

A Study of the relationship between Repurchase and Brand Loyalty for ice cream of Amul and Saras in Jaipur City

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Abstract

The success of a firm largely depends on the firm's capability to attract consumers and retain them by making them Brand Loyal. Brand Loyalty to a particular Brand reduces the marketing cost as the cost of attracting a new customer is found to be six times higher than the cost of retaining an old one. Our study on the relationship between Repeat purchase and Brand Loyalty for ice cream, is one of the thought about subjects, as, to what level a buyer purchases can it be considered as Brand Loyal. The Study highlights the various levels of Brand Loyalty which gives importance to Repurchase and the attributes to which a consumers gives more preference for buying an ice cream.

Key Words : Brand, Brand Loyalty, Customer Satisfaction and Repurchase.

INTRODUCTION

The ice cream market in India has witnessed a steady growth over the last few decades. The growth in the Ice cream industry has been primarily due to a strong distribution network and a good cold chain infrastructure. The ice cream market in India is divided into the branded market and the grey market or the unbranded market. The branded market is currently 100 million liters per annum valued at ` 800 crores. The grey market consists of small local players and cottage industry players.' Currently the ice cream industry in India is worth ` 2,000 crores. The per capita consumption of ice cream in India is about 300 ml, as compared to the world average of 2.3 liters per annum. **Increasing incomes, a burgeoning middle class, buoyant economy and widening of outlook** contributes in making ice cream more affordable and acceptable among Indian masses.

1 Top Ice Cream Brands in India, <http://business.mapsofindia.com/top-brands-india/top-ice-cream-brands-in-india.html> , 20/06/2011

The key trends are:

1. Increasing presence of international brands driving consumption in metros and mini-metros.
2. Availability of multiple options to consumers.
3. Growing trend of going out to eat ice-cream.
4. With increasing health consciousness especially among young urban population, higher focus on fat free, low sugar and pro-biotic variants.
5. Reducing impact of seasonality on consumption.
6. Many players ready to increase presence with aggressive expansion plans.
7. Growing focus on smaller and profitable formats

Ice creams are a real relief from the scorching summers in India. Loved by all, ice creams are the best way to beat the heat in India. As soon as summers approach in India the streets are full of vibrant pushcarts belonging to the different ice cream brands that almost force you to pick up a frostik, a cup or a cone. Ranging from flavors like the plain and delicious vanilla to certain traditional ones like Meva malai or Shahi Nazrana ice creams in India have gone a long way. Ice creams in India are simply not limited to the pushcarts but have gone much beyond that. Due to excessive competition between the different ice cream brands in India, every nook and corner of a city offers an air-conditioned ice cream parlor that offers the widest range of softies, scoops and sundaes. The top ice cream brands in India are just not restricted to the metropolitans but have penetrated to rural India as well with their extensive network of mobile vendors.

SIGNIFICANCE OF THE STUDY

1. Statistics for the market share held by the top ice cream brands in India for the year 2008-09 are as follows; Amul topped the list, with a market share of 38%, followed by Kwality Walls at 14%, Vadilal at 12% and Mother Dairy at 8%. **But Saras ice cream is yet to achieve a position in the top list. To analyze those areas where Saras is lacking in reaching the masses.**
2. With a per capita consumption of only 0.30 litres in a year, ice cream in India has currently not realized its full potential.
3. To analyze the fact that if a consumer constantly purchases a brand, whether there is any association between repurchase and Brand Loyalty.

2 KIT: Ice-Cream Market in India, Business Standard, April 11, 2012

BACKGROUND OF AMUL

Amul was set up in 1946 and its full form is Anand Milk- producers Union Ltd. The Brand Amul is a movement in dairy cooperative in India. The management of the brand name is done by the Gujarat Co- operative Milk Marketing Federation Ltd (GCMMF), which is a cooperative organization. The Gujarat Cooperative milk Marketing Federation Ltd, Anand (GCMMF) is the largest food products marketing organisation of India. It is the apex organization of the Dairy Cooperatives of Gujarat. Over the last five and a half decades, Dairy Cooperatives in Gujarat have created an economic network that links more than 3.1 million village milk producers with millions of consumers in India. These cooperatives collect on an average 9.4 million litres of milk per day from their producer members, more than 70% of whom are small, marginal farmers and landless labourers and include a sizeable population of tribal folk and people belonging to the scheduled castes. The turnover of GCMMF (AMUL) during 2010-11 was ₹ 97.74 billion (US\$2.15 billion). The ice-cream and frozen dessert market in India is estimated at approximately \$450 million in 2009-10. Growing at approximately 12-15 per cent, it is expected to cross \$900 million by 2014-15. The branded market is estimated at approximately \$200 million and is growing at 20-25 per cent. North and west are the highest consumption centres accounting for close to 70 per cent of the market.

BACKGROUND OF RCDF

Dairy development was initiated by the Rajasthan government in the early seventies under the auspices of **Rajasthan State Dairy Development Corporation (RSDDC)** registered in 1975. Two years later RCDF assumed responsibility for many of the functions of RSDDC. It became the nodal agency for implementation of operation flood in the state. (**RCDF**) set up in 1977 as the implementing agency for dairy development programmes in Rajasthan is registered as a society under the Rajasthan cooperative society's act 1965. The Federation is a State level apex co-operative organization owned by its member unions each of which, in turn, is owned by the dairy co-operative societies in its area of operation which are themselves owned by farmer members.

Saras : Towards fulfillment of the national objective of making India self sufficient in milk production, a small step was taken in March 1975 and Jaipur Zila Dugdh Utpadak Sahakari Sangh Ltd., Jaipur (popularly known as Jaipur Dairy) was registered under Cooperative Act 1965 to work in the Jaipur District. Initially this union did not have the processing facilities. Saras Parlours are the leading milk brand in Rajasthan. The Rajasthan Cooperative Dairy Federation has decided to open its popular Saras milk parlours in all tehsils across the State to supply quality milk products to the consumers in the far-off areas. In Jaipur, there are 72 Saras parlours, run by private owners and 8 Saras parlours located in rural area and In Delhi, there's

one Milk Parlour run by Jaipur Dairy at Bikaner House. The various Ice creams products of SARAS are:

1. **CUPS** : Vanilla cup, Strawberry cup, Butter scotch cup, Kesar-pista cup, Chocolate cup, Tuti-frooti cup, kaju-kishmish cup
2. **FAMILY PACK** :- Vanilla, Strawberry, Butter scotch, Kesar-pista, tuti-frooti, kaju kishmish
3. **CONES** :- Butter scotch and Chocolate
4. **BARSDOLLIESCANDIES** :- Mini chocobar, Orange, Mango dolly, Choco bar
5. **COMBO PACK** :- Vanilla + vanilla , Strawberry + strawberry, Butter scotch + butter scotch, Kesar pista + vanilla, chocolate + chocolate, Tuti-frooti + tuti-frooti , Kaju kishmish + kaju kishmish
6. **BULK PACK** :- Vanilla, Strawberry , Butter scotch, Kesar pista

The specifications for saras ice-cream is fat % 12.0 ± 0.5 % (min 10.0%) % protein (min) 3.5% 35.

REVIEW OF LITERATURE

The American Marketing Association (1994) defines a brand as a “name, term, sign, symbol or design, or a combination of them intended to encourage prospective customers to differentiate a producer’s product (s) from those of competitors”. A primary function of the brand is to provide convenience and clarity in decision making by providing a guarantee of performance and communicating a set of expectations thereby offering certainty and facilitating the buying process. On the emotional side, the function of a brand is to evoke a set of associations and furthermore symbolize the consumer’s persona through brand imagery. However, this and other definitions of a brand fail to capture the essence of what branding involves or achieves (Marketing in a Global Economy Proceedings, 2000). In order to be successful, images and symbols must relate to and indeed exploit the needs, values and lifestyles of consumers in such a way that the meanings involved give benefits, and differentiate the brand from other brands (Broadbent and Cooper, 1987). **In its totality, a brand can be described as a “trademark that communicates a promise (Phillips, 1988). This promise involves a set of symbolic and functional attributes that the market place associates with the brand.** Symbolic attributes are those that fulfill internally generated needs for self-enhancement, role position, group membership or ego identification (Park et al., 1996) whereas functional brand attributes solve an externally generated consumption related problem.³

³ African Journal of Business Management Vol. 1 (9), pp. 230-237, December 2007 Available online at <http://www.academicjournals.org/AJBM>

Davis (2000) believes that a brand is an intangible but critical component of what a product represents. It is a “set” of promises implies trust, consistency, and a defined number of expectations. The strongest brand in the world “owns” a place in the consumer’s mind, and when it is mentioned, almost everyone thinks of the same things. Davis (2000) believes that a brand differentiates products that appear similar in features, attributes and benefits. All these help bring the brand to life and into consumers’ streams of consciousness, but in reality they are simply well executed marketing and selling tactics (Davis, 2000).

BRAND LOYALTY AND REPURCHASE

Brand loyalty is a consumer’s preference to buy a particular brand in a product category. It occurs because consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception becomes the foundation for a new buying habit. Basically, consumers initially will make a trial purchase of the brand and, after satisfaction, tend to form habits and continue purchasing the same brand because the product is safe and familiar.

Brand loyalty : Lamb, Hair, and McDaniel (1998) state that brand loyalty is “a consistent preference for one brand over all other brands”. Literature on branding and brand loyalty contains many different approaches to defining the concept of brand loyalty. These range from preference, to repeat purchase, to various degrees of commitment. *Keller (1998) maintains that loyalty is a distinct concept that is often measured in a behavioral sense through the number of repeat purchases.* Consumers may be in the habit of buying a particular brand without really thinking about why they do so. Continual purchasing of a preferred brand, may simply result because the brand is prominently stocked or frequently promoted. When consumers are confronted by a new or resurgent competitor providing compelling reasons to switch, their ties to the brand may be tested for the first time. The attachment a consumer has to a brand is a measure of brand loyalty and reflects how likely the consumer is to switch to another brand, especially when the brand is changed, either in price or product features (Aaker, 1991). **If consumers purchase a brand repeatedly without attachment, it is then called behavioural loyalty. When a consumer purchase repeatedly and with attachment then the consumer is both behaviourally and attitudinally loyal (Hofmeyr & Rice, 2000).**

Oliver (1999) defines loyalty as “a deeply held commitment to re buy or re patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour”. **According to Keller (1998) “the bottom line is that repeat**

buying is a necessary, but not sufficient condition for being a brand loyal buyer in an attitudinal sense". In other words, someone can repeat-buy but not be brand loyal in a literal sense.

LEVELS OF BRAND LOYALTY

Kapferer (1999) believes that there are three levels of brand loyalty (Source: Kapferer, 1999: 167).

Potential loyal	According to Kapferer (1999), particular brands may receive favorable attitudes from consumers. These consumers are potentially loyal to a specific brand. Potential loyal consumers are loyal only if a tailor-made programme is devised to increase their rate of purchase of a particular brand.
Pseudo loyal	Pseudo loyal, also known as repeat-buyers , do not hold strong attitudes towards a brand and only purchase a brand because of the brand's price or availability . Reinforcement of choice and increased perception of the brand's superiority will ensure brand preference by a consumer.
Active and committed loyal	Kapferer (1999) comments that "active and committed loyals should be induced to try more and more new products, whether line or brand extensions".

Aaker (1991) follows a somewhat different approach to describing the levels of brand loyalty. Source: Aaker, 1991: 40

<p>Bottom level of the pyramid represents the price buyers or switchers</p>	<p>The brand name does not influence the purchase decision of these consumers and each brand is perceived to be adequate to satisfy the consumer's need. The consumer purchases whatever is on sale, or is convenient to purchase. This particular level consists of non-loyal buyers who are completely indifferent to the brand.</p>
<p>Second level of the pyramid represent the habitual buyers</p>	<p>This level includes consumers who are satisfied, or at least not dissatisfied with a brand. There is no degree of dissatisfaction that is sufficient to stimulate a change especially if the change involves effort. Loyalty of consumers who form part of this level can be vulnerable to competitive offerings especially if competitors can create a benefit that is visible to the consumer. If the benefit is not visible, competitors may find it difficult to reach the habitual buyers since there is no reason for these buyers to be on the lookout for more alternatives as these alternatives do not show more visible benefits if compared with the existing brand.</p>
<p>Third level of the pyramid represents satisfied buyers (also known as switching-cost loyal).</p>	<p>Should the satisfied buyer consider switching to another brand it will be coupled with switching cost that is, cost in terms of time money or performance risk. For competitors to convince a satisfied buyer to switch a brand, the competitive brand needs to overcome the switching cost by offering an inducement to switch or by offering a benefit large enough to compensate</p>
<p>Fourth level of the pyramid represents those consumers who truly like the brand.</p>	<p>The consumer's preference may be based upon an association such as a symbol, experience, or perceived high quality. Sometimes consumers struggle to identify reasons why loyalty exists toward a brand, especially if the relationship has been a long one. Sometimes just the fact that there has been a long-term relationship can create a powerful effect, even in the absence of a friendly symbol or other identifiable contributor to liking.</p>
<p>Top level of the pyramid represents the committed buyers who are proud users or discoverers of a brand.</p>	<p>The brand is very important to them either functionally, or as an expression of whom they are. The consumer possesses so much confidence in the brand that the brand will be recommended to other consumers</p>

MEASURING BRAND LOYALTY

Aaker (1991) divides brand loyalty measurement into five components:

1. **Behavior measures** : Actual purchase patterns are one of the direct ways to determine a consumer's loyalty towards a brand. These can be measured in three ways:
 - Repurchase rates
 - Percentage of purchases
 - Number of brands purchased.

The nature of a product and the number of competing brands can influence a consumer's loyalty widely among some product classes.

2. **Switching cost** : **Switching cost indicates the cost involved should a consumer switch to another brand.** The extent to which switching cost provides a base for consumers' brand loyalty can be determined via an analysis of switching cost. Two types of switching costs are involved, namely, the risk (of the new brand not meeting your needs) to change and cost involved in changing to another brand. An organization should value the switching cost that it enjoys and should work on increasing the dependence of its consumers upon its brands.
3. **Measuring satisfaction** : Measuring consumers' satisfaction toward a brand can be seen as a key diagnostic of every brand's loyalty levels. It is not just satisfaction that needs to be measured, but very importantly, the dissatisfaction with a brand. When satisfaction or dissatisfaction is measured, it is important that it should be current, representative and sensitive.
4. **Liking the brand** : Receiving positive feedback from the following questions can reflect resistance to competitive entries or the unlikelihood of consumers switching to opposition brands. Do consumers like the brand? Is there a feeling of warmth towards the brand? Are there feelings of respect or friendship towards the brand? Do consumers perceive the brand as reliable or trustworthy? Sometimes consumers like a specific brand without explaining completely their perceptions and beliefs regarding its attributes. Another measure of liking resulting in high brand loyalty is when consumers are prepared to pay a premium price for their preferred brand.
5. **Commitment** : The strongest brands will have a large number of committed consumers. High brand commitment can be manifested in various ways: consumers will talk about the brand, recommend the brand to others, and will also find the brand useful and enjoyable to use.

OBJECTIVE OF THE STUDY

Mariotti (1999) lists a few factors that drive brand loyalty. These include:

- Value (price and quality);
- Image (both the brand's own personality and its reputation);
- Convenience and ease of availability;
- Satisfaction;
- Service
- Guarantee or warranty

On the above basis the objective of the study is :

- 1) To analyze the parameters which affect buying of Ice cream by a consumer?**
- 2) To analyze if there is any association between Repeat purchase and Brand Loyalty.**

HYPOTHESIS

Ho : There is a positive association between Repeat purchase and Brand Loyalty.

Ha : There is no positive association between Repeat purchase and Brand Loyalty.

RESEARCH METHODOLOGY

Since the research undertaken is descriptive in nature, use of both primary and secondary data was done for the purpose of data collection. A questionnaire was used as an instrument of primary data collection from the consumers of ice cream in Jaipur. A combination of Open-ended and Close-ended questions was designed for purpose of data collection. The region undertaken for conducting survey was Jaipur. Secondary data was collected by means of books, journals, and internet. Ranking method is primarily taken for measuring the parameters. Convenience Sampling was employed for selection of Sample. Respondents were selected based on convenience of the interviewer. Most of the respondents were the friends and acquaintance of the interviewer. A sample size of 50 respondents was considered.

ANALYSIS & INTERPRETATIONS

The purpose of the data analysis and interpretation phase is to transform the data collected into credible evidence about the development of the intervention and its performance.

In our study the parameters taken are :

Price : Kotler and Armstrong describe price as the money charged for products or services or

the sum of values that is exchanged by consumers for having the benefits of that product or service. Price plays a pivotal role in a consumer's choice of brand.

Quality : one important factor considered by consumers during the purchase decision is the 'quality signal'. Another important aspect of improving quality is an emphasis on design. Some countries such as Singapore and Taiwan provide financial assistance to help companies improve product design. Cash grants help defer design costs, and publicity-oriented programs increase overall design consciousness. Moreover, global marketers must realize that they have to meet ISO 9000 standards to compete for business abroad and to win contracts from multinational corporations.

Advertising and celebrity endorsers : Advertising is a paid non-personal communication from an identified sponsor using mass media to persuade or influence. It is all about an affective communication of the message through an affective media like television, radio, internet, news paper, magazines, billboards, banners, brochures, etc. There are various types of advertising, one of which is 'brand advertising'. It's the most visible type which focuses on the development of long term brand identity and image. Celebrity endorsement has been recognized as "a ubiquitous feature of modern marketing" The company can build characters that are congruent with their brands and the target audience. Companies have very little control over the celebrity's persona, as this has been created over the years.

1. Which Ice –cream Brand is most preferred ?

Table 1.1

Amul	Saras	Both
48%	10%	42%

It is evident (Table 1.1) that Amul Ice cream is the most preferred Brand and with 48% vying for the brand in comparison to only 10 % for Saras ice-cream, it makes Amul the most sought after Brand. The various reasons cited are as follows:

- Amul is an International Brand in comparison to Saras which is a local Brand of Rajasthan.
- Packaging of Amul ice cream is better than Saras.
- Easy Availability Amul ice cream than saras.

Table 1.2

Ice-cream product range		Cone	Bar	Family pack	Cup
Parameters Brand	Amul	9	9	14	8
	Price	1	2	1	1
	Taste	3	3	8	5
	quality	6	4	5	2
	Ad	0	0	0	0

Also, Family Pack ice creams of Amul is preferred more than Cone, Bar or Cups (Table 1.2). In terms of Parameters, again respondents who have ranked Price as the most important factor, they have preferred Amul Bar ice creams, For Taste- respondents have preferred both cone and bar, And for Quality- preference is towards Amul Cone ice creams. As Advertising is the least important factor for purchasing an ice cream, it has not influenced any purchase for any category of ice cream product range (Table 1.2).

2. Consumers preferences for buying ice cream :

Table 1.3

	Parameters	Total votes	Rank
Overall Parameters which affect purchase of Icecream	Price	134	Less Important
	Taste	86	Most Important
	Quality	89	Moderately Important
	Advertising	191	Least Important

Table 1.4

Parameters which affect the purchase of ice-cream	Parameters	Total votes		
		Amul (24 respondents)	Saras (5 respondent)	Both (21 respondents)
	Price	65	3	66
	Taste	38	2	46
	Quality	46	1	42
	Advertising	91	4	96

Analyzing the overall parameters which affect the purchase of ice cream , it is found that **TASTE** is the most important factor for buying an ice cream (Table 1.3). On the other hand. taking in to consideration the individual brands, it is noticed that TASTE wise AMUL is better as most respondents have ranked it as the most important factor for purchasing an icecream, while for SARAS it is quality but that too with one respondent agreeing to the fact (Table 1.4).

3. Usage of Ice cream

Table 1.5

Usage of Ice-cream	Daily	Twice a week	Thrice a week	Once in two weeks	Total
Amul	1	8	3	12	24
Saras	0	0	1	4	5
Both	0	2	4	15	21
Total	1	10	8	31	50

The ice cream consumption by the respondents is the highest for Once in every Two weeks.

HYPOTHESIS ANALYSIS

Ho: There is an association between Repeat purchase and Brand Loyalty.

Ha: There is no association between Repeat purchase and Brand Loyalty.

The analysis of the data available (Table 1.6) depicts that chi-square goodness of fit test best suits to analyze the association between repurchase of ice cream and Brand Loyalty.

Here, $X^2 = 0.686$, $df=3$, tabulated value=6. at 5 % Level of significance

Since the value of chi-square (0.686) is much less than the tabulated value of 7.82 at 5 % level of significance and 3 degrees of freedom, it can be stated that **Null hypothesis is accepted** i.e There is a positive association between Repeat purchase and Brand Loyalty.

Table 1.6

Frequency of purchasing the ice cream	If the preferred Brand is not available then.		Total
	Will choose other brand	Will not purchase the ice cream	
Daily	1	0	1
Twice a week	8	3	11
Thrice a week	5	1	6
Once in two weeks	26	6	32
Original Value	40	10	50

CONCLUSION

The study can be concluded that Amul ice creams is the most preferred than Saras Ice creams. The reasons cited by the consumers are

- Amul is an International Brand in comparison to Saras which is a local Brand of Rajasthan.
- Packaging of Amul ice cream is better than Saras, which leads to melting of the product.
- Easy Availability of Amul ice cream than Saras.
- Saras Ice creams are usually available at the Saras parlours which are also a constraint. Also the Saras parlours are not maintained in an hygienic manner.

- Mobile rickshaws do not carry Saras ice-creams.
- Poor Advertisement
- Offers given by Saras are not good in comparison to Amul.

Hence, it is recommended that Saras should look for increasing the Loyalty of the consumers by bringing changes, which consumers want as mentioned above. In addition, the association between Brand Loyalty and Repurchase is evident and tested fact. It is not necessary that repeated buyers are always Brand Loyal, but it is also necessary that they be satisfied with the products.

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