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Consumer brand loyalty”- A study with special reference to ‘Lakshya milk

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Abstract

Many well known milk brands like Amul, Mother Dairy & Vita etc. are offerings different varieties of milk to the consumers. The Lakshya Milk is a newly introduced brand in the market and in short spans of time this brand is successful in gaining the brand loyalty in Haryana. This study aims to identify the factors, made the consumer loyal to the Lakshya milk and the degree of this loyalty.

Keywords: Lakshya Milk, Consumer loyalty, Brand loyalty

1. Introduction

India is world's No. 1 milk producer. The annual growth rate in production of milk in India is 6 % in whole world it is at 1%. India's milk production has more than trebled in the last 30 years, rising from 21 million tons in 1968 to an anticipated 80 million tonnes in 2001. This constituent growth and modernization is largely credited to the contribution of dairy companies and cooperatives societies. The **Lakshya Food (India) Limited** is incorporated in the year 2010 under companies act 1956 and is **ISO 22000:2005** certified company. The company manufactures market milk & milk products and sells under the Lakshya Brand (Milk, Dahi, Paneer, Ice cream, Ghee, Butter & Sweets) in bulk packing as well as consumer packing at the state level. The company and maintains all standards require for hygienic and good quality products. Lakshya food (India) Limited is having handling capacity of 1.5 lac litter per day. The company is growing with annual turnover in the year 2010-11 of 54 crore to 150 crore.

What is brand loyalty and how it is Important for the company? The Brand Loyalty is the faithfulness and trust of the consumer in a particular brand irrespective of the offerings by the competing brands. The brand loyalty is the consumer's emotional decision to buy a specific brand again and again. The consumer understands that the brand meets their expectations and identifies with the consumer on a personal level. Hence It is always cheaper to retain existing consumers than it is to acquire new consumers, and brand loyalists aren't just repeat purchasers. Brand loyalty is very important for the company. First, brand loyalty reduces the production cost as the sales volume is higher. Secondly, companies with loyal consumers not need to spend huge money on promotion of the product, which will allow the company to either retain more profits as deposit or to invest this earning elsewhere. Third, companies may use high pricing policy that increases profitability. Finally, loyal consumers always recommend products/services that they like to their friends and relatives that also increase consumer base and profit also.

Measurement of consumer brand loyalty

To measure the Consumer brand loyalty it is necessary to study or to determine the level of Overall satisfaction, Likelihood to choose again for the first time Likelihood to recommend, Likelihood to continue purchasing same products/services, Likelihood to purchase different products/services, Likelihood to increase frequency of purchasing, Likelihood to switch to a different provider and to study this level the five point questionnaire is used to record the responses of the respondent to find out the level.

2. Literature Review

“Loyalty is a deep devotion which is created for the purpose of purchase of the preferred good or service in the future and which may not change despite changing effect and marketing effort (Oliver, 1999)”. In this regard the characteristics of loyal customers that

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they require lower cost, are less sensitive toward price, pass more time with the company and transfer positive views on favorite brands (Reichheld and Teal, 1996), the cost to keep them at hand is much lower than the cost of gaining new customer (Szwarc, 2005), they tend to purchase more and pay more (Wallace et al., 2004; Wright and Sparks, 1999; Zeithaml et al., 1996) which are significant for enterprises provides that the subject of loyalty preserves actuality and increases its significance gradually everyday because loyalty is a significant element in developing a sustainable competition advantage and since this advantage may be created through marketing efforts (Dick and Basu, 1994), many producers try to achieve loyalty (Jansson-Boyd, 2010).

3. Objective of the Study

- To understand what is brand loyalty?
- To understand the level of the consumer brand loyalty towards Lakshya Milk.
- To identify the factors influencing the brand loyalty.
- To find the attributes of the lakshya Milk that makes the consumer loyal.

4. Research Methodology

The research is based on the consumer brand loyalty about

Question	Respondent response towards advt. tool %				
	Radio	TV	Internet	Friend and relatives	Newspaper
How do you hear about Lakshya milk?	4	22	8	12	54

The newspapers is an effective tools of awarness in the area for the company as the 54 % respondent heard about Lakshya milk through Newspaper and thereafter TV is second effective tool to create awareness about product with 22%.

Attributes	Agreeability in Percentages				
	Very high	High	Neutral	Low	Very low
Taste of Lakshya Milk	22	53	15	8	2
Variety of Lakshya Milk	16	43	26	11	4
Freshness of Lakshya Milk	13	58	24	4	1
Availability of Lakshya Milk	47	27	24	1	1
Price of Lakshya Milk	6	8	49	29	8
Packaging and reflects image of The Lakshya Milk	8	34	31	20	7
The Lakshya Milk has an upscale reputation	6	67	19	5	3
The promotion and advertising of Lakshya Milk is upscale	17	49	25	7	2
I believe that The Lakshya Milk deserves my loyalty	9	57	22	8	4

The lakshya milk attributes like Taste 53%, Variety 43%, Freshness 58% is high, Availability with 47% with very high, Price with 49% show natural, Packaging with 34%, promotion and advertising with 49 % is high. Promotion

Lakshya milk brand. It is used to obtain the current information the current status of the phenomena to describe what exists.

4.1. Area of study

This study is conducted in the district Jind (Haryana).

4.2. Data sources

Both primary data and secondary have been used for the study purpose. The primary data are collected by visiting on the booths of Lakhaya milk with the help of a structured questionnaire. The secondary data has been collected by referring to Journals, Articles, and Magazines and various relevant websites.

4.3. Sample size and sampling methods

100 respondents; which includes existing consumer Lakshya milk in District Jind. Structured questionnaire is used to gather information. Interviews of the respondent also conducted.

5. Data Analaysis and Interpretations

5.1 Effective tool to create awareness about Lakshya Milk

5.2 Lakshya milk’s attributes that made the consumers loyal

and advertising with 49 % is high, 57 % consumers believes that lakshya milk deserves their loyalty.

5.3 The determinant of level of loyalty

Determinant	Very high	High	Neutral	Low	Very Low
Overall satisfaction with The Lakshya Milk.	11	62	15	7	5
Continue buying the Lakshya Milk	15	52	24	8	1
Shifting to another milk brand	0	5	13	39	43
Recommendation to friends and relatives	21	47	29	2	1

The 62% consumers are satisfied from the Lakshya milk, 52% consumers continue buying the Lakshya Milk and 47% Recommend Lakshya Milk to friends and relatives.

The 57 % consumers buying the lakshya Milk from 1-2 Years, 15 % from 2-3 and 10% buying from 4 years and more which shows that Lakshya Milk 82 % respondent are loyal to Lakshya milk.

Question	0-1	1-2	2-3	4-Above
How long time you are buying?	18	57	15	10

6. Tools and Techniques for Analysis

The questionnaire is based upon five ranks and to analysis the responses given by the respondent the simple percentage and average with tabulation presentation tools applied on to reach on the results.

7. Findings

- The newspaper is an effective tool of awareness in the area for the company.
- The Lakshya Milk is a bundle of attributes that encourages the consumers to become loyal. Due to the key attributes like Taste, Freshness, Availability, Price and Packaging consumers believes that lakshya milk deserves their loyalty.
- The overall satisfaction from lakshya milk is very high. The mainly customer using Lkshya milk from last 1 to 3 years.

8. Limitations

- The study is limited to Jind district only and sample size is confined to 100 only.
- There may be personal bias of the respondent while answering the questionnaire.
- Financial limitation is also there.
- The study is conducted in the rural areas hence the illiteracy of the respondent may affect the result of the study.

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