



ORIGINAL RESEARCH PAPER

Arts

BRAND SIMILARITY – ITS ROLE ON BRAND LOYALTY: AN EMPIRICAL STUDY

KEY WORDS: Brand loyalty, Brand similarity

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ABSTRACT

The concept of brand loyalty is a strategic potent weapon for companies in order to obtain sustainable competitive advantages. Brand loyalty has been identified as a major determinant of brand equity. In simple words, improving consumers' brand loyalty allows firms to secure a comfortable long-term position in the market place. Similarity is the search for connections between similar objects or identifying something common between two comparable objects. The main objective of this research work is to identify the influence of brand similarity on brand loyalty. By using convenience sampling method 200 respondents from cuddalore district, tamilnadu were used to collect the data.

Introduction

Brands provide the basis upon which consumers can identify and bond with a product or service or a group of products or services. According to American Marketing Association a brand name is a part of a brand consisting of a word, letter, and group of words or letters to identify the goods or services of a seller or a group of sellers and to differentiate them from those of the competitors'. Kotler and Keller (2006) explained brand as a name, term, sign, symbol, design or a mix thereof used to identify the product of one firm and to distinguish it from the competitive products.

A potential benefit of branding, from the customer point of view, is its ability to enhance purchase confidence and improve customer loyalty (Aaker, 1996; Chaudhuri and Holbrook, 2001). In a competitive market, customers face hundreds of brands competing for their attention. Their buying decision is reliant on their past experience and perception about a brand and this habitual buying process is associated with brand loyalty. Brands that are perceived positively on quality and value for money by target customers can generate confidence, with a consequence of creating a favourable brand preference and brand loyalty (balathandayutham and sritharan, 2013).

Brand loyalty is said to occur when a customer makes the choice of purchasing one brand from a set of alternatives, consistently over a period of time (Arunkumar and Meenakshi, 2006). In the traditional sense, brand loyalty refers to repetitive purchase behaviour or to the propensity to purchase a brand again (Baldinger and joel, 1996) or to the result of cognitive activity and decision making (Avinandan and Ghosh, 1996). This kind of repeat purchase must be accompanied by an underlying positive attitude towards the brand.

Review of literature

Similarity is the search for connections between similar objects or identifying something common between two comparable objects. Murphy and Medin (1985) have proposed that the presence of a single relational match may result in similarity, provided the relation is important in a product category. In the brand extension context, similarity refers to the common attributes that consumers identify between the core brand and the extension product category.

Park, et al (1996) examined the mediating effect of similarity on the purchase intentions of extended products. They propose that consumer evaluations of brand extensions depend on product feature similarity perception. Development of these perceptions depends on identifying the relationship between the brands existing products and the proposed extension. This study also inline with Sritharan et al in 2008.

Smith and Park (1992) examined the effects of degree of similarity on market share and advertising efficiency. They identified that the relative effect of brand extensions on market share was not moderated by the degree of similarity between the extensions and other products affiliated with the brand. Advertising efficiency effects, however, are elevated when similarity is high, but only when it is based on intrinsic attributes. According to Olson and Jacoby (1972), intrinsic cues are those aspects of products that, if changed, would physically alter the product. Brand loyalty lies on many factors such as brand commitment, brand trust, brand similarity etc., which was empirically identified by Sritharan R in 2020.

Methodology

This studies main focus is to determine the brand similarity influences brand loyalty. To find out the result, body spray was selected as product as it was highly used by the respondents in a day. By using convenience sampling method, the questionnaires were distributed to 200 respondents, which were collected among university and college students in cuddalore district, Tamilnadu. Analysis of variance (ANOVA) was used to identify the outcome.

Brand Similarity

Brand similarity has been measured by two items as recommended by Mittal and Myung-soo (1988) by asking the respondents whether all brands are similar and there is difference among various brands.

Brand loyalty

Taking into consideration the conceptual definition proposed by Jacoby and Kyner (1973) and Dick and Basu's (1994) argument for the importance of relative attitude, Quester and Lim in 2003 addressed the measurement issue by developing a scale, which encompassed the three components of attitude (cognitive, affective and conative). The same scale has been used in this study.

Analysis and Interpretation

Table 1: Socio-Demographic profile of the respondents

Category	Description	Number of Respondents	Percentage
Gender	Male	128	64
	Female	72	36
Family Income	Below 20000	46	23
	20001 – 40000	54	27
	40001 – 60000	40	20
	Above 60000	60	30
Total		200	100

The table-1 explores the socio-demographic composition of the respondents. In this study 64 percent of the respondents belong to male category and 36 percent of them were female students. Family income is one of the deciding factors for purchase of a product, which is most relevant demo-profile to

include in research study (Balathandayutham and R Sritharan, 2013). With respect to financial background majority of the (30 percent) respondents family income is above 60000, and minimum category (20 percent) of the students' family is earning 40001 to 60000.

Similarity vs Brand loyalty

Table 2: ANOVA Showing Similarity and Brand Loyalty

Similarity	Mean	N	S.D	F
Low	3.620	59	0.736	6.536**
Moderate	3.472	250	0.606	
High	3.308	213	0.697	

** - Significant @ 1 % level

Perceived brand difference is related more to brand choice when more competitors' brands are available (Mittal and Lee, 1988), because switching over to another brand of similar product attributes involves certain amount of risk.

Consumers who feel that all the brands are not similar may exhibit minimal brand loyalty. With the aim to check this, ANOVA was carried out and the table 2 shows a significant result (F = 6.536; p = 0.002), which means that various levels of similarity have significant difference with brand loyalty. To test which group differs significantly in brand loyalty, Bonferroni test was applied and the result shows that respondents who have low opinion (mean = 3.620) towards similarity differ significantly from high (mean = 3.308) opinioned respondents, and moderate (mean = 3.472) opinioned respondents also significantly differ from high opinioned respondents. However, low and moderate similarity respondents do not differ significantly in their opinion toward brand loyalty. It should be noted that respondents whose perceived product difference (similarity) is low, their brand loyalty mean score is high.

Findings and Suggestion

ANOVA was carried out and the result shows that the significant result, which means that various levels of similarity have significant difference with brand loyalty. The majority of the respondents gather information about the body spray through social media and television. Since social media plays a major role in creating awareness, corporate should opt for this media to improve brand visibility. Findings reveal that consumers are willing to collect information about the brand they plan to buy and also for other competitive brands. Hence firms should identify all possible means of communicating the relevant information to the target audience. In addition to social media, based on the product type, TV media, outdoor media can be effectively used.

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