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Impact of Cultural Factors on Brand Loyalty of Rural Buyers towards Bath Soap (A case study of Chittoor district in Andhra Pradesh)

C. Saradamma — Research Scholar, Dept.of Commerce, Sri Venkateswara University, Tirupati, Andhra Pradesh

Dr. Mamilla Rajasekhar — Professor, Dept.of Commerce, Sri Venkateswara University, Tirupati, Andhra Pradesh

ABSTRACT

The Indian rural market offers a big attraction to marketers. Brand loyalty is an important component of enterprise marketing strategy and it is a major requisite to foster brands' assets. The development of a brand name entails a complex structure which must be understood in order to build a strong brand. This study aims to analyze the impact of cultural factors on brand loyalty of rural buyers towards bath soap. The result of the study highlights the family relations, family prestige and quality of the brands, self- attention, cultural practices, and other cues. It can be concluded that the brands are successful because people prefer them to ordinary products.

KEYWORDS: Brand loyalty, cultural factors, 4Ps of marketing, factor analysis

Introduction

Rural India is vast in size but amorphous in detail. Yet, the rural market represents the largest potential market in the country. At present, rural consumers spend about USD 9 billion per annum on FMCG items and product categories such as instant noodles, deodorant and fabric, with the pace of consumption growing much faster than urban areas.

The rural Indian market will be larger than the total consumer markets in countries like South Korea or Canada today, and almost four times the size of today's urban Indian market and it is estimated that the size of the rural market could be at $577 billion. It is no wonder that even MNCs have cottoned on to the idea of a resurgent rural India waiting to happen for their FMCG products.

Statement of the problem

The market structure in India is dichotomous having rural and urban markets. There are certain unique features which call for separate marketing strategies to be distinctively developed to suit the rural and urban market behaviour. The Indian rural market is worth studying closely, not only because of its unique size and spread, but also due to the variety of language, polity, religion, customs and values existing within.

While a sound distribution network and an intricate study of the village psyche are essential for making inroads into rural markets, any generalisation, whatsoever, about rural India could be wrong. The focus of corporates, therefore, needs to be on the introduction of brands specific to rural customer and developing specific marketing mix and strategies. One of the deterrents for marketers to exploit the rural market potential has been the vastness in area to be covered and the location of the population. Hence, there is a great need to solve the problems by consistent changes in the 4Ps of marketing mix for the bath soap.

Importance of the study

The study focuses mainly on the brand loyalty of rural buyers towards bath soap. But with the prevailing trend, it is necessary to focus on the essence and emergence of vibrant rural marketing efforts by the bath soap companies. Thus with more number of companies, entering into the rural market with variety of products, it is an imperative for the companies to study the rural consumer behaviour, rural consumption pattern and brand loyalty so as to withstand the competition, and survive and grow either to retain or expand market share in the bath soap market in India. This study will highlight the opportunities and challenges in rural market for the Indian corporates as well as MNCs for bath soap.

Sample selection

A sample of 450 consisting 150 consumers each from three revenue divisions of Chittoor district of Andhra Pradesh, namely Chittoor, Madanapalli, and Tirupati covering 15 villages were selected by using stratified random sampling method.

Objective of the study

To study the impact of cultural factors of rural buyers on their brand loyalty towards bath soap.

Null Hypothesis

H01: There is no significant difference between cultural factors in so for as their impact on brand loyalty of rural buyers towards bath soap.

Results and discussion

Factor analysis: Factors determining the impact of cultural factors on the brand loyalty of rural buyers.

Tests of sample adequacy: Measure of sample adequacy, such as Barlett's test of sphericity (approx Chi-Square is 17262.411, degree of freedom is 352, significance is 0.000) and the Kaiser-Meyer-Oklin (KMO) sampling adequacy test were used to measure sampling adequacy (table 1). The KMO index ranges from 0 to 1, reaching 1 when each variable is perfectly predicted without error by the other variables.

Table 1: Tests of sample adequacy

i.	Kaiser–Meyer–Olkin Measure of Sampling	0.816	
ii.	Barlett's Test of Sphericity	Chi–Square	17262.411
		Dof	352
		Significance	0.000

The KMO test interprets that the sampling data is 81.6% adequate for this factor analysis and thus falls in the meritorious range of 0.8 and above (Hair et al., 1998).

Through SPSS principal components analysis and Vari-max method were used for extracting factors and five factors (factor loadings for each of 24 sub-factors, i.e., with Eigen value of more that 1.0 which is considered significant) that account for an explained total variance of a significant 63.768% are shown in table 2.

Table 2: Impact of cultural factors on brand loyalty of rural buyers towards bath soap

Attribute no.	Factors retained (1, 2, 3, 4 and 5) and variables (24 – as are numbered from 1 to 24 in the questionnaire administered)	Loadings of variables/ attributes	Communalities	Percentage of variance explained and its Eigen value
Factor 1:Family relations				
24.	I change habits and behaviour with time.	0.830	0.812	Variance explained=31.421% (Eigen value=8.169) No. of variables=9
10.	I believe my parents know better than me.	0.825	0.799	
4.	I do not like to stand out in a crowd.	0.822	0.763	
21.	I often think about the good old days.	0.817	0.771	
6.	I have a close relationship with my family.	0.811	0.752	
20.	Price promotions in shops often attract me.	0.811	0.752	
2.	I search for a lot of information before I buy something.	0.709	0.893	
9.	Being successful is the most important thing to me.	0.660	0.532	
15.	It is not the cost of the gift that matters to me, it is the honest.	0.660	0.532	
Factor 2:Family prestige and quality of the brands				
18.	I feel an Indian brand is more suited to my needs.	0.890	0.822	Variance explained=11.410% (Eigen value=5.567) No. of variables=5
12.	I feel I have a number of good qualities.	0.890	0.822	
13.	My family prestige is of utmost importance to me.	0.832	0.773	
11.	I feel competing in things may sometimes lead to less work getting done.	0.742	0.759	
19.	I generally buy or consume things which reflect my uniqueness.	0.710	0.709	
Factor 3:Self-attention				
16.	I pay a lot of attention to how I look when I go out.	0.881	0.918	Variance explained=8.306% (Eigen value=2.940) No. of variables=4
17.	The women of the house offer suggestions but the men take the decision.	0.865	0.907	
22.	My opinions about people can be quite subjective.	0.498	0.308	
23.	My regular brand is the same as what my parents had used for many years.	0.465	0.383	
Factor 4: Cultural practices				
7.	I never buy items just because I liked its advertisements.	0.832	0.727	Variance explained=4.142% (Eigen value=1.857) No. of variables=4
14.	I often try new brands before my friends and neighbours do.	0.789	0.687	
1.	I believe that some people in my locality are more influential than others.	0.688	0.752	
8.	I am indifferent to most of the cultural practices that indulge in.	0.688	0.752	
Factor 5 Cues and security				
5.	In case of uncertainty, I look at others to get cues from them.	0.826	0.700	Variance explained=3.489% (Eigen value=1.427) No. of variables=2
3.	I believe in saving money for a rainy day.	0.794	0.705	
Total variance explained				63.768
Total no. of variables				24

Source: Primary data.

Names of factors: The five extracted factors have been given appropriate names on the basis of variables represented in each case as shown in table 2. These factors representing values of opinion impact of cultural factors on brand loyalty of rural buyers towards bath soap.

Factor 1–Family relations: This is the most influencing factor with highest eigen value and total variance. This factor is named as 'family relations' as it includes 'I change habits and behaviour with time', 'I believe my parents know better than me', 'I do not like to stand out in a crowd', 'I often think about the good old days', 'I have a close relationship with my family', 'price promotions in shops often attract me', 'I search for a lot of information before I buy something', 'being successful is the most important thing to me' and 'It is not the cost of the gift that matters to me, it is the honest' with higher factor loadings of 0.830, 0.825, 0.822 0.817, 0.811, 0.811, 0.709, 0.660 and 0.660 respectively with an explained variance of 31.421% and with high communalities ranging between 0.812 and 0.532 indicating that the attributes within this factor have very high association among themselves. It could be concluded that the attributes are powerful and strong in influencing the brand loyalty of rural buyers towards bath soap.

Factor 2–Family prestige and quality of brands: It has been revealed to be the second most important factor with explained variance of 11.410% of variance. This factor is named as 'family prestige and quality of brands', as it includes 'I feel an Indian brand is more suited to my needs' (0.890), 'I feel I have a number of good qualities' (0.890), 'my family prestige is of utmost importance to me' (0.832), 'I feel competing in things may sometimes lead to less work getting done' (0.742), and 'I generally buy or consume things which reflect my uniqueness' (0.710) with high factor loadings and with high communalities indicating that the variables are closely associated.

Factor 3–Self-attention: With a total of variance of 8.306% four variables, namely 'I pay a lot of attention to how I look when I go out', 'the women of the house offer suggestions but the men take the decision', 'my opinions about people can be quite subjective', and 'my regular brand is the same as what my parents had used for many years' with factor loadings 0.881, 0.865, 0.498 and 0.465 respectively were loaded on to this factor. The researcher has named this factor as 'self-attention'. Their communalities indicate that their 'paying lot of attention on personal get-up' play a leading role and 'using the brand what parents also used' has shown the least role. Hence this factor should be given top priority to be monitored.

Factor 4–Cultural practices: Factor 4 explains 4.142% of total variance with eigen value of 1.857. The factor has positively loaded on the significant variables. The researcher has named this factor as 'cultural practices'. The factor is highly loaded at 0.832 on 'I never buy items just because I liked its advertisements', at 0.789 on 'I often try new brands before my friends and neighbours do', at 0.688 each on 'I believe that some people in my locality are more influential than others', and 'I am indifferent to most of the cultural practices that indulge in'.

Factor 5–Cues and security: Factor 5 explains 3.489% of total variance. The factor is positively and highly loaded at 0.826 on 'In case of uncertainty, I look at others to get cues from them', and at 0.794 on 'I believe in saving money for a rainy day'. Hence this factor is named it as 'cues and security'. The higher values of communality for the two attributes

indicate that higher amount of variance is explained by the extracted factors. It could be concluded that the above attributes are powerful and strong in their impact on brand loyalty of rural buyers towards bath soap.

It can be concluded that factor 1 consisting of 'family relations' was most influencing with 31.42 per cent of the total variance explained, while the factor 5 'cues and security' is the least influencing one with 3.5 per cent of the total variance explained that influenced the brand loyalty towards bath soap among rural buyers.

Conclusion

To move rural buyers from trial to preference, brands need to deliver on their value proposition, as well as to dislodge someone else from the consumer's existing preference for bath soap. Brand loyalty is a scale, and brands move up, down and even off that scale with and without a vigilant brand management strategy. Pricing, promotional deals and product availability, all have tremendous impact on the position of the brand in the buyer's preference for bath soap. The brands' potential can only be fulfilled by continually reinforcing its perceived quality, up market identity and relevance to the buyer.

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