Building Brand Loyalty through Selected Marketing Activities: Case Study of a Soft Drink Brand in Hyderabad, India

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Abstract—This study investigates the relationship between celebrity endorsement, TV advertising, web advertising, print advertising, event sponsorship, brand awareness, perceived quality, brand association and brand loyalty of a soft drink brand. To do so, a survey was conducted by distributing 400 questionnaires in 4 different shopping malls in Hyderabad, India. Multiple linear regression was applied for the data analysis. The results show that perceived quality was positively influenced by TV advertising, web advertising and event scholarship; brand awareness was positively influenced by TV advertising and web advertising; brand association was positively influenced by event sponsorship; brand loyalty was positively influenced by brand awareness, perceived quality and web advertising. Based on these results, it seems that the soft drink company needs to focus mainly on increasing its brand awareness, perceived quality and web advertisements to build and sustain brand loyalty.

Keywords—Brand loyalty, brand awareness, perceived quality, brand association, marketing activities, celebrity endorsement, web advertising, print advertising, TV advertising and event sponsorship.

I. INTRODUCTION

ATTRACTING younger generation is an easier task but making them loyal is tough because this younger generation always wanted to try new things. Building loyalty and sustaining loyalty in this segment is the toughest job for all the companies. Oliver (1997) defined as brand loyalty refers to commitment from the part of the customers to rebuy a particular product or services in the future as well as to repatronize it. Previous studies states that brand loyalty is an important factor for a customer to rebuy a particular product or services in the future as well as to repatronize it. As the competition in the beverage industry is very intense and with negligible switching cost, it is very important to maintain or manage loyal customer base for a soft drink brand. Aaker (1991) stated that a marketing strategy is often considered essential for establishing brand loyalty. Marketing strategies like sales force, Advertising expenditures, public relations, jingles or slogans, symbols, packages and event marketing

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have been proposed as factors contributing to dimensions of brand equity like brand loyalty, perceived quality, brand awareness, brand associations. Hence advertising is most important factor in building brand loyalty and other elements like brand awareness, brand association and perceived quality. The researcher applied 4 hypotheses and 9 variables to explore the factors affecting brand loyalty of a soft drink brand in Hyderabad, India. The variables applied in this study are celebrity endorsements, event sponsorship, web advertising, TV advertising, print advertising, brand awareness, brand association, perceived quality and brand loyalty.

II. LITERATURE REVIEW

A. Celebrity Endorsement

Smith and Riethmuller (2000) defined celebrity endorsement as an advertising campaign or a form of brand that involves a person who is well known using their fame to help promote a service or a product.

B. Event Sponsorship

Cliffee (2004) defined event sponsorship as it is cash or any kind of fee which is paid to a property in arts, sports, entertainment or some cause, to get an access to exploit commercial potential associated with that property. Javalgi et al. (1994) and Quester (1997) stated that the sponsorship for music, cultural events and sports can become an important communication tool for building corporate image, brand preference and brand awareness.

C. Tv Advertising

Janoschka (2003) defined television advertisement as it is a visualized advertising message of animated pictures which are able to stimulate audience through combination of visual, audio and animated message components. Russell and Lane (1993) stated that TV is an ideal advertising medium by using sound, sight and motion and it offers the advertisers' unlimited creative flexibility and the high audience involvement with the high penetration among customers.

D. Print Advertising

Wang et al. (2004) defined print advertising as it is a conventional method of advertising which is transported by print media such as newspapers and magazines. Print

advertisement normally includes written languages and graphics and it is a static mode of presenting advertisement.

E. Web Advertising

Roberts (2006) defined web advertising as paid or unpaid form of communication through internet to promote and make awareness of product or a brand and he also stated that major internet users are young people and for them, internet is a new medium for multinational brands.

F. Perceived Quality

Zeithaml (1988) defined perceived quality as perception of the customers on superiority or quality of a product. Aaker (1991, 1996) and Baker et al. (2010) described that the perceived quality is evaluation of consumers' current consumption experience for the overall excellence of products.

G. Brand Awareness

Aaker (1991) defined brand awareness as strength of trace of a brand in memory of customer, and reflected by the ability of a customer to identify a brand under different conditions. According to Keller (2003), brand awareness is defined as creating the brand to different association in a customer's mind.

H. Brand Association

Aakar (1991) defined brand association as anything including reputation of a company, characteristics of service or product and attributes of a service or product which linked from memory to brand. Keller and Lehmann (2003) mentioned that perceived quality and brand associations are the antecedent step directed towards the brand loyalty.

I. Brand Loyalty

Oliver (1997) defined that brand loyalty is a commitment of customers to rebuy a particular product or services in the future as well as to repatronize it. This leads to repetitive same brand or same brand set purchasing, putting aside other factors which are affecting customer preferences.

III. RESEARCH FRAMEWORK AND METHODOLOGY

A. Research Framework

Base on previous empirical researches provided evidence. In the conceptual frame work, brand loyalty, the dependent variable, is affected by eight independent variables; celebrity endorsement, event sponsorship, TV advertising, print advertising, web advertising, perceived quality, brand awareness and brand association. The framework is shown in Fig.1. There were 4 hypotheses formulated based on the framework and they are shown as follows:

H1: Celebrity endorsement, event sponsorship, TV advertising, print advertising and web advertising are significantly influential on perceived quality

H2: Celebrity endorsement, event sponsorship, TV advertising, print advertising, web advertising are significantly influential on brand awareness

H3: Celebrity endorsement, event sponsorship, TV advertising, web advertising are significantly influential on

brand association

H4: Event sponsorship, TV advertising, print advertising, web advertising, brand awareness, brand association, perceived quality are significantly influential on brand loyalty
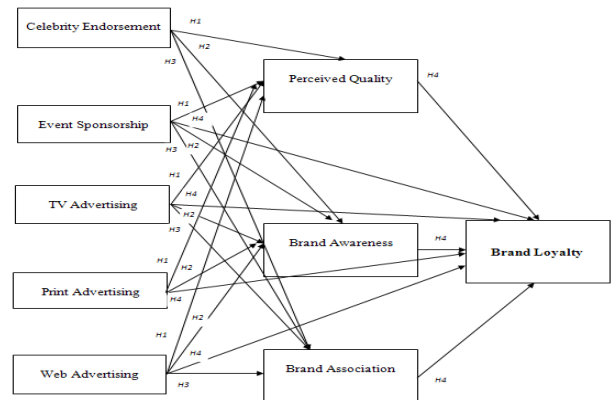

Fig. 1 The factors affecting brand loyalty of a soft drink brand in Hyderabad, India

B. Research Methodology

The purpose of this research is to investigate the factors affecting brand loyalty of a soft drink brand in Hyderabad, India.

This paper describes eight independent variables which are celebrity endorsement, event sponsorship, TV advertising, print advertising, web advertising, perceived quality, brand awareness and brand association and their affects toward the dependent variable brand loyalty. All 400 research questionnaires which were distributed to target population in Hyderabad, India. The questionnaires consisted of eleven sections that represent screening question, eight independent variables and the dependent variable and demographic factors. The researcher applied judgment, quota and convenience non-probability sampling. The researcher selected the descriptive research methodology instrument to evaluate each variable. This means that the outcome of the research would be described by examining the relationship between different variables.

Sampling procedure

The researcher applied the non-probability sampling method to find the sampling unit in this study. The probability sample is the process of probability sampling which is randomly chosen and non-probability sampling is the probability of a specific member of the population which is unknown information for the researcher. The sampling unit is an individual component or group of components which point to the selection of the sample. The researcher in this study applied Judgment sampling, Quota sampling and Convenience sampling to be the second and third step respectively; all details are as follows:

Step 1: Judgment Sampling

Judgment sampling or purposive sampling is non-probability technique in which an experienced individual selected the sample based upon some appropriate

characteristic of the sample members. The judgmental function expresses agreement (JA) or disagreement (JD) and it involves choosing objects/ samples that are believed will give accurate results. The researcher chose to conduct Judgment sampling on customers who drink coca cola at least five times in a month in Hyderabad, India with an age level between 18-34 years. This sampling technique is the most suitable in research in which broad population generalizations are not required.

Step 2: Quota Sampling

Quota sampling is a non-probability sampling method and which is used in representing the subgroups of population. Quota sampling should be ensured that the various subgroups in a population are presented on pertinent sample characteristics and each category is included proportionately in the sample. In this research, the researcher selected the biggest four shopping centers in Hyderabad, India for the collection of primary data.

Step 3: Convenience Sampling

Convenience sampling is the sampling method used to gather information from people who are most conveniently available and it also called accidental or haphazard sampling. Convenience samples are often used in exploratory and descriptive research where time and money are critical constraints. Convenience sampling is beneficial to obtain a large number of completed questionnaires quickly and economically. Therefore, most of the researchers generally use convenience sampling to obtain a large number of completed questionnaires quickly and economically.

IV. RESEARCH AND FINDINGS

The hypotheses testing, is supported by the conceptual framework. There are a total of four hypotheses which were tested in this research. Based on the research objectives, Multiple Linear Regression (MLR) was used in this study. After analyzing the hypotheses, all the null hypotheses were rejected. The results are summarized as follows:

TABLE I
SUMMARY OF HYPOTHESES TESTING

Null Hypothesis Statement	Level of Significance	Beta Co-efficient	Result
H1a: Celebrity endorsement, event sponsorship, TV advertising, print advertising, web advertising are influential on perceived quality.	0.00		Reject H1o
-TV advertising			
-Event sponsorship	.002	.221	Reject H1o
-Web advertising	.001	.188	Reject H1o
-Print advertising	.002	.161	Reject H1o
-Celebrity endorsement	.102	-.122	Failed to reject H1o
	.063	-.120	Failed to reject H1o
H2$_a$: Celebrity endorsement, event sponsorship, TV advertising, print advertising, web advertising are influential on brand awareness.	.000		Reject H2o
-TV advertising			
-Web advertising	.001	.190	Reject H2o
-Event sponsorship	.005	.111	Reject H2o
-Celebrity endorsement	.210	.056	Failed to reject H2o
-Print advertising	.383	.043	Failed to reject H2o
	.435	-.045	Failed to reject H2o
H3$_a$: Celebrity endorsement, event sponsorship, TV advertising, web advertising are influential on brand association.	.000		Reject H3o
-Event sponsorship			
-TV advertising	.000	.253	Reject H3o
-Web advertising	.965	.002	Failed to reject H3o
-Celebrity endorsement	.235	.042	Failed to reject H3o
	.083	.081	Failed to reject H3o
H4$_a$: Event sponsorship, TV advertising, Print advertising, web advertising, brand awareness, brand association, perceived quality are influential on brand loyalty.	.000		Reject H4o
-Brand awareness	.000	.718	Reject H4o
-Perceived quality	.000	.293	Reject H4o
-Event sponsorship	.367	-.041	Failed to Reject H4o
-TV advertising	.494	-.034	Failed to Reject H4o
-Brand association	.357	-.063	Failed to Reject H4o
-Print advertising	.899	.007	Failed to Reject H4o
-Web advertising	.007	.104	Reject H4o

V. SUMMARY AND CONCLUSION

The majority of respondents are males which accounted for 71.80% or 287. Most of the respondents are single which are accounted for 95.50% or 382. Most of the respondents are in the age level of "24 - 29 years old" which are accounted for 52.00% or 209. Moreover, the largest personal income in a month group is between 10,000 or less rupees which are accounted for 48.5% or 194 with bachelor degree (55.30% or 221) as highest educational level.

Based on the result of hypothesis 1, the researcher found that web advertising, TV advertising and event sponsorship have a statistically significant effect on perceived quality; celebrity endorsement and print advertisement has no statistically significant effect on perceived quality. By considering the beta coefficient the researcher indicated that Web advertising, TV advertising and event sponsorship have a positive influence on the perceived quality of Coca cola. TV advertising has the highest beta value which means it affects the perceived quality of Coca cola the most and web advertising has the lowest beta value.

Based on the result of hypothesis 2, the researcher found that web advertising, TV advertising have a statistically significant effect on brand awareness and celebrity endorsement, event sponsorship and print advertising has no statistically significant effect on brand awareness. By considering the beta coefficient the researcher indicated that Web advertising, TV advertising have a positive influence on the brand awareness of Coca cola. TV advertising has the highest beta value which means it affects the brand awareness of Coca cola the most and web advertising has the lowest beta value.

Based on the result of hypothesis 3, the researcher found that event sponsorship has a statistically significant effect on brand association and celebrity endorsement, web advertising and TV advertising has no statistically significant effect on brand association. By considering the beta coefficient the researcher indicated that event sponsorship has a positive influence on the brand association of Coca cola.

Based on the result of hypothesis 4, the researcher found that brand awareness, web advertising and perceived quality have a statistically significant effect on brand loyalty and celebrity endorsement, TV advertising, brand association and print advertising has no statistically significant effect on brand loyalty. By considering the beta coefficient the researcher indicated that brand awareness, web advertising and perceived quality have a positive influence on the brand loyalty of Coca cola. Brand awareness has the highest beta value which means it affects the brand loyalty of Coca cola the most and web advertising has the lowest beta value.

VI. RECOMMENDATIONS

According to the data analysis of this study, the result can help marketers not only to understand the Indian consumer's loyalty towards Coca cola but also to gain more competitive advantages. Regarding to the research findings, the answers from the questionnaires of this research paper and based on the researcher's observation, the researcher would like to make some suggestion as follows;

According to the result of hypothesis one, there is a significant statistical impact of web advertising, event sponsorship and TV advertising on perceived quality. The result indicated that if the web advertising, TV advertising and event sponsorships of the product/brand are high, then the perceived quality towards brand will be high. The researcher would like to suggest that this company should focus mainly on TV advertising to build perceived quality of Coca cola considering its highest beta coefficient and it is followed by event Sponsorship and web advertising which can also yield a positive perceived quality towards the brand. The researcher recommends that if Coca cola Sponsor an event and advertise the event in Web and TV more than any other brand, then the perceived quality towards Coca cola brand will be positive and its perceived quality will be better than any other beverage brands.

According to the result of hypothesis two, there is a statistically significant impact of web advertising, TV advertising on brand awareness. The result would imply that, advertising in Web and TV can play a very significant role in achieving brand awareness. The researcher would like to suggest that this company should focus mainly on TV Advertising considering its high beta coefficient to build and sustain its brand awareness among its target customers. Advertising in social networking websites and in other websites can play a significant role in achieving brand awareness. Based on the demographic factors, the researcher suggests Coca cola that the presenter of the brand or a product should be a male who is young and single. If the young presenter is a celebrity then the awareness of the brand will be high.

According to the result of hypothesis three, there is a statistically significant impact of Event Sponsorship on Brand association. This finding described that if a company's sponsorship for events is more, then consumer's association towards the brand will also be high. The researcher would like to suggest that this company should focus mainly on event sponsorship to build and sustain its brand association among its target customers

According to the result of hypothesis four, there is a statistically significant impact of brand awareness, web advertising and perceived quality on brand loyalty. It is indicated that if the web advertisements, perceived quality and brand awareness of the brand are high, then the brand loyalty will also be high. Considering the beta coefficient brand awareness has highest beta coefficient value, which means it strongly affects brand loyalty of Coca cola followed by perceived quality and web advertising. The researcher suggests Coca cola that in order to build brand loyalty, Coca cola have to increase its brand awareness. Hypothesis results show that TV advertising has strong positive significant impact on brand awareness. Hence Coca cola have to advertise more on TV and also in web in order to increase its brand awareness. Based on the result, the researcher suggests that advertising in social networking and in other websites will yield positive brand loyalty. The researcher also suggests that advertising about the

quality of Coca cola will affects positively on brand loyalty of Coca cola.

FURTHER RESEARCH

Further studies could be carried out to compare brand loyalty of beverages between two brands such as Coca cola VS Pepsi Cola in India. The researcher focused only upon the (9) variables in this study according to the limited timeframe and the cost. Further studies could focus on other variables; such as price promotions, non-price promotions, price, family, purchase intention, brand extension, demographics, and self image. This study is conducted at Hyderabad, India and it can represent only the brand loyalty of customers who lived at Hyderabad. Further research could be conducted in other cities of India such as Delhi, Bangalore, Chennai, etc.

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