%	100.0%	
	Inspection	71.4%	28.6%	100.0%	
Total		59.0%	41.0%	100.0%	

As shown in the table, about 35 percent of the respondents who buy the product by brand switch their preferred brand for gifts and special offers, about 71 percent of the respondents who buy the product by influence switch brand for gifts and offers and about 28 percent of the respondents who buy the product by inspection switch brand for gifts and special offers. The buying process has a significant statistical association with the gifts and offers (P value less than 0.05). The probability of brand switch for gifts and offer is very low in the consumer who buys the product through inspection in comparison to the consumers who buy from influence and by brand. The consumers who buy products from others influence are more likely to switch brand for gifts and offers in comparison to the consumers who buy the product by brand and through inspection.

4.5.10 Association of Others Involvement in Decision Making Process and Gifts and Offers:

The following table (Table no. 18) shows the statistical association between others involvement in decision making process and gifts and offers:

TABLE NO.18: Association of Involvement in Decision Making and Gifts and Offers:

		Brand Switch for gir	fts and offers		
		No	Yes	Total	P Value
Involvement in	Family	59.4 %	40.6%	100.0%	0.455
Decision	Friends	46.7%	53.3%	100.0%	
Making	Single person	68.8%	31.3%	100.0%	
Total		59	41	100	
		59.0%	41.0%	100.0%	

As shown in the table, about 40 percent of the respondents whose whole family is involved in the purchase decision making process switch brand for gifts and special offers, more than 50 percent of the respondents whose friends are involved in the purchase decision making process switch brand for gifts and special offers and about 31 percent of the respondents who take their decision on buying a product themselves switch brand for gifts and special offer. There is no statistical association between the other people's involvement in the purchase decision making process and gifts and offers (P value greater than 0.05).

4.5.11Out of Stock:

Due to different reasons, sometimes the product may get temporarily out of stock and consumers will have to wait for sometime for the product to arrive in the market. Due to the unavailability of the product, consumers may shift to other brand which is available in the market than to wait for the product to arrive. The following diagram (Diagram no. 4) shows the consumers' shift to other brands due to out of stock of their preferred brand in the market:

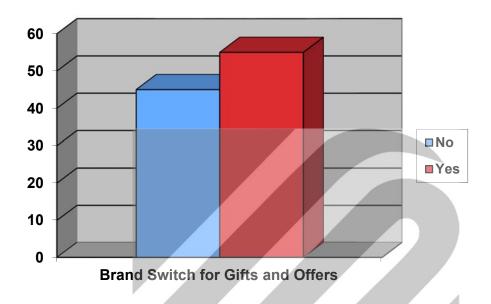


DIAGRAM NO.4: Brand Switch due to Out of Stock

As shown in the diagram, about 45 percent of the respondents will not switch the brand rather wait for their preferred brand to arrive in the market whereas about 55 percent of the respondents will not wait for their preferred brand but switch to the other brand available in the market.

The study further tries to know the effect of out of stock on influencing different segments of the consumers and how they make the purchase decision and involvement of others in decision making process.

4.5.12Association of Sex and Out of Stock:

The following table (Table no. 19) shows the statistical association between sex and out of stock:

TABLE NO.19: Association of sex and out of stock

Brand Switch due to out of stock			
No	Yes	Total	P value

Sex	Female	39.6%	60.4%	100.0%	0.296
	Male	50.0%	50.0%	100.0%	
Total		45.0%	55.0%	100.0%	

As shown in the table, about 60 percent of the female respondent will switch the brand if their preferred brand is out of stock in the market and about 50 percent of the male respondents will switch brand if the product is out of stock in the market at the time of purchase. But there is not any statistical association between sex and out of stock.

4.5.13 Association of Age and Out of Stock:

The following table (Table no. 20) shows the statistical association between age and out of stock:

TABLE NO.20: Association of age and out of stock

		Brand switch of stock	due to out of		
		No	Yes	Total	P value
Age	15-25	34.7%	65.3%	100.0%	0.008
	25-35	70.4%	29.6%	100.0%	
	More than 35	37.5%	62.5%	100.0%	
Total		45.0%	55.0%	100.0%	

As shown in the table, about 65 percent of respondents of 15 yrs to 25 yrs of age will switch the brand if the brand they preferred is out of stock in the market, about 29 percent of the respondents of age 25yrs to 35yrs will not wait for the brand to come in the market if its out of stock and more than 60 percentof the respondents of more than 35yrs of age will switch brand if the brand they preferred is not available in the market. There is a significant statistical association between age and out of stock (P value less than 0.05). The consumers under the age group of 15yrs to 25yrs and more than 35 yrs are more likely to switch brand if the preferred brand is temporarily out of stock in the market in comparison to the consumers under the age group of 25yrs to 35yrs.

4.5.14Association of Marital Status and Out of Stock:

The following table (Table no.21) shows the statistical association between marital status and out of stock:

TABLE NO.21: Association of marital status and out of stock

		Brand Switch	due to out of		
		stock			
		No	Yes	Total	P value
Marital	Divorcee	25.0%	75.0%	100.0%	0.181
Status	Married	45.8%	54.2%	100.0%	
	Single	47.2%	52.8%	100.0%	
Total	•	45.0%	55.0%	100.0%	

As shown in the above table, about 75 percent of the divorcee respondents will switch brand if their preferred brand is out of stock in the market, about 54 percent of the married respondents will switch brand if their preferred brand is out of stock in the market and about 52 percent of the respondents who are single will switch brand if their preferred brand is temporarily out of stock in the market. But there is no statistical association between marital status and out of stock (P value greater than 0.05).

4.5.15Association of Profession and Out of Stock:

The following table (Table no. 22) shows the statistical association between profession and out of stock:

TABLE NO.22: Association of Profession and Out of Stock

		Brand Switch	due to out of		
		stock			
		No	Yes	Total	P value
Profession	Business	20.0%	80.0%	100.0%	0.180
	Service	44.2%	55.8%	100.0%	
	Student	52.6%	47.4%	100.0%	
Total		45.0%	55.0%	100.0%	

As shown in the table, about 80 percent of the respondents involved in some kind of business will switch the brand if their preferred brand is out of stock in the market, about 55 percent of the respondents involved in service sector will switch brand if their preferred brand is out of stock and more than 45 percent of the student respondents will switch brand if their preferred brand is out of stock in the market. There is no statistical association between profession of the consumer and out of stock (P value greater than 0.05).

4.5.16 Association of Education and Out of Stock:

The following table (Table no. 23) shows the statistical association between education and out of stock:

TABLE NO.23: Association of Education and Out of Stock

	1							
			Brand Switch due to out of					
			stock					
			No	\mathcal{A}	Yes		Total	P value
Education	Gra	duate	44.	6%	55	5.4%	100.0%	0.875
	Inte	rmediate	50.	0%	50	0.0%	100.0%	
	BCS	SE	40.	0%	60	0.0%	100.0%	
Total			45.	0%	55	5.0%	100.0%	

As shown in the table, about 55 percent of the graduates will switch their preferred brand if its out of stock, about 50 percent of the respondents who have done their intermediate will switch their preferred brand if its out of stock in the market and about 60 percent of the respondents who have completed their BCSE will switch their preferred brand if its out of stock in the market at the time of purchase. There is no significant statistical association between education and out of stock (P value greater than 0.05).

4.5.17 Association of Family System and Out of Stock:

The following table (Table no. 24) shows the statistical association between family system and out of stock:

TABLE NO.24: Association of Family System and Out of Stock

		Brand Switch	due to out of		
		stoc	ek		
		No	Yes	Total	P value
Family	Joint	60.0%	40.0%	100.0%	0.048
System	Nuclear	38.6%	61.4%	100.0%	
Total		45.0%	55.0%	100.0%	

As shown in the table, about 40 percent of the respondents living in a joint family will switch the brand if their preferred brand is out of stock in the market and about 61 percent of the respondents living in a nuclear family will switch the brand if their preferred brand is not available in the market. There is a statistical association between family system and out of stock (P value less than 0.05). The consumers living in a nuclear family is more likely to switch brand if their preferred brand is temporarily out of stock in the market without waiting for it to arrive in comparison to the consumers living in a joint family.

4.5.18Association of Family Income and Out of Stock:

The following table (Table no. 25) shows the statistical association between family income and out of stock:

TABLE NO.25: Association of Family Income and Out of Stock

	In Nu.	No	Yes	Total	P value
Monthly	Below 20000	48.0%	52.0%	100.0%	0.243
Family	20000 to 40000	52.4%	47.6%	100.0%	
Income	More than 40000	33.3%	66.7%	100.0%	
Total		45.0%	55.0%	100.0%	

The above table shows that about 52 percent of the respondents having the monthly family income less than Nu 20,000 will switch brand if their preferred brand is out of stock in the market, about 47 percent of the respondents having the monthly family income about Nu 20,000 to Nu 40,000 will switch brand if their preferred brand is out of stock in the market and about 66 percent of the respondents having monthly family income more than Nu 40,000 will switch brand if their

preferred brand is out of stock. There is no statistical association between family income and out of stock (P value greater than 0.243).

4.5.19 Association of Purchase process and Out of Stock:

The following table (Table no. 26) shows the statistical association between purchase process and out of stock:

TABLE NO.26: Association of Purchase process and Out of Stock

			Brand Switch due to out of						
			stock						
				No Yes				Total	P value
Buy	Branc	1		52.9%		47.1%		100.0%	0.262
through	Influ	ence		38.1%		61.9%		100.0%	
	Inspe	ction		35.7%		64.3%		100.0%	
Total				45.0%		55.0%	7	100.0%	

As shown in the table, more than 45 percent of the respondents who buy products by brand will switch brand if their preferred brand is out of stock in the market and more than 60 percent of the respondents who buy their product by influence and by inspection switch brand if their preferred brand is out of stock in the market. There is no statistical association between the purchase process and out of stock (P value greater than 0.05).

4.5.20 Association of Association of Others Involvement in Decision Making Process and Out of Stock:

The following table (Table no. 27) shows the statistical association between others involvement in decision making process and out of stock:

TABLE NO.27: Association of Involvement in Decision Making and Out of Stock

		Brand Switch	due to out of		
		stoc	ck		
		n	у	Total	P Value
Involvement in	Family	46.4%	53.6%	100.0%	0.135

Decision Making	Friends	60.0%	40.0%	100.0%	
	Single person	25.0%	75.0%	100.0%	
Total		45.0%	55.0%	100.0%	

As shown in the table, about 53 percent of the respondents whose family are involved in the decision making process regarding the brand will switch brand if their preferred brand is out of stock in the market, about 40 percent of the respondents whose friends are involved in decision making process will switch brand if their preferred brand is out of stock in the market and about 75 percent of the respondents who decide themselves will switch brand if their preferred brand is out of stock in the market. There is no significant statistical association between involvement in decision making process and out of stock (P value greater than 0.05)

4.5.21 Display:

Display is the way the product is shown to the consumers in the market. Being too many brands in the market, marketers are struggling hard to attract the customers' attention to their brand. Marketers have started to focus on their product display in the market to attract the customers to their brand. To know the importance of the product display the researcher has asked the respondents if they would switch their preferred brand if they find the competing brand more attractively displayed in the market. The following diagram (Diagram no.5) shows the brand switch of the respondents due to the display:

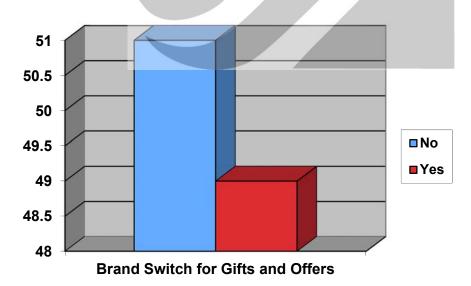


DIAGRAM NO.5: Brand Switch due to Display

As shown in the diagram, about 51 percent of the respondents will not switch the brand even if they find the product display of the other competing brand attractive in the market whereas about 49 percent of the respondents will switch the brand if they are more attracted by the good display of the other competing brand in the market.

The study also tries to know the statistical association of the product display on various consumer segments and the decision making process and the involvement of others in decision making process.

4.5.22Association of Sex and Display:

The following table (Table no. 28) shows the statistical association between sex and product display:

TABLE NO.28: Association of Sex and Display

		Brand s	Brand switch due to Display					
			No	0	Y	Yes	Total	Pvalue
Sex	Female			58.3%		41.7%	100.0%	0.159
	Male			44.2%		55.8%	100.0%	
Total				51.0%		49.0%	100.0%	

As shown in the table, about 41 percent of the female respondents will switch the brand if they find the other brand available in the market more attractively displayed and about 55 percent of the male respondents will switch brand if the other brand's product display is more attractive to see in the market. There is no statistical association between sex and product display (P value greater than 0.05).

4.5.23 Association of Age and Display:

The following table (Table no. 29) shows the statistical association between age of the consumers and product display:

TABLE NO.29: Association of Age and Display

		Brand Switch du	e to Display		
		No	Yes	Total	P value
Age	15 - 25	53.1%	46.9%	100.0%	0.026
	25 - 35	66.7%	33.3%	100.0%	
	More than 35	29.2%	70.8%	100.0%	
Total	I	51.0%	49.0%	100.0%	

As shown in the table, more than 45 percent of the respondents under the age group of 15 yrs to 25 yrs will switch the brand if they find other brand's display more attractive, about 33 percent of the respondents under the age group 25 yrs to 35 yrs will switch the brand if they find other brand's display more attractive and about 70 percent of the respondents more than 35 yrs of age will switch the brand if they find the other brand's display more attractive in the market. There is a significant statistical association between age of the consumers and product display (P value less than 0.05). The consumers more than 35 yrs of age are more likely to switch brand due to product display in comparison to the consumer under the age group of 15 yrs to 35 yrs whereas the consumers under the age group of 25 yrs to 35 yrs are least likely to switch brands due to the product display.

4.5.24 Association of Marital Status and Display:

The following table (Table no. 30) shows the statistical association between marital status and product display:

TABLE NO.30: Association of Marital Status and Display

		Brand Switch du	e to Display		
		No	Yes	Total	P value
Marital Status	Divorcee	50.0%	50.0%	100.0%	0.309
	Married	37.5%	62.5%	100.0%	
	Single	55.6%	44.4%	100.0%	
Total	1	51.0%	49.0%	100.0%	

As shown in the table, about 50 percent of the divorcee respondents will switch brand due to attractive display of other brand in the market, more than 60 percent of the married respondents

will switch brand due to the attractive display of the other brand in the market and about 44 percent of the respondents who are single will switch brand due to the attractive display of the other brand in the market. There is no significant statistical association between marital status and product display (P value greater than 0.05).

4.5.25 Association of Profession and Display:

The following table (Table no. 31) shows the statistical association of profession and product display:

TABLE NO. 31: Association of Profession and Display

		Brand Switch du	ue to Display		
		No	Yes	Total	P value
Profession	Business	10.0%	90.0%	100.0%	0.000
	Service	65.4%	34.6%	100.0%	
	Students	44.7%	55.3%	100.0%	
Total		51.0%	49.0%	100.0%	

As shown in the table, about 90 percent of the respondents who are involved in some kind of business will switch the brand if they find the other brand in the market more attractively displayed, about 35 percent of the respondents involved in the service sector will switch brand due to the attractive display of the other brand in the market and about 55 percent of the respondents who are students will switch brand due to the attractive display of the other brand in the market. There is a significant statistical association between profession and product display (P value less than 0.05). The consumers involved in business are more likely to switch brand due to display in comparison to students and consumers involved in service sector. Consumers involved in service sector are least bothered about the display of the product and are least likely to switch brand due to product display in comparison to business persons and students.

4.5.26Association of Education and Display:

The following table (Table no.32) shows the statistical association between education and product display:

TABLE NO.32: Association of Education and Display

			e to Display		
		No	Yes	Total	P value
Education	Graduate	63.5%	36.5%	100.0%	0.000
	Intermediate	12.5%	87.5%	100.0%	
	BCSE	20.0%	80.0%	100.0%	
Total		51.0%	49.0%	100.0%	

As shown in the table, more than 35 percent of the graduates will switch the brand due to the attractive display of the other brand, more than 85 percent of the respondents completing intermediate degree will switch brand if they find the other brand's display more attractive in the market and about 80 percent of the respondents completing BCSE will switch the brand due to the attractive display of the other brand in the market. There is a significant statistical association between product display and education (P value less than 0.05). The consumers who have not done their graduation are more likely to switch brand due to the product display in comparison to the consumers who have completed their graduation.

4.5.27Association of Family System and Display:

The following table (Table no. 33) shows the statistical association between family system and product display:

TABLE NO. 33: Association of Family System and Display

		Brand Switch du	ue to Display		
		No	Yes	Total	P value
Family System	Joint	46.7%	53.3%	100.0%	0.570
	Nuclear	52.9%	47.1%	100.0%	
Total		51.0%	49.0%	100.0%	

As shown in the table, about 53 percent of the respondents living in joint family will switch the brand due to the attractive product display of the other brand in the market and about 47 percent of the family living in a nuclear family will switch the brand due to the attractive display

of the other brand in the market. There is no statistical association between family system and product display (P value greater than 0.05).

4.5.28 Association of Family income and Display:

The following table (Table no. 34) shows the statistical association between family income and the product display:

TABLE NO.34: Association of Family income and Display

		Brand Switch du	ue to Display		
		No	Yes	Total	P value
	below 20000	20.0%	80.0%	100.0%	0.000
	20000 - 40000	78.6%	21.4%	100.0%	
Income	More than 40000	39.4%	60.6%	100.0%	
Total		51.0%	49.0%	100.0%	

As shown in the table, about 80 percent of the respondents having the monthly family income below Nu 20000 will switch the brand due to the attractive display of the other brand, about 21 percent of the respondents having the monthly family income between Nu 20000 to Nu 40000 will switch the brand due to the attractive display of the other brand and about 60 percent of the respondents having the monthly family income more than Nu 40000 will switch the brand due to the attractive display of the other brand in the market. There is a statistical association between family income and display (P value less than 0.05). The consumers having monthly family income between Nu 20000 to Nu 40000 are more likely to switch brand due to display in comparison to the consumers having monthly family income below Nu 20000 and more than Nu 40000 whereas the consumers having monthly family income more than 40000 is least likely to switch brand due to display.

4.5.29Association of Purchasing Process and Display:

The following table (Table no. 35) shows the statistical association between purchasing process and display:

TABLE NO. 35: Association of Purchasing process and Display

		Brand Switch du	e to Display		
		No	Yes	Total	P value
Buy through	Brand	66.7%	33.3%	100.0%	0.006
	Influence	38.1%	61.9%	100.0%	
	Inspection	32.1%	67.9%	100.0%	
Total	•	51.0%	49.0%	100.0%	

As shown in the table, about 33 percent of the respondents who buy the product by brand will switch brand due to the attractive display of the other brand, about 61 percent of the respondents who buy their product by influence will switch brand due to the attractive display of the other brand and about 67 percent of the respondents who buy the product by inspection will switch brand due to the attractive display of the other brand in the market. There is a statistical association between purchase process and the product display (P value less than 0.05). The consumer buying the brand by inspection and influence are more likely to switch brand due to the product display in comparison to the consumers who buy products by brand.

4.5.30Association of Involvement of Others in Decision Making Process and Display:

The following table (Table no.36) shows the statistical association between the involvement of others in decision making process and the product display:

TABLE NO. 36: Association of Involvement of Others in Decision Making Process and Display

		Brand Switch due to			
		Displa	ay		
		No	Yes	Total	P value
Involvement in	Family	59.4%	40.6%	100.0%	0.030
Decision	Friends	40.0%	60.0%	100.0%	
Making	Single person	25.0%	75.0%	100.0%	
Total	1	51.0%	49.0%	100.0%	

As shown in the table, about 40 percent of the respondents whose family are involved in the decision making process will switch brand due to the attractive display of the other brand, about 60 percent of the respondents whose friends are involved in the decision making process will switch brand due to the attractive display of the other brand and about 75 percent of the respondents who take the decision solely by themselves will switch brand due to the attractive display of the other brand in the market. There is a significant statistical association between involvement of others in decision making process and the product display (P value less than 0.05). The consumers who solely take the purchasing decision are more likely to switch brand due to the product display in the market in comparison to the consumers whose family or friends are involved in the decision making process are least affected by the display of the product in the market.

4.6 Major Findings:

The following major findings have been deduced from the data presentation and analysis made in this chapter

The Bhutanese consumers are quite aware of different kinds of brands available in the market and they give high importance to the brand of the electronic home appliances. In an average the respondents have given brand 3.93 ± 0.967 point (i.e. from 1 to 5) to the importance of the brand.

Most of the consumers are found buying the electronic home appliances by brand rather than by inspection or influence. More than 50 percent of the consumers were found buying products by brand.

Most of the consumers seem to be quite loyal to the brand in terms of the use of the same brand for different home appliances. More than 60 percent of the respondents prefer same brand for different kinds of products.

Most of the consumers view quality of the product as the most important factors influencing brand loyalty. More than 65 percent of the respondents view quality as the most important factor. While most of the consumers also think that price, credit facility and advertisement as the factors influencing brand loyalty.

About 40 percent of the consumers are found to switch the brand for gifts and special offers. Profession, income and purchase process have a statistical association with gifts and offers. Business persons, consumers having monthly family income below Nu 20000 and above Nu 40000 and the consumers who buy product by influence are more likely to switch brand due to the gifts and special offers.

About 55 percent of the consumers are found to switch brand if their preferred brand is temporarily out of stock in the market. Age and family system of the consumers have a statistical association with out of stock. The consumers of 15yrs to 25years and above 35 years of age and

consumers living in a nuclear family are more likely to switch brand if the brand is out of stock in the market.

About 49 percent of the consumers are found to switch brand due to the attractive display of the other brand in the market. Age, profession, education, income, purchase process and involvement of others in decision making process have a statistical association with the product display. Consumer of 15yrs to 25 years and above 35 of age, consumers who have not completed their graduation, consumers whose family monthly income is below Nu 20000 and above Nu 40000, consumers who buy the product by influence and inspection and whose friends and involved in the decision making process or decides solely are more likely to switch brand if they find the other brand's display more attractive to their preferred brand.



CHAPTER 5

CONCLUSION, DISCUSSIONS AND RECOMMENDATIONS

5.1 Conclusion:

Bhutanese consumers give high importance to the brand in consumer durable goods. Most of the consumers buy the products by brands rather than by inspection or influence and they seem to have good knowledge of most of the brands of the selected products available in the market. Most of the Bhutanese consumers are brand loyal in term of using same brands for different products and they view quality and price as the major factors influencing brand loyalty.

Specially the consumers involved in the service sector, consumers having the monthly family income of Nu.20000 to Nu. 40000 and the consumers who buy product by brand do not switch the brand for the gifts and offer.

Majority of the consumers switch the brand if their preferred brand is out of stock in the market. Still the consumers between the age group of 25ys to 35yrs and the consumers who live in a joint family do not switch the brand even if the brand is out of stock in the market rather they will wait for their brand to arrive in the market.

The consumers between the age group of 25yrs to 35yrs, consumers involved in service sector, the consumers having the monthly family income of Nu.20000 to Nu. 40000, consumers who buy the products by brand are least affected by the display of the product. These consumers seem to be more brand loyal.

5.2 Discussions:

The basic aim of the present study is to generate the sketch of the awareness in Bhutanese consumer on brands offered to them being mainly focused on the urban market of Bhutan. In order to achieve the objective, data have been collected from the selected sample consumers.

Though Bhutan is still known as a subsistence agricultural country, it is gradually shifting towards industrialization. This has brought about the increase in the spending capacity of its citizens, henceforth, the consumer's attributes towards brand is increasing gradually. Due to the wide range of products available to the consumers, the successful marketing of a product has become a tough job. The marketers therefore have known that only the core product alone is not sufficient for the successful marketing. The product should be presented through proper branding, packaging and labeling.

So, the basic problem area of this study is to measure brand loyalty of Bhutanese consumers. Within this area, various aspects of brand loyalty such as percentage of brand loyal consumers, correlates of brand loyalty in consumer electronic home appliances, brand-switching behavior etc. will be studied. As the researcher could acquire data from whole population, sampling strategy is a very important approach to reach the research objectives due to saving time and cost of data collecting (Saunders et al. 2009). Respondents are selected to represent the entire population. There are many strategies to determine the sample size. So the researcher here applies Taro Yamane.

This study mainly aims at finding out the Bhutanese consumer perception on brand loyalty as per the products. The survey research design is adopted for the purpose. As stated by Zikmund (2003), surveys provide inexpensive and efficiency of assessing information about the population. The data and the information then collected are tabulated, analyzed and interpreted as per the need of the study in attaining its objectives.

Descriptive statistics were used for analyzing the summary the demographic information and consumer awareness of electronic brands marketed in Bhutan from 400 respondents. Mann (1995) stated that descriptive statistics are quantitative approach, which is using various statistical analyses for describing raw data, and manipulated it into easy and informative format. Descriptive statistic such as percentage is used for describing the summary of information. Moreover, mean score, and standard deviation are applied for measuring importance of the brand in electronic home appliances. Additionally, the researcher also represented the summary and interpreting in the form of table, figure, and chart. For the data analysis technique, the researcher also applied Chi-square test for testing association between demographic factors and brand loyalty. The results of Chi-square test are illustrated into cross-tabulation form of table with percentage. The researcher also set confidence level with 95% for accepting the association between variables.

5.3Recommendation:

Consumers are the sovereign power of the modern marketing world. The products manufactured today are not the ones that the manufacturers want to sell but the ones that the consumers want to buy. Every successful product in the modern marketing world is and embodiment of the consumers' needs, wants prestige, preference, satisfaction, aspiration and mental horizon. Hence, understanding the consumers' needs, wants, satisfaction, preference,

aspiration and mental horizon or understating the consumer in total is the secret of success today. Knowledge of brand loyalty makes it easier to understand the consumer. Brand loyalty exposes the consumers' preference, attitude and purchasing pattern relating to different brands of a product available in their market. These factors like preference, attitude purchasing pattern etc are to a great extent directly or indirectly related with the consumers' satisfaction, social status, earning, aspiration and ambition.

The Bhutanese consumer market is rapidly growing. Competition is being tough and tougher together with this growth. Understanding brand loyalty is a very effective measure to increase the competitive strength of manufacturers or sellers. So, the findings of this study have multifold implications for the Bhutanese marketers. The following recommendations are made on the basis of the findings of this study:

Particular attention should be given in branding the products. Brand plays an important role in choosing a product

Brand should be distinctive or unique in every types of product. Distinct brand plays significant role in helping the consumer differentiate the desired product from other products

Studies on brand loyalty should be made on continuous basis. Marketers should know which target segment are more influenced by which factor to attract the consumers to the brand.

This is an addition to some very limited studies that have been carried out on this subject as a part of academic curriculum. Brand loyalty is an important and very interesting subject of study for university scholars, manufacturers and marketers. Hence, this researcher anticipates that this will encourage further researches on the subject. In spite of the earnest endeavor of the researcher, this study does have some weaknesses and shortcomings. These weaknesses and shortcomings are being explained here with a consideration that they will be dealt beforehand by anyone attempting for further research on the subject and can be overcome in studies conducted in later days. Furthermore, the following suggestions are suggested to all those willing to carry out any sort of study on the related subject:

Bigger sample size would be better. The sample size of this number therefore is too less to be able to accurately resemble the whole population.

Concentrating on one particular kind of product would yield more detailed study and could be greatly beneficial for the organization associated with that product.

The repeat purchase behavior and the attitude of the consumers towards the brand could be better choice to check on the brand loyalty of the consumers. With the technological advancement and the innovations being done in the electronic home appliances products along with the offers like exchange offers being given by the marketer, the repeat purchase behavior can be measured for these kinds of durable products too.

Using additional statistical tools such as correlation analysis etc could help in obtaining better results of the study.

5.4 Future Recommendation

Firstly, in the current study the researcher has used a small sample size in order to determine the findings, by using the Taro Yamane formula, the researcher could only work on 500 respondents, which has limited the accuracy of the research, due to time constraints. Therefore, in future studies the researchers could have more time and budget, so that they may take random sampling from the population in order to provide a better result. In addition the researcher should focus on studying the trends related to the satisfaction towards the quality of consumers' decision-making behaviors to a certain brand. Or study a comparison of different consumers' brand satisfaction level.

Secondly, there have been many models and researchers which I have referred to in this paper, there is still a lot of variable missing which effects the consumer's buying decision making process such as attitude, motivation and perception towards a certain brand. Motivation can highly influence a consumer's behavior process depending on the way the consumer has perceived a issue in order to study consumer behavior, and different factors and situations, different time, to study will lead to a different result such as the attitude of different districts, the time for researching the place chosen, the type of sampling selected, the results from future researches will differ from now. No matter what variables that the researcher adopts, all the relative future studies would provide prominent benefits for the purchase for the study.

Thirdly, based on the survey instruments, questionnaires of the future research should be extended; the volume of questions should be increased, accordingly. Additionally, this could create more clarity in the consumer's behavior towards brand loyalty. Therefore, future researchers should be more concerned about why consumer behavior towards a brand differs. The researchers should also pay more attention, as to how marketing can bring changes towards consumer behavior and their loyalty towards a brand.

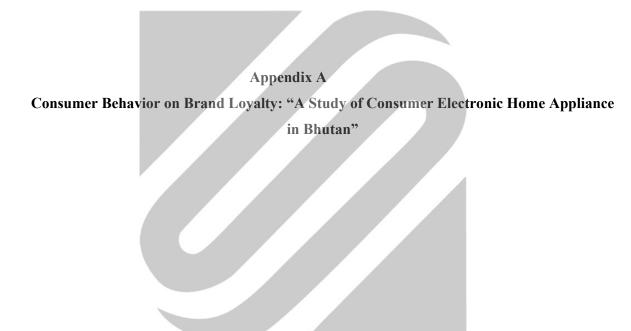
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Appendix A- QUESTIONNAIRE

CONSUMER BEHAVIOR ON BRAND LOYALTY: A STUDY OF CONSUMER ELECTRONIC HOME APPLIANCES PRODUCTS

I am Nima Om Dorjee, M.B.A student at Stamford International University, Bangkok Campus. I am conducting a research study on the above-mentioned subject. It would be greatly appreciated if you could kindly cooperate with me by filling up the following questionnaire. The more accurately and explicitly you fill up the answers in the questionnaire, the more precise and conclusive the results would come and thenceforth, would make the study meaningful.

Part I	- Demographic	Data		_		
Kindly	provide with th	e follo	owing persona	l details		
Name						
1.	Gender					
	a) Male			b) Fe	male \square	
2.	Age: a) 15-25		b)25-35		c) above 35	
3.	Marital Status					
	a)Single		b) Married	П	c) Divorcee	
	d) Widowed					
4.	Profession:					
	a) Student		b) Service		c) Business	
	d) Others					
5.	Education:					
	a) Literate			b) Un	der graduate	

	c) Intermediate		d) Graduate			
6.	Family System:					
	a) Nuclear		b) Joint			
7.	Family Income: In Nu	gltrun				
	a) Below 20000		b) 20000 – 40000			
	c) More than 40000					
PART	II General Information	on				
The st	udy is focused on the fo	llowing four p	products under hom	e applianc	es:	
-) T-1-	15) Mari	- Ct	-) D - C-i 1) 1	Mi		
a) Tele	evision b) Musi	c System	c) Refrigeratord)	Microway	e 1	
8.	Could you please rate	the importan	ce of brand in the o	consumer (electronic p	roducts to you
	in accordance with the	scale provide	ed below:			
	Minimum		47/4		Maximun	1
	1 2		3	4		5
0			1 4 : 0			
9.	Are you using the above YES	e-mentioned	NO			
	I LS		110			
10.	. What is the reason to	purchase ab	ove mentioned ho	me applia	nces?	
	\Box Once the old of	ne is broken				
	☐ One the new a	rrival is in th	e market			
	☐ Once the new					
	Once there is s	-	promotion			
	□ other, (please	specify)				
11.	. Who participate in yo	our purchase	decision for above	e mention	ed home an	pliances?
	Solely yourself		Family		- ~r	

	Frien	d	□ Sales □	person		
	Other	rs, (please Spec	rify)			

12	2. What	brand of abov	e mentioned l	ome appliance	you prefer to buy	?
a)	Televis	sion				
b)	Music	System				
c)	Refrige	erator				
4)	Microv	VOV.				
u)	MICION	vave				
Part I	II Consi	umer Behavior				
13	B. How	often do you pu	ırchase above ı	mentioned home	appliances?	
		Once a year				
		Two times a y	rear			
		Three times a	year			
		More than thr	ee times a year			
		Seldom				
14	l. what i	is the rate price	that satisfy you	ı to purchase?		
			H	Home Appliances	3	
	Price F	Pange	Television	Music	Refrigerator	Microwa
	1 1100 1	Cange	1 010 v 181011	Music	Kenigeratui	whichowa

Home Appliances							
Price Range	Television	Music System	Refrigerator	Microwave			
Less than 6000							
7000 - 15000							
16000 - 25000							
26000 - 45000							
More than 45000							

b) By brand				
c) By influence				
16. Do you think the following fa	ctors are rela	oted to nurchase de	ecision?	
	etors	ned to purchase de	Relatedness	
			Yes	No
Price				
Quality				
Credit facility	7//			
Advertisement				
Strongly Agree 3= Agre Strongly disagree 17. Price to brand loyalty		2= Disagree		
	Television	Music system	Refrigerator	Microwav
Brand loyalty is related to being				
rice fit with quality?				
Brand you prefer in the market is				
xpensive?				
rice depends on technology and				
esign				
credit facility received helps to				

15. How do you buy the consumer home appliances?

a) By inspection

17. Promotion to Brand Loyalty

access the goods easily

	Television	Music system	Refrigerator	Microwave
Advertisement on television,				
magazine and internet draws				
attention to the product*				
Display or special event				
draws attention towards the				
products				
Sales discount offered draws				
attention towards the product				

products					
Sales discount offered draws					
attention towards the product					
18. Product quality to Brand loya	alty				
	00				
19. If other competitive brands		special c	leals like coupo	ns, lucky draws, s	urprise gifts
etc. would you switch to them?					
a) Yes		b) No			
	Talax	ision	Mugic Cyatom	Defrigarator	Microwave
	reiev	/131011	Music System	n Refrigerator	Miciowave
Home appliances should have h		7131011	Wiusic System	i Kenigerator	Microwave
Home appliances should have he technology.		7131011	Wusic System	Remgerator	Microwave
	igh	7131011	Wusic System	Remgerator	Microwave
technology.	igh	7131011	Wusic System	Remgerator	Microwave
technology. Home appliances should have friend	dly	7131011	Music System	Remgerator	Microwave
technology. Home appliances should have friend functions	dly	7131011	Music System	i Kenigerator	Microwave
technology. Home appliances should have friend functions Quality of Design highly influence	dly on	7131011	Music System	i Kenigerator	Microwave
technology. Home appliances should have friend functions Quality of Design highly influence purchasing of home appliance	dly on ands	7131011	Music System	i Kenigerator	Microwave
technology. Home appliances should have friend functions Quality of Design highly influence purchasing of home appliance Quality guarantee by top brance	dly on ands	7131011	Music System	i Kemgerator	Microwave
technology. Home appliances should have friend functions Quality of Design highly influence purchasing of home appliance Quality guarantee by top brain influence the purchasing of	dly on nds the				

regularly, v	would you buy the more attr	actively displ	ayed brand	?
a) Yes		b) No		
22. Brand loya	lty toward electronic applia	nce		
				Level of agreement
I always prefe	er to choose the same brand	although othe	er brands	
might have a l	better offer			
When I buy m	ny next product, the current	brand will be	my first	
choice.				
I do not like to	o change brand because I th	ink that the fa	miliar	
brand is the bo	est choice.			
Average score	e			
Thank you for	filling up the questionnaire	and thus prov	viding me y	our invaluable support in
accomplishing	my research.			

21. If the different brands of the products are displayed better in the shop/store you buy from

BIOGRAPHY

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