

## Exploration of Association between Consumer Involvement and Brand Loyalty with Demographic Analysis



### Management

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### ABSTRACT

*The concept of consumer involvement has received much considerable attention in these recent years and is an important concept in consumer behaviour literature. Involvement creates within consumers an urge to jog the mind before making decisions on brand preferences. Customer involvement also plays a central role in developing customer loyalty and is considered to have paradigmatic implications on loyalty because it provides relevant information to the practicing managers to formulate marketing and communication strategies. This paper attempts to explore the association between consumer involvement and brand loyalty and also examines the relationship between consumer involvement and their demographic variables.*

### 1. Introduction

In a highly competitive market, consumers are turning point for all marketing activities. Consumer involvement is one way to understand the psychology and behaviour of target audience. The level of involvement guides the company in its marketing strategy. Most companies with established brand depend on their ability to leverage brand loyalty by different ways. The cost of building powerful brands have sky-rocketed and the failure rate of new brands is high. Therefore, brand managers have started refocusing their attention on retaining their existing customers for long term benefits. Creating and maintaining strong brands and loyal customers have become increasingly difficult in today's competitive environment. Brand loyalty has been shown to be associated with higher rates of return on investment. There are several factors like trust, commitment which are found to influence brand loyalty but consumer involvement plays a predominant role. Involvement and brand loyalty are two important concepts believed to explain a significant proportion of consumer purchase choices.

### 2. Consumer Involvement

Consumer involvement affects the ways in which consumers seek, process and transmit information, make purchase decisions and post-purchase evaluation. Involvement is defined as a psychological state that motivates people to be more aware about products and it indicates a level of personal importance a person attaches to such products. The vigorous interest in the concept of involvement emerged at the end of the 1970s. It was then researchers started to question the notion of consumers being "internally directed active information gatherers and extensive problem solvers" (Ekström, 2010, p. 194). According to Mittal 1987, the concept of involvement originated from Split Half theory where the assumption is that left and right halves of the human brain processes the information differently. Krugman (1965) proposed that there are two levels of involvement; low and high and associated it with split half theory. Later, consumer involvement was conceptualised on a continuum with low and high at the two extremes of the continuum (Zaichkowsky 1985; Laurent and Kepperer 1985). Ekström, 2010, suggests that the degree of involvement depends on both the characteristics of a consumer and those of a product. Consumer involvement has been defined and explored by different authors and researchers but still this research can open new directions for marketers by linking it with different variables.

### 3. Brand loyalty

The concept of brand loyalty was developed empirically in the 1940s and 1950s as a unidimensional construct. However, there is no single definition of this concept. Brand loyalty as a hypothetical construct is far richer in meaning than the traditional operational definitions. Brand loyalty is the biased (non-random) behavioural response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands and is a function of psychological processes (Jacoby 1971, p25) and emotional response. Asseal, 1992 says that brand loyalty is a favourable attitude towards a brand resulting in consistent purchase of brand over the time. It is the ultimate desired outcome of consumer

learning and lies at the heart of marketing activities. All dramas and actions are done by marketers to create loyalty because the potential for losing customers is greater than selling products. Understanding why customers stay with particular brand is of utmost importance to marketers. In marketing, there are number of ways to enhance loyalty and consumer involvement plays an important role in it. There are three dimensions to loyalty i.e. cognitive loyalty, affective loyalty and conative loyalty.

### 4. Research Framework

This paper explores the relationship between consumer involvement and brand loyalty. Consumer Involvement Profile Scale of Kapferer and Laurent (1985) is used to measure consumer involvement in this research. CIP scale consists of 16-Likert type five point statements ranging from totally disagree to totally agree. Brand loyalty is measured on five point Likert scale for 15 variables. Loyalty is determined by 3 antecedents' i.e. cognitive loyalty, affective loyalty and conative loyalty. The study utilized survey questionnaire and simple random sampling was used to gather the information. The product chosen for study is laptop and sample size is 100. The sample is collected from people who were above 20 years of age and of whom 50 were doing job (private or govt.) and 50 were self employed. The research design in initial stage was exploratory in nature and then it became descriptive. The objective of the study is to explore the relationship between consumer involvement and brand loyalty and to know how consumer involvement differs with various demographic characteristics of the consumers. The hypothesis formed for this purposes are:

Null hypothesis1: Consumer involvement level for product does not vary between men and women.

Null Hypothesis 2: Consumer involvement level for a product does not vary with differences in the age segments.

Null Hypothesis 3: Consumer involvement level for a product does not vary with differences in the education levels.

Null Hypothesis 4: Consumer involvement level for a product does not differ with differences in family income levels.

Null Hypothesis 5: Consumer involvement for a product does not differ with difference in stages of family life cycle.

Null Hypothesis 6: There is no association between consumer involvement and consumer loyalty.

Null hypothesis 7: There is no association between consumer involvement and cognitive loyalty.

Null Hypothesis 8: There is no association between consumer involvement and affective loyalty.

Null Hypothesis 9: There is no association between consumer involvement and conative loyalty.

## 5. Data Analysis & Interpretation:

### 5.1 Normality test:

Shapiro-Wilks test is considered as sample size is 100. The data is normal as the significance value for 31 statements is more than 0.05 and the skewness for all statements is less than one.

### 5.2 Reliability test:

The reliability analysis was carried out on data containing 31 statements and Cronbach's alpha value is more than 0.6 i.e. 0.624, so data is reliable.

### Reliability Statistics

Cronbach's Alpha	N of Items
.624	31

### 5.3 Independent sample t-test

Independent sample t-test was performed to test the null hypothesis that consumer involvement level for product does not vary between men and women. The SPSS output reveals that significance level for Levene's test is above 0.05. Therefore, variance for 2 groups is same. Referring the row of equal variance assumed, sig. (2-tailed) value is less than 0.05. Hence, we reject null hypothesis,  $t(98) = 2.293$ ,  $p = 0.02$  and conclude that there is significant difference between men and women with reference to consumer involvement levels for a product.

### 5.4 One-way Anova

One way Anova was performed to test the null hypothesis that consumer involvement level for a product does not vary with differences in the age segments, education levels and family income levels and stages of family life cycle. The SPSS output in all cases reveals that significance value for Levene's test is greater than 0.05, so the assumption of homogeneity of variance is not violated.

In case of age segments, referring Anova table, significance value is less than 0.05, so we reject null hypothesis  $\{F(4, 95) = 3.319$ ,  $p = 0.014\}$  and conclude that there is significant difference between different age groups with reference to consumer involvement levels for a product.

In case of education levels, referring Anova table, significance value is less than 0.05, so we reject null hypothesis  $\{F(3,96) = 2.812$ ,  $p=0.04\}$  and conclude that there is significant difference between education levels with reference to consumer involvement levels for a product.

In case of family income levels, referring Anova table, significance value is less than 0.05, so we reject null hypothesis  $\{F(4,95) = 3.326$ ,  $p=0.01\}$  and conclude that there is significant difference between family income levels with reference to consumer involvement levels for a product.

In case of family life stage, referring Anova table, significance value is less than 0.05, so we reject null hypothesis  $\{F(5,95) =$

$2.606$ ,  $p = 0.30\}$  and conclude that there is significant difference between family life stages with reference to consumer involvement levels for a product.

### 5.5 Correlation

The relationship between summated consumer involvement and summated consumer loyalty was investigated using Pearson Product Moment Correction coefficient. There is strong positive correlation between two variables ( $r = 0.622$ ), ( $p < 0.05$ ). Thus, we reject null hypothesis and conclude that there is strong positive correlation between consumer involvement and consumer loyalty.

Square of correlation of coefficient is 0.3868 that is 38.68%. Consumer involvement helps to explain nearly 39% of variance in respondents' scores on consumer loyalty.

The relationship between summated consumer involvement and summated cognitive loyalty, Summated consumer involvement and summated affective loyalty and summated consumer involvement and summated conative loyalty was investigated using Pearson Product Moment Correction coefficient. In all cases, we reject null hypothesis and conclude that there is association between the variables.

Consumer involvement and cognitive loyalty ( $r = 0.495$ )

Consumer involvement and affective loyalty ( $r = 0.339$ )

Consumer involvement and conative loyalty ( $r = 0.623$ )

## 6. Conclusion

The success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. Gaining customer loyalty is less straightforward and more complex. Loyalty is not achieved until consumer shows high consistency through all stages of loyalty i.e. conative, affective and conative. The study reveals that consumer involvement varies across demographic profiles and there is strong association consumer involvement and consumer loyalty. In view of this, the brand loyalty scores of laptop is substantially higher and corresponding involvement scores are also in line with the brand loyalty scores signifying the fact that involvement and brand loyalty factors are positively associated. For durable products like Laptop, the involvement score is on the higher side indicating that the products are perceived as very important by the customers. In view of this, marketers should try to find out a USP for these brands and differentiate it from competitors by adopting informative advertising strategy or comparative advertising strategy to develop the proper image of the brand in the minds of the customers and increase their involvement levels. Marketers can segment their markets on the basis of loyalties and use different marketing strategies to tap the consumers. A systematic and periodic research is required on the part of the marketers to tap the behaviour of customers as a proactive strategy.

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