

# **BRAND LOYALTY IN THE FMCG INDUSTRY: A COMPARATIVE ANALYSIS OF HUL AND ITC**

## **Project Report**

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*In partial fulfillment of requirements for award of the degree of*

*Bachelor of Commerce*



**ST.TERESA'S COLLEGE, ERNAKULAM  
(AUTONOMOUS)**

**COLLEGE WITH POTENTIAL FOR EXCELLENCE**

Nationally Re-Accredited At 'A ++' Level (Fourth Cycle)

Affiliated to

**MAHATMA GANDHI UNIVERSITY**

Kottayam- 686560

March 2024





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**CERTIFICATE**

This is to certify that the project report titled "**BRAND LOYALTY IN THE FMCG INDUSTRY: A COMPARATIVE ANALYSIS OF HUL AND ITC**" submitted by ANEETA ANTONY, ANEETA ROSE THOMAS & ANN GEORGE towards partial fulfillment of the requirements for the award of the degree of **Bachelor of Commerce** is a record of bonafide work carried out by them during the academic year 2023-2024.

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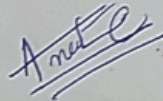
## DECLARATION

We, ANEETA ANTONY, ANEETA ROSE THOMAS and ANN GEORGE do hereby declare that this dissertation entitled, "BRAND LOYALTY IN THE FMCG INDUSTRY: A COMPARATIVE ANALYSIS OF HUL AND ITC" has been prepared by us under the guidance of Mrs. ANN THOMAS KIRIYANTHAN, Assistant Professor, Department of Commerce, St Teresa's College, Ernakulam.

We also declare that this dissertation has not been submitted by us fully or partly for the award of any Degree Diploma, Title or Recognition before.

Place: Ernakulam

Date : 28-4-2024



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## **ACKNOWLEDGEMENT**

We wish to acknowledge all those who helped us in completing our project on the Topic  
**“BRAND LOYALTY IN THE FMCG INDUSTRY: A COMPARATIVE ANALYSIS OF HUL AND ITC”**

First of all, we thank God Almighty for his blessings showered upon us in the conduct of the project study. We are also greatly indebted to **Mrs. ANN THOMAS KIRIYANTHAN**, Assistant Professor, Department of Commerce, St. Teresa’s College, Ernakulam for her guidance, monitoring, and constant encouragement throughout the course of this study.

We express our sincere thanks to the Provincial Superior and Manager Rev. Dr. Sr. Vinitha, Director Rev. Sr. Emeline, Principal Dr. Alphonsa Vijaya Joseph and to Mrs. Ann Thomas , Head of the Department of Commerce and all other faculties of the Department of Commerce, St. Teresa’s College, for their support and valuable suggestions.

We would like to express our thanks to all colleagues who were associated with this study for their sincere contributions towards the successful completion of the project.

Lastly, we extend heartfelt thanks to our family for their constant encouragement without which this project would not be possible.

**ANEETA ANTONY**

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# **CHAPTER 1**

## **INTRODUCTION**



## 1.1 INTRODUCTION

Fast-moving consumer goods, also known as consumer packaged goods, are products that are sold quickly and at a relatively low cost. In India, the FMCG sector has seen substantial growth, driven by increasing consumer demand, heightened consumer awareness of brands and elevated pricing, particularly for essential items. The FMCG industry is the fourth-largest sector in India. Household and personal care items account for half of FMCG sales in India. This sector is a significant contributor to the country's GDP.

Like every other product category, branding is essential for brands in fast-moving consumer goods. The primary objective of branding is to give a product a name, impart specific attributes to it (such as a logo, colors ), and create a unique personality that sets it apart.

Brand loyalty is the tendency of consumers to continue buying the same brand of goods rather than competing brands. This research embarks on an exploration to further investigate brand loyalty within the FMCG sector, with a specific emphasis on personal care products. Our study focuses on two prominent entities within the Indian FMCG market: personal care products of Hindustan Unilever Limited (HUL) and ITC Limited. HUL, with its decades-long legacy and extensive product portfolio ranging from skincare and haircare to hygiene products, commands a significant market share, often synonymous with trust and quality. On the other hand, ITC Limited, known for its diversified presence across industries, has been steadily carving its niche in the personal care segment, leveraging its robust distribution network and innovative product offerings. HUL and ITC, recognized for their extensive range of products and significant market presence, offer a compelling context for comprehending the complexities of brand loyalty in a competitive landscape. Building brand loyalty is instrumental in establishing a robust customer base, which serves as a means to outperform competitors and gain the competitive advantage necessary for success in today's marketplace. Considering the growing unpredictability, reduced product differentiation, and heightened competitive pressures in the market, brand loyalty becomes even more crucial.

## **1.2 STATEMENT OF PROBLEM**

The FMCG sector has been confronted with noteworthy obstacles, including rising consumer demand, diminishing consumer purchasing power, escalating health concerns, regulatory policies, and intense competition in the market. Throughout the epidemic, the FMCG industry has experienced its fair share of ups and downs. During the pandemic's height, when grocery and other non-essential stores were temporarily shuttered, many establishments worldwide experienced a decline in sales and a decline in the number of patrons. Customers' buying habits changed as vaccination efforts increased, and demand forecasting was more important than ever to meet the needs of the consumer.

Brand loyalty holds immense significance within the fast-moving consumer goods (FMCG) sector due to its multifaceted impact on companies' success and market competitiveness. In this rapidly evolving industry characterized by intense competition and ever-changing consumer preferences, brand loyalty serves as a cornerstone for sustainable growth and profitability. Brand loyalty cultivates a loyal customer base that repeatedly chooses a particular brand over its competitors. This repeat business not only ensures a steady revenue stream but also reduces the need for aggressive marketing expenditures, thereby enhancing cost efficiency. This research explores consumer perceptions of personal care products of FMCG products from Hindustan Unilever Limited and ITC, seeking to understand how customers view these brands and how effectively they have established themselves in the minds of consumers. The research will meticulously examine various product attributes that influence consumers' perceptions, including product quality, price competitiveness, packaging attractiveness, and perceived value for money. Additionally, the study will conduct a detailed assessment of the brand image and reputation of both HUL and ITC, evaluating factors such as brand equity, consumer trust, and brand loyalty fostered through marketing efforts and product experiences. With a multitude of competitors offering comparable personal care products, it is essential for companies to strategically position their brands to stand out from the crowd and create a lasting impression on consumers.

### **1.3 OBJECTIVES**

1. To know the perception of customers about fast moving consumer goods of HUL and ITC.
2. To identify the factors influencing Brand Loyalty in HUL and ITC Products in FMCG sector.
3. To ascertain the satisfaction level with regard to HUL and ITC Products.
4. To examine the factors that affect the purchase decision for HUL and ITC personal care products.
5. To find out the level of Brand Loyalty of customers towards HUL and ITC.

### **1.4 SIGNIFICANCE OF STUDY**

FMCG products play a pivotal role in India's economic landscape. Therefore, it is essential to monitor evolving consumer buying trends in the FMCG sector.

This study delved into personal care products of two FMCG companies, HUL and ITC, and their respective product portfolios. The aim was to compare brand loyalty levels among consumers of HUL and ITC personal care products.

By embracing brand values, FMCG companies can foster a stronger connection with their customers. This approach also serves to differentiate the company and its products in a crowded market.

Building brand loyalty drives growth. New customers who purchase the products and become 'brand loyal' will become repeat customers. They'll also recommend the product to their peers, and they'll become ambassadors for the products out in the real world.

This study investigates the factors that influence consumer loyalty in the fiercely competitive FMCG industry. By analyzing personal care products of HUL and ITC, two leading companies, it offers valuable insights into what consumers prefer, how they perceive brands, and what influences their decision to switch products. The research equips FMCG companies with the knowledge needed to develop more effective marketing strategies. By identifying the key drivers of brand loyalty and understanding



what sets them apart from competitors, companies can make informed decisions about product positioning, pricing, promotions, and brand communication.

## **1.5 SCOPE OF THE STUDY**

This research examines the brand loyalty of customers towards Fast-Moving Consumer Goods (FMCG) products, with a focus on personal care products from Hindustan Unilever (HUL) and ITC. The study evaluates the level of brand satisfaction with the personal care products of HUL and ITC. The sector selected is FMCG sector. The study is carried in Ernakulam district. A total of 102 people were selected for the study. The study analyses the consumer perception regarding fast-moving consumer goods of HUL and ITC. The study also examine the factors that affect the purchase decision for HUL and ITC personal care products.

## **1.6 RESEARCH AND METHODOLOGY**

### **1.6.1 RESEARCH DESIGN**

In this study, a descriptive research approach was chosen, involving a sample of consumers within the FMCG sector. The research focuses on studying brand loyalty among customers in the FMCG sector, with a specific emphasis on personal care products of HUL and ITC products. questionnaire method was employed to gather relevant data on brand loyalty, brand awareness, and brand satisfaction in the FMCG industry.

### **1.6.2 COLLECTION OF DATA**

This study relies on primary data, which constitutes firsthand information collected directly by the researcher. The primary data were obtained from consumers of FMCG products, with a specific focus on personal care items, using a structured interview schedule.

### **1.6.3 SAMPLING DESIGN**

The sampling approach employed is convenience sampling, which is a non-probability method that involves collecting data from a readily accessible and available group of individuals. The sample was chosen for its convenience, consisting of individuals from nearby locations who were available during the data collection period.

## 1.6.4 POPULATION

The population of the study is limited to individuals who are consumers of personal care products of HUL and ITC Limited within Ernakulam district.

## 1.6.5 SAMPLE SIZE

A sum of 102 people was selected for the survey. The methodology of the study is presented in the below table.

Sources of data	Primary data
Sample size	102 respondents
Universe	Consumers of personal care sector in Ernakulam district
Sampling technique	Convenience sampling
Source of primary data	Structured questionnaire
Tools of analysis	Tabular and graphical representation
Data collection procedure	Questionnaire was used to collect primary data

## 1.7 LIMITATION OF THE STUDY

Researchers and readers should consider these limitations when interpreting and applying the study's findings to a broader context within the FMCG sector.

- The study is confined to the Ernakulam district, which is an important limitation. This geographic limitation means that the findings may not be representative of the broader FMCG sector or applicable to other regions or states, as consumer behavior and preferences can vary significantly based on location.
- The study specifically concentrates on brand loyalty aspects from the customer's perspective. While brand loyalty is an essential factor in the FMCG sector, focusing solely on this aspect might overlook other critical factors influencing consumer choices, such as product quality, pricing, or marketing strategies
- The study encountered difficulties in collecting data due to some respondents' reluctance to disclose personal information about their usage of branded personal care products

- The size of the sample in research is small. The smaller the sample size, the higher the risk of sampling bias.

## 1.8KEY WORDS

1. **Branding:** Branding refers to the process of creating a distinctive and recognizable identity for a product, service, company, or individual. It involves strategically designing and promoting a unique set of attributes, including a name, logo, tagline, and other visual and auditory elements, that differentiate it from competitors in the minds of consumers.
2. **Brand loyalty:** Brand loyalty refers to a consumer's commitment and preference for a particular brand's products or services over those of competitors. It is a measure of the strength of the relationship between a customer and a brand. When someone is brand loyal, they consistently choose and purchase products or services from a specific brand, often regardless of price, convenience, or marketing efforts by competing brands.
3. **FMCG(Fast-Moving Consumer Goods):** It is a term used to describe products that are frequently purchased by consumers, have a relatively low cost, and are consumed or replaced quickly. FMCG products are typically non-durable and have a short shelf life. These products are a fundamental part of everyday life and include items that people buy regularly, often without much thought or hesitation.
4. **Consumer buying behavior:** Consumer buying behavior, also known as consumer behavior, refers to the process and activities that individuals and households undertake when making decisions and purchasing products or services. It encompasses the various stages and factors that influence how consumers select, buy, and use products or services.



## **CHAPTERIZATION**

### **Chapter 1 – INTRODUCTION**

This chapter gives a brief introduction about the topic, its significance in the research area, problem statement, scope of study, methodology adopted, objectives to be achieved and limitations of the study.

### **Chapter 2 – LITERATURE REVIEW**

This chapter deals with literature relating to the topic under study.

### **Chapter 3 – THEORETICAL FRAMEWORK**

This chapter introduces the theory of the research topic.

### **Chapter 4 – DATA ANALYZE AND INTERPRETATION**

It includes analyze and interpretation of secondary and primary data collected based on variables related to the study.

### **Chapter 5 –SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION**

It deals with a brief summary of what the research emendations

# **CHAPTER 2**

## **REVIEW OF LITERATURE**

## INTRODUCTION

In the fast-moving consumer goods (FMCG) sector, maintaining brand satisfaction and fostering brand loyalty are paramount objectives for companies like Hindustan Unilever Limited (HUL) and ITC Limited. This literature review aims to address four key objectives pertinent to understanding brand dynamics within the FMCG industry. Firstly, the review seeks to ascertain the level of brand satisfaction with HUL and ITC products, recognizing the importance of consumer satisfaction as a precursor to brand loyalty. Secondly, it evaluates the impact of marketing strategies on brand loyalty, acknowledging the critical role that strategic marketing initiatives play in shaping consumer perceptions and behaviors. Thirdly, the review analyzes the factors influencing brand loyalty specifically in HUL and ITC products, recognizing the unique market dynamics and consumer preferences within these brands. Lastly, it examines the effect of brand loyalty on purchase decisions for HUL and ITC products, recognizing that consumer loyalty directly influences purchasing behavior and market outcomes. By addressing these objectives, this literature review aims to provide a comprehensive understanding of brand satisfaction, loyalty, and their implications for consumer behavior within the FMCG sector, with specific focus on HUL and ITC products. Through synthesizing existing research and empirical evidence, the review aims to offer insights and recommendations for marketers and businesses striving to enhance brand satisfaction, foster loyalty, and drive growth in this competitive market landscape.

### 2.1 REVIEW OF BRAND LOYALTY

1. **Aggarwal (2011)**, in the research paper entitled “A study on brand perception of FMCG goods”. According to the consumer’s impression of branded FMCG products, their promotion raises the price of the product. The impact of numerous characteristics on the brand was also studied, and it was discovered that the impact of product quality was more prominent than the impact of other variables. As a



result, it can be stated that store managers and consumers' perceptions differ on the need to strengthen branding in order to increase FMCG sales. Finally, the study demonstrates both consumers and store managers feel that customer purchasing decisions are influenced by product branding and quality.

2. **Priteshkumar (2013)** looked into how different factors influenced HUL product purchases by remote customers. Decisions made by Customers in remote areas are heavily influenced by variety of factors, including price, variety, quality of information, and advertising. Most Customers Are happy as result of HUL and other brands' goods. They find that offering more for same price is most appealing form of advertising.
3. **Nagarajan and Sheriff (2013)** The opinions of FMCG products were discussed by Sheriff and Nagarajan (2013). The research explores the fresh challenges And opportunities in marketing of FMCG in India. They theorized that growth in the industry was related to a country's GDP. Additionally, they thought for fulfilling client needs, there needed to be an all-encompassing understanding of how patterns and hobbies were changing over time. They reasoned That changing customers' minds required getting them to think more creatively. Ultimately, they reasoned, the global FMCG business is shifting its focus From urban to rural in India in order to establish a new market niche.
4. **Patil (2017)**, in the research paper entitled "An Overview of Indian FMCG Sector " Fast Moving Consumer Goods (FMCG) have become an essential aspect of modern life. This sector is Recession-proof and has provided a large number of job opportunities in India, making it one of the Country's most important economic pillars. By using its capabilities, FMCG companies can capitalize On prospects such as rising consumer income, changing consumer lifestyles, ambitious rural consumers, And stable economic growth.
5. **Singh and Jain (2017)** empirical study in the International Journal of Marketing Studies investigates consumer brand loyalty towards FMCG products in India.

Through empirical analysis, they explore factors influencing brand loyalty, including brand perception, product quality, pricing, and promotions. The study provides valuable insights for marketers aiming to understand and enhance brand loyalty in the Indian FMCG sector. Findings offer practical implications, enabling marketers to develop targeted strategies to cultivate and maintain brand loyalty among Indian consumers, contributing to brand success in the market.

6. **Verma and Gupta (2015)** comparative study, featured in the Asian Journal of Management, examines consumer preferences for Hindustan Unilever Limited (HUL) and ITC FMCG products in the Indian market. Through likely methods including surveys and interviews, the research provides insights into how consumers perceive and choose between HUL and ITC brands. Findings are expected to offer practical implications for marketers aiming to understand consumer behavior and preferences, facilitating the development of targeted strategies to enhance brand positioning, improve customer engagement, and increase market share. Overall, Verma and Gupta's comparative analysis enriches our understanding of brand preference and loyalty in the Indian FMCG landscape, offering actionable recommendations for businesses seeking to thrive in this competitive market environment.
7. **Keller (1993)** They have extensively studied the determinants of brand loyalty. Keller's brand equity model highlights the role of brand awareness, perceived quality, brand associations, and brand loyalty in driving consumer behavior and purchase decisions. Keller's work delves into how these factors interact to influence consumer behavior and purchase decisions, ultimately contributing to the development of strong brand equity.
8. **Jacoby and Chestnut (1978):** In their groundbreaking research paper titled "Brand Loyalty: Measurement and Management," published in the Journal of Marketing Research in 1978, Jacoby and Chestnut introduced a pioneering concept in the field of marketing. They revolutionized the understanding of brand loyalty by proposing a multidimensional framework that encompasses both

behavioral and attitudinal dimensions. This framework provided a comprehensive approach to evaluating and managing brand loyalty, moving beyond mere repeat purchase behavior to incorporate the emotional and cognitive aspects of consumer allegiance to a brand. Jacoby and Chestnut's research laid the groundwork for subsequent studies in brand loyalty measurement and management, shaping the trajectory of marketing scholarship in the years to come.

9. **Oliver (1999):** Oliver's seminal paper titled "Whence Consumer Loyalty?" was published in the *Journal of Marketing* in 1999. In this influential work, Oliver delves deep into the intricacies of consumer loyalty and its measurement. He proposes a robust loyalty measurement model that emphasizes the importance of consumer satisfaction, commitment, and trust in evaluating brand loyalty levels. Oliver's model provides a nuanced understanding of the factors that underpin brand loyalty, highlighting the complex interplay between consumer perceptions, attitudes, and behaviors. By elucidating the psychological processes underlying brand loyalty, Oliver's research offers valuable insights for marketers seeking to build and maintain strong connections with consumers, ultimately driving sustainable brand growth and success.
10. **Reichheld and Sasser (1990):** In their research paper titled "Zero Defections: Quality Comes to Services," published in 1990, Reichheld and Sasser explored the intricate relationship between consumer behavior and brand loyalty. Their study emphasized the pivotal role of customer satisfaction and retention in driving long-term profitability and sustainable growth. By focusing on the importance of building strong customer relationships, Reichheld and Sasser shed light on the essential link between customer loyalty and business success.
11. **Hofstede (1980):** In his research paper titled "Culture's Consequences: International Differences in Work-Related Values," published in 1980, Hofstede introduced cultural dimensions theory. This theory highlights how cultural values and norms influence consumer behavior and brand perceptions, emphasizing the importance of cultural adaptation for global brand success.

12. **Steenkamp et al. (1999):** In their research paper titled "Global Branding and Country of Origin: An Overview," published in 1999, Steenkamp and colleagues explored the role of cultural differences in shaping consumer preferences and purchase decisions. Their studies emphasized the need for global brands to adapt their marketing strategies to local cultural contexts to effectively build brand loyalty and succeed in diverse markets.
13. **Dick and Basu (1994):** In their research paper titled "Customer Loyalty: Toward an Integrated Conceptual Framework," published in 1994, Dick and Basu delved into the complexities of brand loyalty and its determinants. Their study investigated the impact of perceived value, trust, and loyalty programs on brand loyalty, highlighting the critical role these factors play in fostering strong customer relationships. By providing insights into the factors influencing brand loyalty, Dick and Basu's research offered valuable guidance for marketers aiming to cultivate enduring customer loyalty and drive business growth..
14. **Zeithaml et al. (1996)** The research have examined the influence of marketing strategies on brand loyalty. Zeithaml et al.'s study explores the role of marketing mix elements, such as product quality, price competitiveness, promotional activities, and distribution channels, in influencing consumer perceptions and purchase intentions.
15. **Steenkamp et al. (1999)** have investigated variations in brand loyalty across different cultural contexts. Steenkamp et al.'s research explores the role of cultural differences in shaping consumer preferences, attitudes, and purchase decisions, emphasizing the need for global brands to adapt their marketing strategies to local market conditions.
16. **Chakrabarti and Patra (2019)** study, featured in the International Journal of Management Studies, scrutinizes consumer behavior towards FMCG products in the Kolkata Metropolitan Area. With a focus on factors influencing brand

satisfaction, including products from Hindustan Unilever Limited (HUL) and ITC, the research employs likely methods such as surveys or interviews. By exploring variables like brand image, product quality, pricing, and availability, the study provides valuable insights into Indian consumers' preferences and purchasing patterns. Its findings offer practical implications for marketers aiming to enhance brand satisfaction and loyalty in the competitive FMCG sector.

17. **Yoo, B et al.(2000)** examine the relationship between marketing mix elements and brand equity in their study published in the Journal of the Academy of Marketing Science. Through empirical analysis, they provide evidence supporting the role of marketing strategies in fostering brand loyalty. Findings highlight the importance of strategic marketing initiatives in building strong brand equity, which in turn cultivates long-term relationships with customers, offering valuable insights for marketers aiming to enhance brand loyalty.
18. **Kapoor and Sinha (2020)** investigated the impact of promotional activities on brand loyalty in the FMCG sector, revealing that promotional offers and discounts positively influenced consumer purchase behavior, thereby strengthening brand loyalty. Through surveys and qualitative insights, they found that consumers perceived these promotions as value-driven opportunities, leading them to prefer brands offering such incentives. This underscores the strategic importance for FMCG companies to utilize promotional activities not only to drive immediate sales but also to cultivate lasting consumer loyalty, enhancing competitiveness
19. **Sritharan (2020)** research, published in the International Journal of Scientific & Technology Research, investigates the factors influencing brand choice within the FMCG sector. Employing a quantitative approach, the study aims to identify key drivers shaping consumer preferences. Through structured questionnaires and data analysis techniques, Sritharan likely uncovers factors such as product quality, price, brand reputation, and availability that significantly impact brand selection. The findings offer valuable insights for marketers and businesses seeking to tailor

their strategies to meet consumer demands effectively and enhance market competitiveness.

## **CONCLUSION**

In conclusion, the literature review provides valuable insights into various aspects of brand perception, consumer behavior, and brand loyalty within the FMCG sector, with a specific focus on Hindustan Unilever Limited (HUL) and ITC Limited. Studies such as those by Kavitha T.C., Prof. K. K. Aggarwal Nagarajan and Sheriff, Dr. Pramod H. Patil, Singh and Jain, Verma and Gupta, Keller, Jacoby and Chestnut, Oliver, Reichheld and Sasser, Dick and Basu, Zeithaml et al. Steenkamp et al., Chakrabarti and Patra, Yoo et al., Kapoor and Sinha, and Sritharan offer comprehensive insights into factors influencing brand perception, purchase decisions, and brand loyalty. The findings underscore the importance of understanding consumer preferences, delivering superior value, and implementing effective marketing strategies to enhance brand satisfaction, loyalty, and competitiveness in the dynamic FMCG market landscape. These studies collectively contribute to a deeper understanding of consumer behavior and provide actionable recommendations for marketers and businesses operating in the FMCG sector.



# **CHAPTER 3**

## **THEORETICAL FRAMEWORK**

### **3.1 INTRODUCTION**

This chapter presents the theoretical framework employed in the study to examine brand loyalty towards personal care products of both HUL and ITC. Brand loyalty is considered a crucial element for sustaining in this highly competitive environment and for the success of any business entity. Brand loyalty brings the company numerous benefits such as repeated purchases and fostering a sense of trust and reliability among consumers. Brand loyalty means keeping customers loyal to the company for a longer time to gain a competitive advantage. It is important to understand the factors that influence brand loyalty to develop effective strategies aimed at enhancing customer loyalty, which is essential for long-term success and competitiveness in the market.

### **3.2 BRAND LOYALTY**

As per Tucker (1964), brand loyalty has been “conceived to be simply biased choice behavior with respect to branded merchandise”. Brand loyalty is when consumers consistently choose to buy a particular brand, whether consciously or unconsciously. This decision is shown through their intention or actions to repeatedly purchase the brand. It happens because consumers believe that the brand provides the correct product features, image, or quality level at an appropriate price.

Brand loyalty suggests that customers hold a favorable and positive outlook towards a particular brand compared to other competing brands. Brand loyalty is about how much customers are devoted to a brand and stay with it over time. This happens because they trust the brand and feel a connection to it. It means they are more likely to keep buying from that brand instead of switching to others.

### **3.3 FACTORS INFLUENCING BRAND LOYALTY**

1. **PRODUCT QUALITY:** The consistent delivery of high-quality products that meet or exceed customer expectations is key to fostering brand loyalty. When customers have positive experiences with a brand’s offerings, they are more likely to develop trust and loyalty towards that brand.

2. **BRAND REPUTATION:** The reputation of a brand, including its perceived trustworthiness, reliability, and credibility, plays an important role in brand Loyalty. Positive feedback, reviews, and experiences contribute to a strong brand reputation, while negative publicity or unsatisfactory customer encounters can harm it.
3. **PRICE AFFORDABILITY:** While some consumers are willing to pay more for perceived value or quality, affordability remains crucial for brand loyalty. Brands offering competitive pricing or value for money compared to competitors are more likely to retain loyal customers, particularly in price-sensitive markets.
4. **MARKETING AND ADVERTISING:** Effective marketing and advertising efforts can raise brand awareness, shape perceptions, and influence purchasing decisions, thus impacting brand loyalty. Consistent branding messages, engaging advertisements, and targeted marketing initiatives can strengthen emotional ties with consumers and reinforce loyalty.
5. **PRODUCT AVAILABILITY:** The easy availability of products is vital for brand loyalty. Brands ensuring that their products are easily accessible through various distribution channels, including physical stores and online platforms, are more likely to retain loyal customers.
6. **PRODUCT VARIETY:** Offering a diverse range of products or services that cater to different consumer preferences and needs can enhance brand loyalty. Brands that continuously innovate and expand their product lines to meet evolving consumer demands are better positioned to retain loyal customers.

### **3.4 FAST MOVING CONSUMER GOODS (FMCG)**

sector use strategies that focus on brand loyalty, product differentiation, efficient supply chain management, and widespread marketing and advertising efforts to increase market Fast moving goods are the goods which are sold at relatively low cost and require only minimal efforts to purchase. These are non-durable products purchased by the ultimate consumer. These goods are frequently purchased in small quantities. The main FMCG sectors include personal care, household care, packaged food and beverages, and baby and child care products. These products are essential for daily life and have a short shelf life. As these are frequently purchased products, companies operating in the FMCG share and competitiveness. Almost everyone incorporates fast-moving consumer goods (FMCG) into their daily routines.

The FMCG sector in India has experienced significant growth in recent years, driven by several key factors. Firstly, changing lifestyles and urbanization have led to increased demand for convenience and packaged goods. As more people migrate to urban areas and join the workforce, there is a greater need for ready-to-eat meals, personal care products, and household essentials, stimulating the demand for FMCG products. Rising disposable incomes and a growing middle-class population have contributed to higher consumer spending on FMCG items. With more purchasing power, consumers are willing to spend on branded goods, including FMCG products, thereby driving market growth.

### **3.5 PERSONAL CARE PRODUCTS**

Personal care products are items intended for use in maintaining personal hygiene, grooming, and overall well-being. These products encompass a diverse range, including toiletries like shampoo, conditioner, body wash, soap, and toothpaste, as well as skincare products such as moisturizers, sunscreen, and facial cleansers. Additionally, personal care products include items like deodorant, hair styling products, shaving cream, and feminine hygiene products. They are designed to promote cleanliness, health, and aesthetic enhancement, and are used daily by individuals of all ages and backgrounds.

### **3.6 FMCG COMPANIES IN INDIA**

The Fast-Moving Consumer Goods (FMCG) sector in India stands as the largest industry globally, employing over 10 million individuals and constituting approximately 15% of the nation's GDP. Despite its competitiveness, the sector presents enticing investment opportunities due to its low valuations and promising growth prospects. Major players such as Hindustan Unilever Ltd, Nestle, and Dabur lead the market, leveraging extensive product portfolios and robust brand presence. Notably, the sector has witnessed a healthy Foreign Direct Investment (FDI) inflow of US\$ 20.11 billion from April 2000 to March 2022, highlighting investor confidence. Projections suggest significant expansion, with the Indian packaged food market expected to double to US\$ 70 billion by 2025, while the overall FMCG market is poised to reach US\$ 220 billion by the same year, boasting a Compound Annual Growth Rate (CAGR) of 14.9%. Furthermore, rising digital connectivity, particularly in rural areas, is driving FMCG demand, with the e-commerce sector anticipated to contribute around 11% to overall FMCG sales by 2030. As key contributors to India's economic landscape, FMCG companies continue to innovate, adapt, and thrive amidst evolving market dynamics, playing a pivotal role in driving consumer satisfaction, economic growth, and employment generation.

1. Hindustan Unilever Ltd
2. Bajaj Consumer Care Ltd
3. ITC
4. Nestle India
5. Britannia Industries
6. Godrej Consumer Products Ltd
7. Colgate Palmolive
8. Dabur India
9. Gillette India
10. Jyothy laboratories
11. Parle Biscuits Pvt. Ltd
12. Marico Ltd

13. Emami Ltd

14. Patanjali Ayurveda Ltd

15. Jubilant Food works.

### **3.7 BRANDING**

Branding is a comprehensive strategic process that involves creating a unique identity for a product, service, or company to differentiate it from competitors and resonate with consumers. It begins with understanding the target audience through market research, including demographics, preferences, and behaviors. This knowledge informs the development of the brand's personality, values, and unique selling propositions (USPs). Visual elements such as logos, colors, typography, and imagery are carefully crafted to reflect the brand's identity and evoke specific emotions. Consistency across these visual elements helps build brand recognition and recall, strengthening the brand's presence in the market. Moreover, branding extends beyond visual aesthetics to encompass brand messaging and customer experience. Brand messaging involves crafting a compelling narrative that communicates the brand's story, values, and promises to consumers. This messaging should be clear, consistent, and emotionally resonant, connecting with the target audience on a deeper level. Additionally, the brand's identity should be reflected in every aspect of the customer experience, from product design and packaging to interactions with customer service. By maintaining consistency and authenticity across all touchpoints, brands can build trust, foster loyalty, and establish a strong emotional connection with consumers, ultimately driving long-term success in the marketplace.

Branding is crucial to the success of any tangible product. In consumer markets, branding can influence whether consumer will buy the product. Branding can also help in the development of a new product by facilitating the extension of a product line or mix, through building on the consumer's perceptions of the values and character represented by the brand name.



### **3.8 IMPORTANCE OF BRANDING**

**Differentiation:** In a crowded marketplace, branding helps businesses stand out from competitors by creating a unique identity and personality. It allows consumers to distinguish one brand from another, making it easier for them to make purchasing decisions.

**Brand Recognition and Recall:** Strong branding builds brand recognition, making it instantly identifiable to consumers. This recognition fosters recall, ensuring that consumers remember the brand when making purchasing decisions, even in competitive environments.

**Trust and Credibility:** Consistent branding builds trust and credibility with consumers. A well-established brand with a positive reputation is more likely to be trusted by consumers, leading to increased loyalty and repeat business.

**Consumer Loyalty and Advocacy:** Effective branding cultivates consumer loyalty by fostering emotional connections and positive associations with the brand. Loyal customers are more likely to continue purchasing from the brand and advocate for it to others, driving word-of-mouth referrals and organic growth.

**Premium Pricing:** Strong brands command premium pricing power as consumers are often willing to pay more for products or services associated with trusted and reputable brands. This allows businesses to achieve higher profit margins and increased revenue.

**Market Expansion:** A strong brand provides a solid foundation for market expansion and diversification. When consumers have positive perceptions of a brand, they are more receptive to new products or services introduced under the same brand umbrella.

**Employee Pride and Engagement:** A well-defined brand with clear values and a compelling mission can foster pride and engagement among employees. Employees who

align with the brand's values are more motivated and committed, leading to higher productivity and better customer experiences.

**Resilience during Challenges:** Brands with a strong reputation and loyal customer base are more resilient during times of crisis or challenges. They are better equipped to navigate negative publicity or setbacks and recover more quickly due to the trust and goodwill built over time.

Overall, branding is essential for businesses to establish a competitive edge, build strong relationships with consumers, and drive long-term success in the marketplace. It serves as the foundation for all marketing efforts and plays a critical role in shaping consumer perceptions and behaviors.

### **3.9 BRAND EQUITY**

Brand equity represents the cumulative value and influence that a brand possesses in the marketplace, extending beyond tangible products or services. It encompasses the perceptions, associations, and experiences that consumers attribute to a brand, shaping their preferences, behaviors, and loyalty. Central to brand equity are several key components: brand awareness, which denotes the extent to which consumers recognize and recall a brand; brand association, which encompasses the attributes, values, and emotions that consumers connect with the brand; perceived quality, reflecting consumers' perceptions of the brand's product or service superiority; brand loyalty, indicating the degree of consumer commitment and repeat purchase behavior towards the brand; brand identity and image, encompassing visual elements and brand personality that contribute to brand recognition and resonance; and market positioning, which defines the brand's distinctiveness and relevance in relation to competitors. Strong brand equity confers numerous advantages to businesses, including competitive differentiation, consumer trust and loyalty, premium pricing power, and market resilience. To cultivate and sustain brand equity, businesses must invest in strategic branding efforts, product quality, customer relationships, and consistent market positioning to ensure enduring relevance and resonance with consumers.

### **3.10 BRAND AWARENESS**

Brand awareness is essentially how well customers recognize a brand, and it's a crucial factor that needs to be considered in everything from how people behave as consumers to how businesses advertise, manage their brands, and develop strategies. Without even being aware of a specific brand name, a customer can't even begin to think about buying a product within that category. Even if they can't necessarily recall the exact brand, they might be able to describe features that distinguish the brand enough to make a purchase, like someone asking for gum in a "blue pack." There are actually different types of brand awareness, like being able to remember a brand name (recall) or simply recognizing it (recognition). These distinctions are important because they influence how people make purchase decisions and how marketing messages are crafted. Brand awareness is also connected to concepts like the "evoked set" and "consideration set," which describe the specific brands a customer thinks about when making a purchase. Typically, people have a limited number of brands in their consideration set, somewhere between three and seven across various product categories, and they'll usually end up buying from one of those top three brands. So, that nagging feeling of recognition you have for a company, even if you're not their customer, is brand awareness at work. It means their efforts to make their brand familiar have sunk in. A company's brand is much bigger than just a logo or a slogan; it's everything from the products they sell and how they present themselves to their visual style, the way they treat customers, and the values they represent.

### **3.11 How does brand awareness work?**

Brand awareness is all about getting your brand name out there so people know about you. This can be done through ads, social media, and other marketing channels. A good brand awareness campaign will also help make your brand stand out from the competition. The more people who are familiar with your brand, the more likely they are to consider buying from you someday. Imagine a funnel where potential customers enter at the top. Brand awareness is like the wide opening at the top. This is where you capture people's attention and get them interested in learning more about what you offer.

### **3.12 BRAND SWITCHING**

Brand switching is the consumer's decision to purchase a product of a brand different from that previously or usually purchased. More and more brands and products are being launched every day. In the traditional retail mix, modern retailers like Walmart have started launching their own unique products. On top of that, Walmart has even tougher competition from E commerce companies. Brand switching is the act of a customer abandoning a brand they typically buy from and choosing a competitor's product or service instead. It's essentially the opposite of brand loyalty, where a customer consistently chooses the same brand.

This happens across all industries, from grocery stores and clothing retailers to tech companies and phone carriers. Understanding why it occurs is crucial for businesses, as it can significantly impact their market share and profitability. Brand switching is always painful for companies since they know they have a 60-70% probability of selling a product to their client, while closing a deal with a prospective customer makes only 5-20%. We can infer that retaining customers and working on increasing customer loyalty decreases your chances of facing the problem of clients who switch brands.

Brand switching occurs when a company's long-term customers choose to purchase products from a different brand. If you're interested in a career in marketing, understanding changes in consumer buying habits can help you encourage brand loyalty. This may also improve a company's overall profits, which can aid you in advancing your career. In this article, we discuss what brand switching is, why consumers switch brands and how a company can promote customer loyalty.

### **3.13 Why Customers Switch Brands: There are several reasons why customers might switch brands, including:**

#### **1) The price-value gap.**

The price itself is not a decisive factor. Of course, buyers are sensitive to changes in pricing, but they won't make them leave you if they have a brand affinity. This term entails customers who are loyal fans of your brand. The important thing here is value.

People pay not for products but for the value they provide them, and thus the tangible price increase should be justified. Clients want to see what makes the difference between

your more expensive product and your competitor's analogue. Make sure you can communicate this to your audience.

## **2) Poor customer service.**

By poor service we mean not only unfriendly staff but the way they deal with dissatisfied customers. For example, your client received a defective item or clothes of the wrong size. The person responsible for the exchange of goods and refund plays the central role here. It should be a proactive person able to do their best to make this client happy. Once you start arguing with a customer, be ready to experience brand switching. Another critical factor here is the time your customer support team needs to respond to a client. The longer you make your customer wait, the sooner they will switch your brand.

## **3) Brand stagnation.**

This issue and the next one both belong to brand fatigue. This phenomenon means that clients are tired of a particular brand. Stagnation implies a company that focuses only on producing one product and does nothing to optimize and improve it. As a result, customers switch to a brand that continually innovates to meet their clients' needs and preferences. Competition incentivizes brands to develop and improve.

## **4) Desire to conquer all niches.**

This problem also belongs to the category of brand fatigue. Companies that enter almost every market scare away both prospects and loyal clients. Such dilution makes companies shift their focus from their main product, which made them successful. Recall a brand that produces carbonated soft drinks. Bet, you think about Coke. Perhaps, this is what makes this brand successful. In the end, it's impossible to succeed in everything.

## **5) Affordability**

Customers often switch brands if a more affordable option for a product or service is available. When brand switching, they typically seek items that have a similar value to what they normally purchase. If the product or service a customer usually buys exceeds a certain price point, it may also lead to a brand switch. For example, if a customer is planning to buy a car, they may consider purchasing one from the same brand as their current vehicle. They may also consider the prices of cars from different brands that have similar features. When making a final purchase decision, they may choose the lower-priced option, regardless of previous brand loyalty.

## **6) Variety**

Sometimes consumers try a new product because they're seeking variety or interested in trying something different from what they usually buy. Marketers refer to this as brand fatigue. In the retail marketplace, brands often release new products, which can prevent brand fatigue. A brand may also use the novelty of a product as a selling point, which may attract new customers and encourage brand loyalty.

## **7) Adaptation**

Companies often maintain a relationship with customers to better adapt to their needs and desires. Understanding and adjusting products and services based on customer needs can help a brand stay relevant in a changing market. This may prevent customers from brand switching and can foster brand loyalty.

## **8) Innovation**

As technology evolves, so can customer brand preferences. When a company releases a product that incorporates new technology, it may encourage competitors' customers to switch brands. Additionally, if two companies offer products with technological features at the same price point, customers may switch to the brand that offers a product with more features.

## **9) Convenience**

Sometimes a product simply becomes more convenient for a consumer to purchase. For example, if a nearby store stops stocking a particular brand's product, a customer may purchase products from another brand rather than traveling to another store. A product may also become more or less convenient for a customer based on compatibility. For example, one brand's technological device may be easier for customers to use than another brand's, which can encourage brand switching.

## **10) Competitors' innovation**

This reason for brand switching often occurs in technology products like smartphones. Technology improves at a rapid rate and all tech-oriented brands constantly strive to innovate and incorporate new technologies in their products. This results in a highly competitive market that attracts customers to different brands. In the smartphone category, you may find loyal customers that stick to specific brands every time they buy a new phone. Eventually, these loyal customers also begin to evaluate new technologies,



features and specifications and look at different brands before they purchase their fourth or fifth smartphone. A customer who was loyal to one brand may end up buying a smartphone from a different brand if it can innovate faster at a reasonable price.

### **11) The convenience of a competitor's product**

The convenience of purchasing and using a product can make customers switch brands even when they do not want to. Consider a customer who has been using a particular brand's microwave oven for many years. Suddenly, the oven stops working and they immediately decide to purchase a new one. They would prefer the same brand, but they discover that it is only available online and may take three to four days to arrive. This is inconvenient for the customer, but they can walk to another brand's shop near their home. They purchase a microwave oven with similar features and in the same price range more conveniently from the shop. This example demonstrates how competitors can make their products more convenient to use or more accessible for purchase ,which can ultimately lead to brand switching.

## **3.14 How to prevent brand switching**

Here are some ways you can prevent brand switching:

### **1) Provide value**

Providing customers with a product or service they value is one way to maintain customer loyalty. Consider requesting customer feedback and engaging in product testing to learn what customers value and identify aspects of products that may need improvement. This can help the company you work for compete with other brands effectively. Another way to provide customers value is by maintaining price competitiveness. This often means offering a desirable product that's similar to competitors' at a lower price point.

### **2) Improve your customer service efforts**

Effective customer service can lead to brand loyalty and motivate customers to switch brands. Consider improving the customer service of the company for which you work by communicating that the brand cares about its customers and offering customers a positive experience. You can do this by reducing the amount of time it takes for the company to respond to customer questions and concerns. Increasing brand transparency may also help customers have a positive experience with the company.

### **3) Address criticism**

Since consumers can easily post reviews of products and services on websites and social media, brands often receive both positive and negative feedback from their customers. While it's important for a company to acknowledge praise, addressing criticism quickly can also prevent brand switching. For example, if a customer posts a negative review of a product online, a brand can respond by offering to solve the problem, which can help foster customer loyalty.

### **4) Maintain customer's interest**

When customers become interested in novel products rather than the ones they usually buy, it may be due to brand fatigue, which can lead to brand switching. To combat brand fatigue, consider releasing new versions of a product regularly. You can also do this by developing new products or services to encourage customers to stay loyal to the brand. Additionally, some companies may rebrand or launch a new marketing campaign to maintain customer's interest and prevent brand fatigue. They may also offer sales or deals to attract customers with competitive pricing. Creating a positive customer experience goes beyond selling high-quality products or services. It involves every interaction a customer has with your brand, from initial contact to post-purchase support. Excellent customer service, an easy-to-navigate website, user-friendly products, and engaging marketing can all enhance the customer experience and increase brand loyalty.

### **5) Competitive Pricing and Value**

Offering competitive pricing and providing excellent value can deter customers from switching to a cheaper competitor. While price isn't always the primary factor in brand switching, it can certainly make a difference, especially in competitive markets. Regularly reassessing your pricing strategies and ensuring you're providing good value for money can help retain customers.

### **6) Utilize Customer Feedback**

Actively seeking and utilizing customer feedback can demonstrate that you value your customers' opinions, increasing their loyalty to your brand. Respond to reviews, conduct customer surveys, and use social media to engage with customers. If customers feel heard and see their feedback being implemented, they're more likely to stick around.

### **7) Foster Customer Relationships**

Creating strong customer relationships can make customers think twice before switching to a competitor. Personalized marketing, loyalty programs, or community- building efforts can make customers feel valued and appreciated, encouraging their continued loyalty. Regular, meaningful engagement can turn customers into brand advocates who are not only loyal but also actively promote your brand to others.

### **8) Consistent Quality**

Maintaining consistent product and service quality is crucial. Quality issues can quickly erode customer loyalty, so ensuring consistency can be a key factor in preventing brand switching. Regular quality checks and a strong commitment to providing the best possible products and services can reassure customers that they're making the right choice by sticking with your brand.

### **9) Provide Unique Value**

If your product or service provides unique value that competitors can't match, customers will be less likely to switch. This could be a unique feature of your product, outstanding customer service, or even a brand image that resonates with your customer base. Highlighting this unique value in your marketing can help strengthen customer loyalty.

## **3.15 BRAND ASSOCIATION**

Anything you remember about a brand is a brand association. The more you interact with a brand, the stronger these connections become in your mind. These associations are powerful because they influence how likely you are to buy the brand's products and how loyal you are to the brand. Brand associations also help companies stand out from competitors by giving them a unique identity. They can evoke emotions and feelings in consumers, making them more likely to choose that brand. Additionally, these associations are important when a company wants to launch new products because they provide a foundation to build upon. Many brand associations focus on the features of the

product or the benefits it offers, giving you a clear reason to choose that brand. Other associations focus on making you trust the brand and feel confident about buying it. Ultimately, companies care about how strong and deep these associations are in your mind, with a particular focus on those that directly or indirectly affect your decision to buy.

### **3.16 IMPORTANCE**

Strong brand associations are like mental shortcuts for customers. They instantly recognize your brand and what it stands for. These associations build your overall brand image, and the more positive and meaningful they are, the better. Ideally, these associations speak for themselves, connecting customers to your product category without needing a long explanation. They also set you apart from the competition and make people want to choose you. To start building these connections, your team should be familiar with the different types of brand associations that can be created. Strong brand associations are crucial for businesses in today's competitive market. These associations are basically the connections customers make between a brand and certain ideas, feelings, or images. They are important because they shape how customers see a brand, influence their buying decisions, and create a unique identity for the brand. The article will explore what brand associations are and how they influence customers, using real-world examples.

### **3.17 TYPES OF BRAND ASSOCIATION**

#### **1) ATTRIBUTE BASED BRAND ASSOCIATION**

Think of a brand's physical features and how they're perceived. That's attribute-based brand association. This includes things like price, how it's packaged, how well-made it is, and even how it looks. These features all play a role in how customers remember a brand. Because of that, a brand can get a leg up on the competition by making sure these aspects are strong, especially within their target market.

#### **2) INTEREST BASED ASSOCIATION**

Companies often target customers based on their hobbies and passions. This taps into what interests people, sparking their curiosity and awareness

Of the brand. The idea is to gradually show how the brand aligns with those interests, making it a natural fit for the customer's lifestyle.

### **3) ATTITUDE BASED BRAND ASSOCIATION**

Brand associations form in customers' minds after they experience or learn about a brand. These associations can be vague ideas or closely tied to a particular way of life. For example, just hearing the name "Nike" might instantly make you think of athletics and fitness.

### **4) CELEBRITY BASED BRAND ASSOCIATION**

Seeing a celebrity team up with a brand creates a link between them in your mind. Think of Elon Musk and Tesla – that's a prime example of celebrity-based brand association. Companies use celebrity endorsements to leave a lasting impression on consumers and connect their brand with the celebrity's image.

## **3.18 HISTORY OF HUL**

Hindustan Unilever Limited (HUL) is an Indian company with its headquarters located in Mumbai, operating as a subsidiary of the British multinational corporation Unilever. Originally established in 1931 under the name Hindustan Vanaspati Manufacturing Co., it underwent a series of mergers, leading to its renaming as Hindustan Lever Limited in 1956. Later, in June 2007, it was rebranded as Hindustan Unilever Limited. HUL's diverse product range encompasses foods, beverages, cleaning agents, personal care products, water purifiers, and various other fast-moving consumer goods (FMCGs).

However, despite its commercial success, HUL has been embroiled in several controversies. Notably, it faced severe criticism for allegedly disposing of highly toxic mercury-contaminated waste in improper dumping grounds, which resulted in the pollution of land and water in Kodaikanal, India (referenced as the Kodaikanal mercury poisoning incident). Additionally, the company stirred controversy with an advertising campaign that targeted the Hindu pilgrimage site at Kumbh Mela, drawing accusations of racism and insensitivity.

As of 2019, Hindustan Unilever Limited boasted a portfolio comprising more than 50 product brands spanning 14 distinct categories. The company's workforce numbered 21,000 employees, and it reported sales amounting to ₹34,619 crores during the fiscal year 2017–18. In December 2018, HUL announced its acquisition of GlaxoSmithKline

India's consumer business for a staggering US\$3.8 billion, structured as an all-equity merger deal with a ratio of 1:4.39. However, uncertainties lingered regarding the integration of GSK's 3,800 employees, as HUL clarified that there was no provision for the retention of employees in the deal. Subsequently, in April 2020,

HUL finalized its merger with GlaxoSmithKline Consumer Healthcare (GSKCH India), completing all requisite legal procedures.

As of December 2022, Hindustan Unilever Limited's market capitalization stood at Rs. 638548.42 crore, attesting to its significant presence and influence within the consumer goods sector.

### **3.19 HISTORY OF ITC**

Founded in 1910, ITC Limited stands as a diversified conglomerate with interests spanning various sectors including Fast Moving Consumer Goods encompassing Foods, Personal Care, Cigarettes, Cigars, Education & Stationery Products, Incense Sticks, and Safety Matches. Additionally, the company operates in the domains of Hotels, Paperboards and Packaging, Agri Business, and Information Technology. Originally established as the Imperial Tobacco Company of India Limited on August 24, 1910, the company underwent name changes over the years, evolving into I.T.C. Limited in 1974.

In 2001, reflecting its multifaceted business portfolio, the company adopted the name 'ITC Limited,' shedding the full stops, signifying a departure from its acronym origins. From its modest beginnings headquartered in a leased office on Radha Bazar Lane, Kolkata, the company's trajectory has been marked by significant milestones. Notably, on its 16<sup>th</sup> anniversary in 1926, the company acquired a pivotal plot of land in Kolkata, laying the foundation for its iconic headquarters, 'Virginia House.' Over the years, ITC has earned the trust of consumers, boasting the top two FMCG brands in India. Leveraging one of the largest retail networks comprising approximately 2 million directly serviced dealers, the company's reach extends across diverse retail outlets, spanning from premium stores in urban centres to small shops in rural hinterlands.



With a Gross Sales Value of ₹ 90,104 crores and a Net Profit of ₹ 15,058 crores as of March 31<sup>st</sup>, 2022, ITC Limited holds a prominent position as one of the most profitable FMCG companies in India.

Beyond its commercial pursuits, ITC is renowned for its commitment to Corporate Social Responsibility (CSR), exemplified through its extensive initiatives in rural development, environmental sustainability, and community welfare. Thus, throughout its illustrious history, ITC has epitomized resilience, adaptability, and a steadfast dedication to both business excellence and societal impact.

# **CHAPTER 4**

## **DATA ANALYSIS AND INTERPRETATION**

## INTRODUCTION

This chapter serves as a backbone of this study, providing a comprehensive examination of the collected data to derive insights into brand loyalty within the FMCG industry, with a specific focus on personal care products from Hindustan Unilever (HUL) and ITC within the Ernakulam district . This chapter examines carefully the responses gathered from the questionnaires administered to a sample size of 102 participants, selected through convenience sampling. Through the utilization of tabular and graphical representation techniques, the chapter present a systematic analysis of the data, unraveling the complexities of consumer perceptions, brand satisfaction levels, and purchase decision influencers. By using statistical tools and techniques, this chapter aims to find patterns, trends, and correlations within the dataset and finds out factors shaping brand loyalty in local FMCG market. The findings derived from this analysis attempt to offer actionable awareness for industry stakeholders and contribute to the field of marketing research and consumer behavior within the FMCG sector.

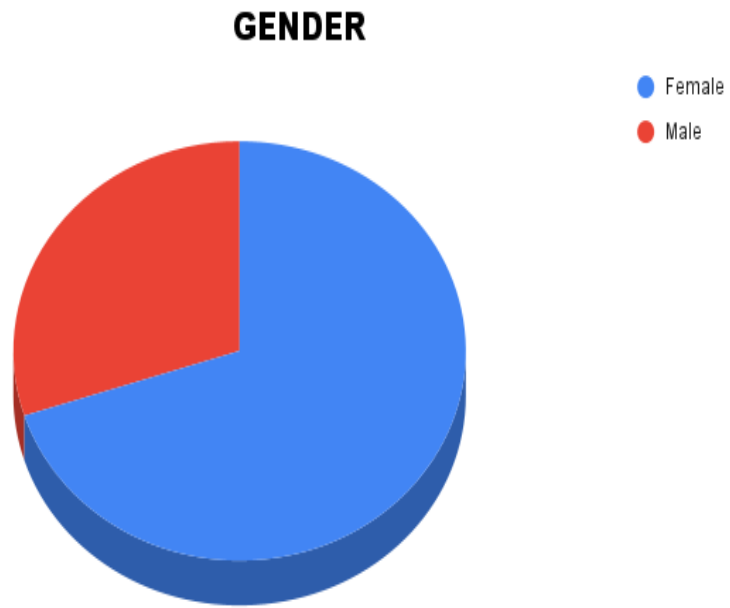
## DEMOGRAPHIC VARIABLES

Demographic variable of respondents surveyed and analysis include gender, age, qualifications, occupation, and income. The following tables and graphs represent the same

**TABLE 4.1: GENDER**

<b>GENDER</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
MALE	39	38.2
FEMALE	63	61.8
OTHERS	0	0
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE 4.1: GENDER**



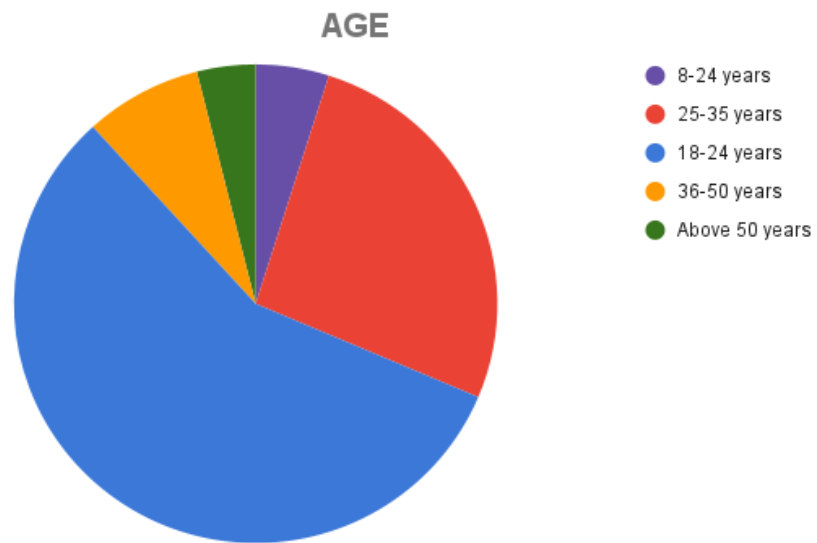
## **INFERENCE**

This diagram shows the demographic data of respondent's 38.2% respondents are male while 61.8% are female. This indicate most of the respondents are female

**TABLE 4.2 : AGE**

AGE	NO OF RESPONDENTS	PERCENTAGE
18-24	58	56.9
25-35	27	26.5
36-50	8	7.8
Above 50	5	4.9
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE 4.2: AGE**



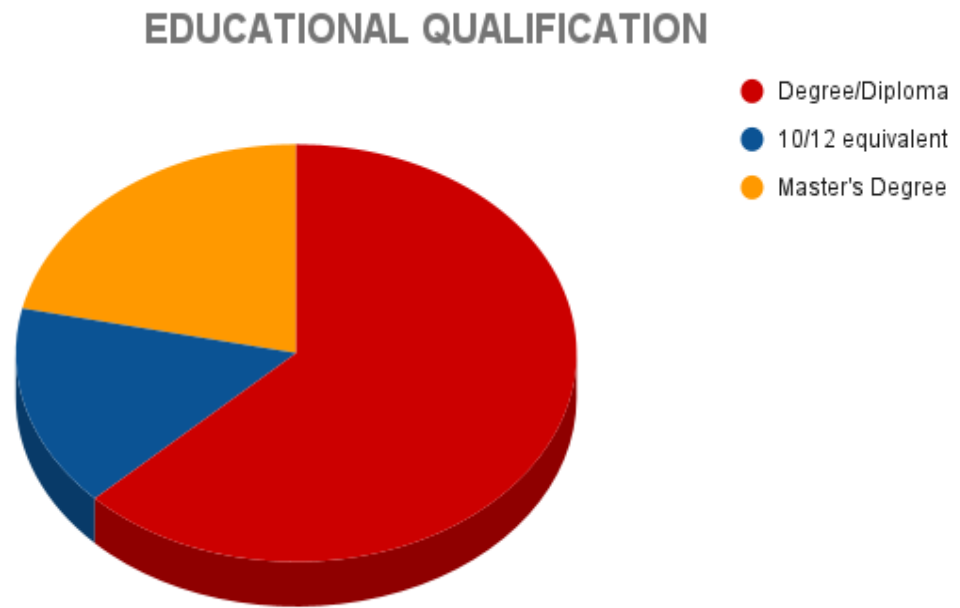
## **INFERENCE**

The majority of the respondents (56.9%) fall within the younger demographic, specially the 18-24 age group. This is followed by a significant presence (26.5%) in 15-35 age group. The representation from older age group decline, with 7.8% in the 36-50 range and 4.9% being 50 years old and above.

**TABLE4.3: EDUCATIONAL QUALIFICATION**

EDUCATIONAL QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE
10/12 Equivalent	16	15.7
Degree/Diploma	64	62.7
Master's Degree	22	21.6
Doctorate Degree	nil	nil
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE4.3: EDUCATIONAL QUALIFICATION**



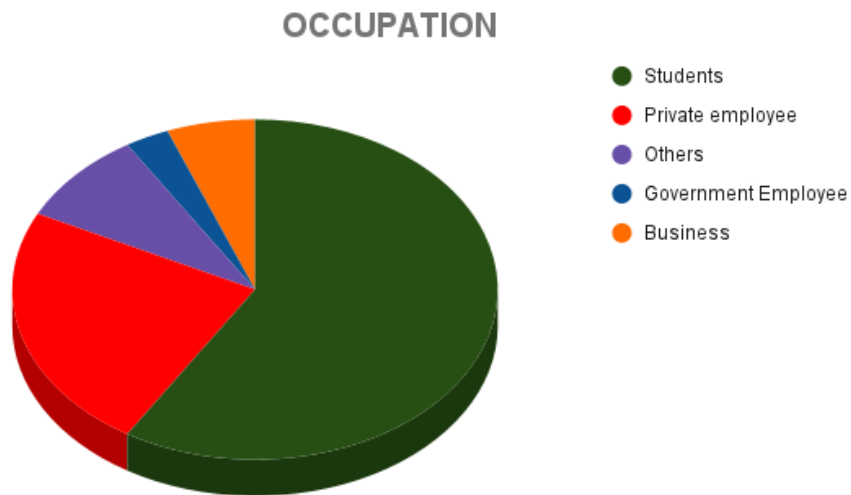
### **INFERENCE**

The survey reveals a clear trend towards higher education among respondents. A substantial portion (62.7%) hold a Degree/Diploma, suggesting a strong foundation in academic pursuits. This is further bolstered by the presence of a significant group (21.6%) with Masters Degrees, indicating a commitment to advanced learning within the participant pool. However, it's worth noting that a smaller segment (15.7%) holds only a 10/12 equivalent qualification."

**TABLE4.4 : OCCUPATION**

OCCUPATION	NO OF RESPONDENTS	PERCENTAGE
Government employee	3	2.9
Private employee	24	23.5
Business	6	5.9
Student	60	58.8
Others	9	8.8
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE 4.4 : OCCUPATION**



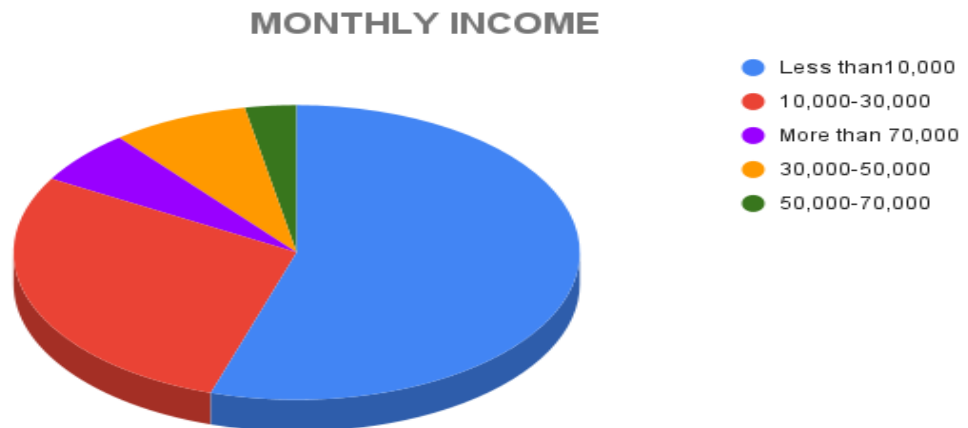
## **INFERENCE**

An examination of the data reveals a prominent student population, constituting nearly 59%, which could be indicative of a youthful demographic or a strong emphasis on education within the studied area. Private sector employment follows closely at around 23.5%, suggesting a thriving private business landscape. Government employees and business owners comprise smaller segments of the population at roughly 3% and 6% respectively. The remaining 8.8% fall under the "Others" category, potentially encompassing retirees, individuals between jobs, or those with other professions.

**TABLE 4.5 :MONTHLY INCOME**

MONTHLY INCOME	NO OF RESPONDENTS	PERCENTAGE
Less than 10000	56	54.9
10000-30000	29	28.4
30000-50000	8	7.8
50000-70000	3	2.9
70000 above	6	5.9
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE 4.5 :MONTHLY INCOME**



## **INFERENCE**

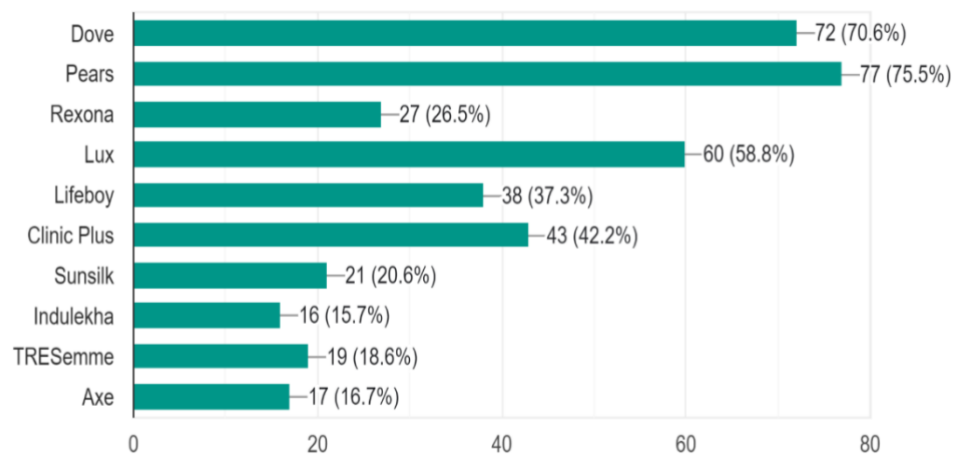
A closer look at the income distribution reveals that over half, at roughly 54.9%, belong to the category with a monthly income less than 70,000. This could be indicative of a prevalence of lower-paying jobs or a significant number of recent graduates in the area. The next largest segment, constituting around 28.4%, falls within the 10,000 to 30,000 income range. Smaller proportions, around 7.8% and 2.9%, reside in the 30,000 to 50,000 and 50,000 to 70,000 brackets respectively. Finally, the highest income category, exceeding 70,000 monthly, encompasses only 5.9% of the population.



**TABLE 4.6 USAGE OF HINDUSTAN UNILEVER  
LIMITED (HUL) PRODUCTS IN THE PAST 6 MONTHS**

PRODUCTS	NO OF RESPONDENTS	PERCENTAGE
Dove	72	70.6
Pears	77	75.5
Rexona	27	26.5
Lux	60	58.8
Lifebuoy	38	37.3
Clinic plus	43	42.2
Sunsilk	21	20.6
Indulekha	16	15.7
TRES Emme	19	18.6
Axe	17	16.7

**FIGURE 4.6 USAGE OF HINDUSTAN UNILEVER  
LIMITED (HUL) PRODUCTS IN THE PAST 6 MONTHS**



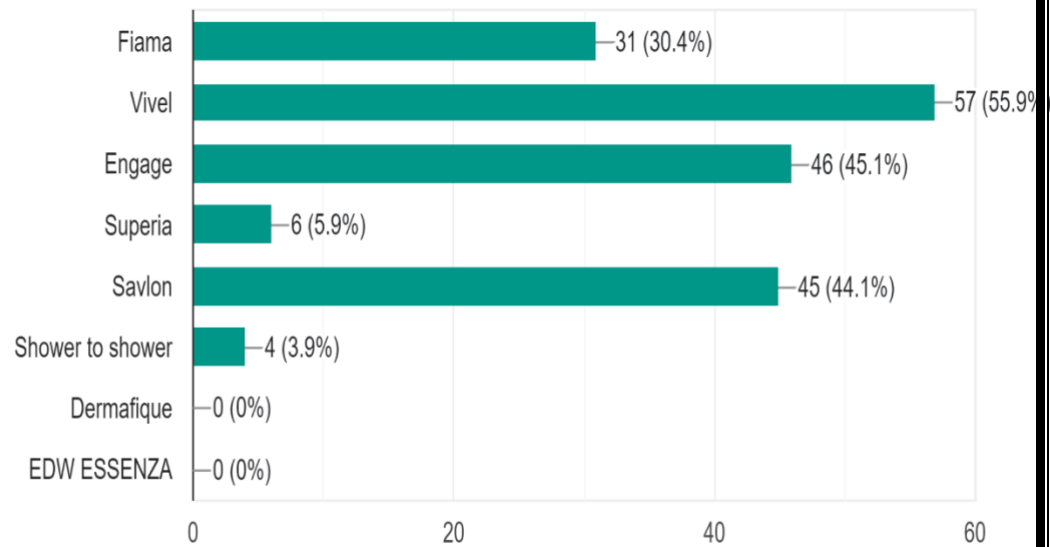
## INFERENCE

Data shows Pears, Dove, and Lux dominating HUL's market share in the last 6 months. This likely indicates consumer preference for these brands, but doesn't confirm actual product usage.

**TABLE 4.7 USAGE OF ITC PRODUCTS IN THE PAST 6 MONTHS**

PRODUCTS	NO OF PRODUCTS	PERCENTAGE
Fiama	31	30.4%
Vivel	57	55.9%
Engage	46	45.1%
Superia	6	5.9%
Savlon	45	44.1%
Shower to shower	4	3.9%
Dermafique	0	0
EDW ESSENZA	0	0

**FIGURE 4.7 USAGE OF ITC PRODUCTS IN THE PAST 6 MONTHS**



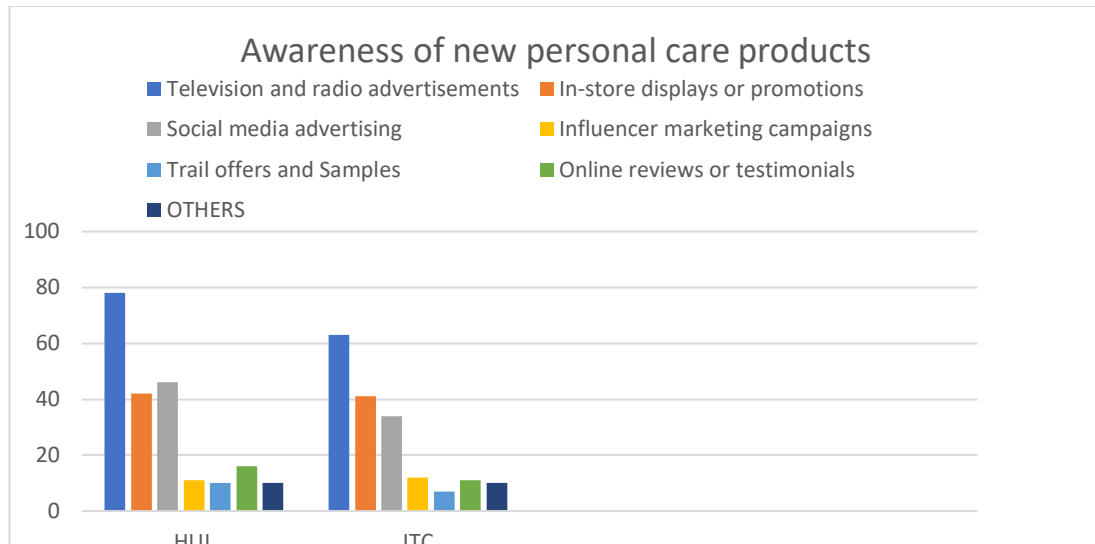
## INFERENCE

While ITC's data shows Vivel, Engage, and Savlon leading the pack in market share (over 44% each) for the past 6 months, this reflects brand popularity, not necessarily direct product use.

**TABLE 4.8 AWARENESS OF NEW PERSONAL CARE  
PRODUCTS OR PROMOTIONS FROM HUL AND ITC  
COMPANIES**

<b>SOURCE OF INFORMATION</b>	<b>HUL</b>	<b>HUL PERCENTAGE</b>	<b>ITC</b>	<b>ITC PERCENTAGE</b>
Television and radio advertisements	78	76.4%	63	61.7%
In-store displays or promotions	42	41.1%	41	40.1%
Social media advertising	46	45%	34	33.33%
Influencer marketing campaigns	11	10.7%	12	11.7%
Trail offers and Samples	10	9.8%	7	6.86%
Online reviews or testimonials	16	15.6%	11	10.7%
Others	10	9.8%	10	9.8%

**FIGURE 4.8A AWARENESS OF NEW PERSONAL CARE PRODUCTS OR PROMOTIONS FROM HUL AND ITC COMPANIES**



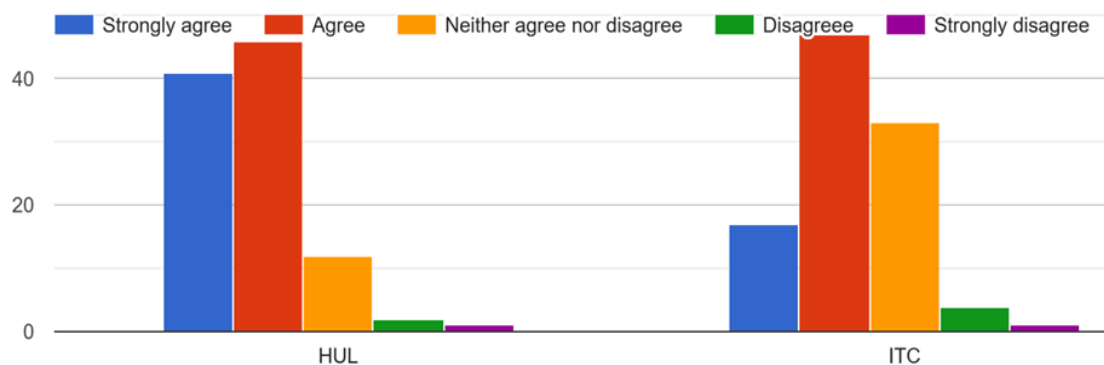
## INFERENCE

The majority of the respondents, i.e., 78 (76.4%) of HUL and 63 (61.7%) of ITC Ltd, are aware of personal care products through television and radio advertisements, while 10 (9.8%) respondents in both HUL and ITC Ltd are aware of personal care products through other sources. Meanwhile, 46 (45%) of respondents in HUL and 34 (33.33%) in ITC Ltd depend on social media advertisements.

**TABLE 4.9 INFLUENCE OF MARKETING AND  
ADVERTISING EFFORTS ON BRAND LOYALTY  
TOWARDS HUL AND ITC PRODUCTS**

	HUL	HUL PERCENTAGE	ITC	ITC PERCENTAGE
Strongly agree	41	40.19%	17	16.66%
Agree	46	45.09%	47	46.07%
Neither agree nor disagree	12	11.76%	33	32.35%
Disagree	2	1.96%	4	3.92%
Strongly disagree	1	0.98%	1	0.98%

**FIGURE 4.9 Influence of Marketing and Advertising Efforts  
on Brand Loyalty towards HUL and ITC Products**



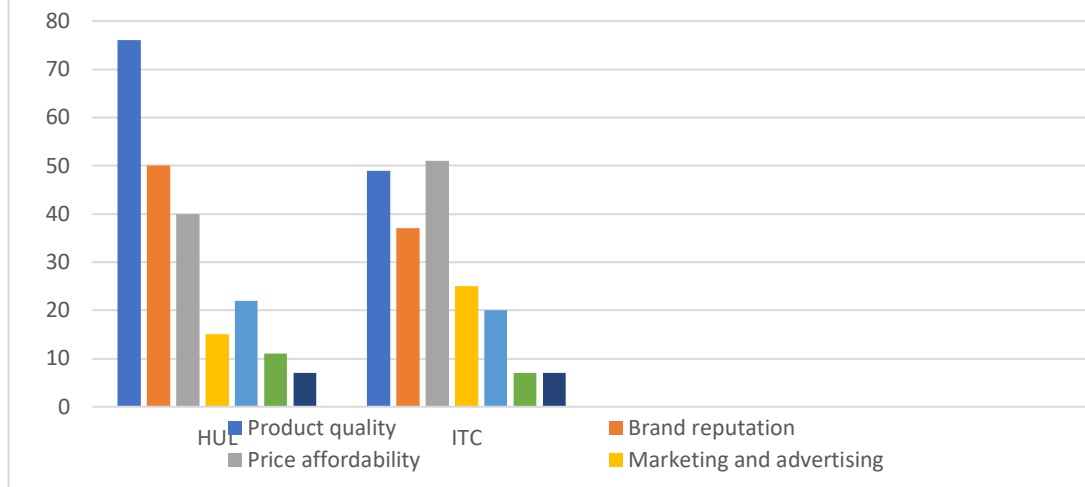
## INFERENCE

45.09% of the respondents of HUL and 46.07% of the respondents of ITC agree that the marketing and advertising efforts of Hindustan Unilever Limited (HUL) and ITC Limited have influenced the brand loyalty to their products, while 40.19% of the respondents of HUF and 16.66% of the respondents of ITC strongly agree with this statement. This suggests that for a significant proportion of respondents from both HUF and ITC, the marketing and advertising efforts of these companies have impacted their brand loyalty to the respective products.

**Table 4.10 Factors influencing brand loyalty of personal care products of HUL and ITC limited in the FMCG sector.**

	<b>HUL</b>	<b>HUL PERCENTAGE</b>	<b>ITC</b>	<b>ITC PERCENTAGE</b>
Product quality	76	74.50%	49	48.03%
Brand reputation	50	49.01%	37	36.27%
Price affordability	40	39.21%	51	50%
Marketing and advertising	15	14.70%	25	24.5%
Product availability	22	21.56% <sup>5</sup>	20	19.60%
Other	7	6.86%	7	6.86%

**FIGURE 4.10 Factors influencing brand loyalty of personal care products of HUL and ITC limited in the FMCG sector.**



## INFERENCE

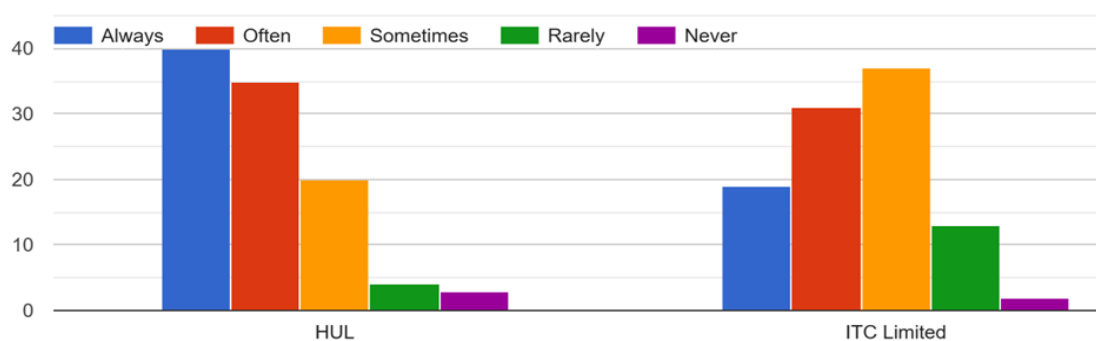
The data indicates that for both HUL and ITC personal care products, factors such as product quality (HUL: 74.50%, ITC: 48.03%) and brand reputation (HUL: 49.01%, ITC: 36.27%) significantly influence brand loyalty. Additionally, price affordability plays a crucial role, particularly for ITC (HUL: 39.21%, ITC: 50%). Marketing and advertising have a lesser impact, with HUL at 14.70% and ITC at 24.5%. Product availability also contributes, with HUL at 21.56% and ITC at 19.60%.



**TABLE 4.11 INFLUENCE OF BRAND LOYALTY IN  
PURCHASE DECISION OF PERSONAL CARE  
PRODUCTS**

	<b>HUL</b>	<b>HUL PERCENTAGE</b>	<b>ITC</b>	<b>ITC PERCENTAGE</b>
Always	40	39.21%	19	18.62%
Often	35	34.31%	31	30.39
Sometimes	20	19.60%	37	36.27%
Rarely	4	3.92%	13	12.7%
Never	3	2.94%	2	1.96%
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>102</b>	<b>100</b>

**FIGURE 4.11 INFLUENCE OF BRAND LOYALTY IN  
PURCHASE DECISION OF PERSONAL CARE  
PRODUCTS**



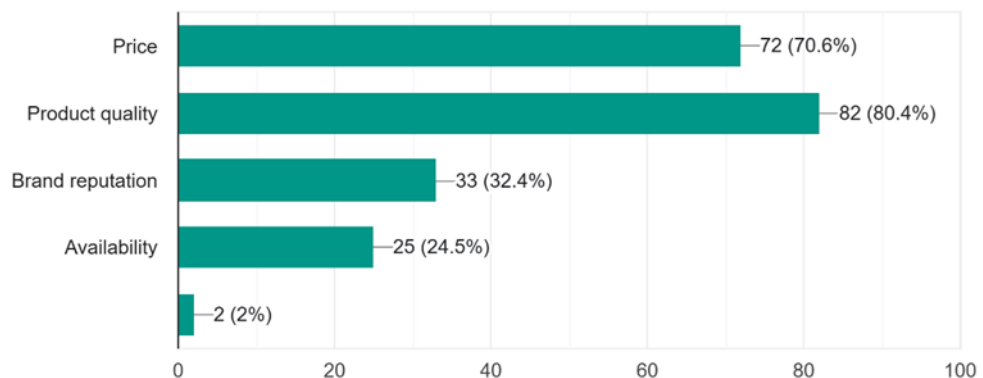
## INFERENCE

39.21% of the respondents are always influenced by brand loyalty in purchase decision of personal care products of HUL 36.27% of the respondents are only sometimes influenced by brand loyalty in purchase decision of personal care products of ITC limited.

**TABLE 4.12 FACTORS THAT IS CONSIDERED TO BE MORE IMPORTANT THAN BRAND LOYALTY**

	NO. OF RESPONDENTS	PERCENTAGE
Price	72	70.6%
Product quality	82	80.4%
Brand reputation	33	32.4%
Availability	25	24.5%
Other	2	2%

**FIGURE 4.12 FACTORS THAT IS CONSIDERED TO BE MORE IMPORTANT THAN BRAND LOYALTY**



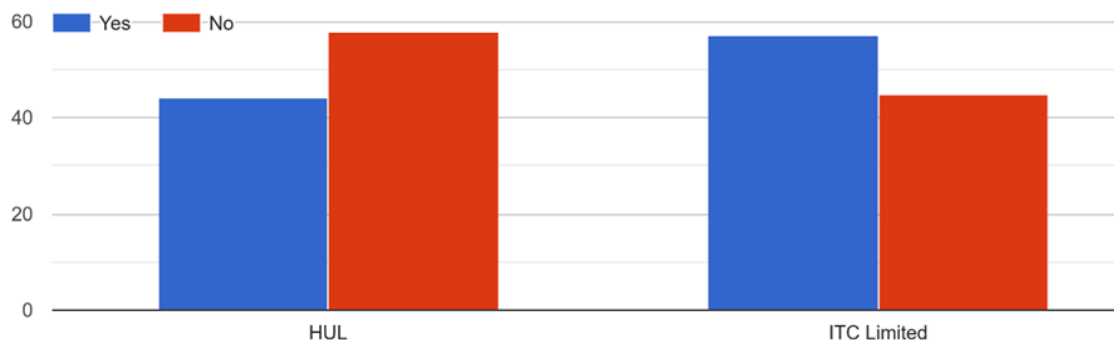
## INFERENCE

80.4% of the respondents consider product quality more important than brand loyalty and 70.6% of the respondents consider price more important factor than brand loyalty. This suggests that the quality and price of a product are more influential factors in their purchasing decisions than their loyalty to a particular brand.

**Table 4.13 Brand switch**

	HUL	HUL PERCENTAGE	ITC	ITC PERCENTAGE
Yes	44	43.13%	57	55.88%
No	58	56.86%	45	44.11%
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>102</b>	<b>100</b>

**FIGURE 4.13 BRAND SWITCH**



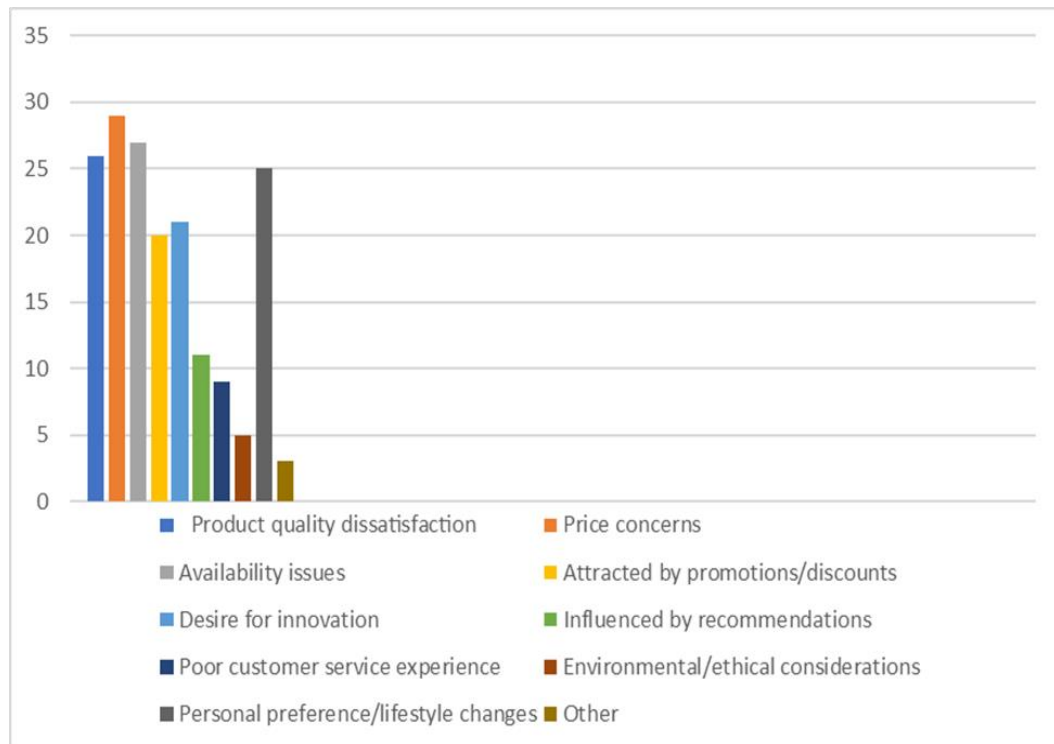
## INFERENCE

For HUL relatively high percentage that is 55.88% of respondents have not switched the brand this suggests the brand loyalty of the respondents towards HUL while 56.86% of the respondents of ITC have changed the brand.

**TABLE 4.14 REASONS FOR BRAND SWITCH**

	<b>NO. OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Product quality dissatisfaction	26	33.76%
Price concerns	29	37.66%
Availability issues	27	35.06%
Attracted by promotions/discounts	20	25.97%
Desire for innovation	21	27.27%
Influenced by recommendations	11	14.28%
Poor customer service experience	9	11.68%
Environmental/ethical considerations	5	6.49%
Personal preference/lifestyle changes	25	32.46%
Other	3	3.89%

**FIGURE 4.14 REASONS FOR BRAND SWITCH**



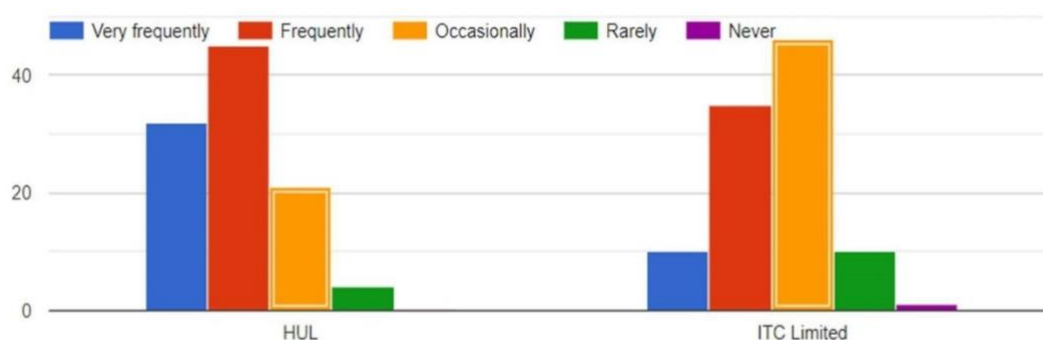
## INFERENCE

37.66% of 77 responses switched the brand due to price concerns and 35.06% of 77 responses changed the brand due to availability issues. This suggest that both price and availability of the product plays an important role in cinsumer decision making when it comes to brand switching

**TABLE 4.15 FREQUENCY OF PURCHASING HUL AND  
ITC PRODUCTS**

	<b>HUL</b>	<b>HUL %</b>	<b>ITC</b>	<b>ITC%</b>
Very Frequently	32	31.37%	10	9.80%
Frequently	45	44.11%	35	34.31%
Occasionally	21	19.07%	46	45.09%
Rarely	4	3.92%	10	9.80%
Never	0	0%	1	0.98%
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>102</b>	<b>100</b>

**FIGURE 4.15 FREQUENCY OF PURCHASING HUL AND  
ITC PRODUCTS**



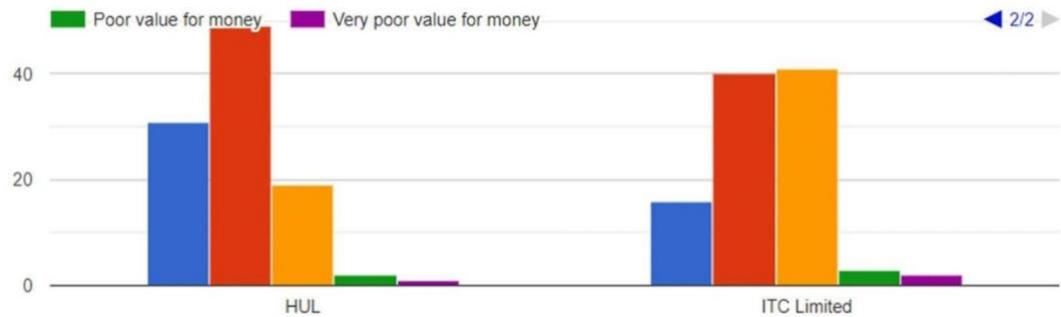
## INFERENCE

31.37% of the respondents very frequently purchase HUL products and a percentage of 44.11% of the respondents buy HUL products frequently. In case of ITC products around only 9.3 % of respondents purchase their products very frequently and 34.3 % respondents buy ITC products frequently.

**TABLE 4.16 VALUE OFFERED BY PERSONAL CARE  
PRODUCTS OF HUL AND ITC**

	<b>HUL</b>	<b>HUL%</b>	<b>ITC</b>	<b>ITC%</b>
Excellent value for money	31	30.39%	16	15.68%
Good value for money	49	48.03%	40	39.21%
Average value for money	19	18.62%	41	40.19%
Poor value for money	2	1.96%	3	2.94%
Very poor value for money	1	0.98%	2	1.96%
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>102</b>	<b>100</b>

**FIGURE 4.16 VALUE OFFERED BY PERSONAL CARE  
PRODUCTS OF HUL AND ITC**



### INFERENCE

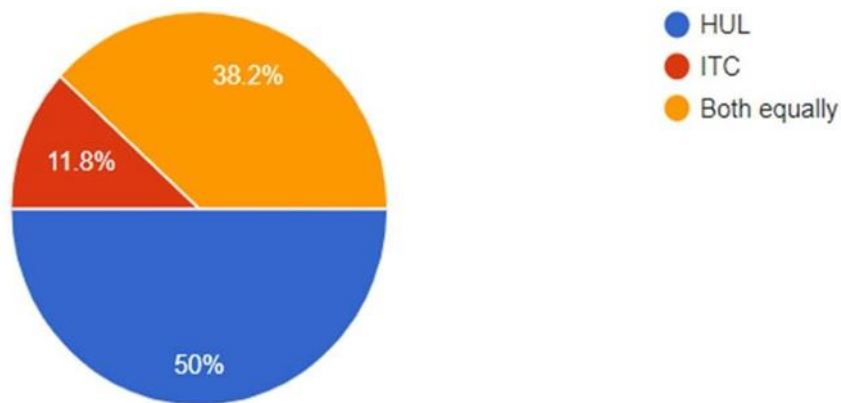
Out of 102 respondents 30.39% of the respondents feel like HUL products are excellent value for money and 48.03% of respondents think that HUL products are good value for money . when it comes to ITC products 15.68 % thinks ITC products are excellent value for money and 39.21 % respondents think that ITC products are good value of money

**TABLE 4.17 BRANDS ON THE BASIS OF BEING MORE  
INNOVATIVE AND ADAPTIVE TO CHANGING  
CONSUMER PREFERENCES**

	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
HUL	39	38.23%
ITC	12	11.76%
Both Equally	51	50%
<b>TOTAL</b>	<b>102</b>	<b>100</b>



**FIGURE 4.17 BRANDS ON THE BASIS OF BEING MORE INNOVATIVE AND ADAPTIVE TO CHANGING CONSUMER PREFERENCES**



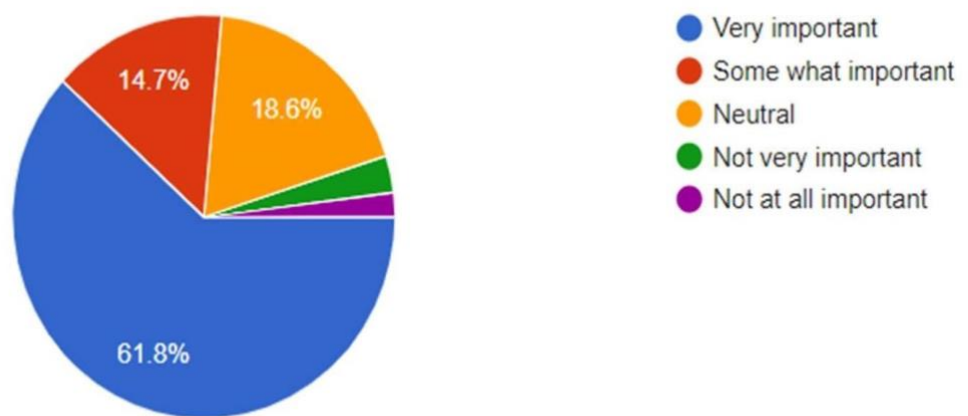
### **INFERENCE**

Out of 102 respondents 38.23 % of respondents think that HUL are innovative and adaptive to changing consumer preferences in case of ITC only 11.76% of respondents thinks that they are more innovative and adaptive to change in consumer preference , also 50% of respondents think that both ITC and HUL are equally innovative and adaptive to consumer changes in their preferences towards their product

**TABLE 4.18 IMPORTANCE OF CUSTOMER SERVICE IN  
THE DECISION TO REMAIN LOYAL TO A  
PARTICULAR BRAND.**

	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Very important	63	61.8%
Somewhat important	15	14.7%
Neutral	19	18.6%
Not very important	3	2.9%
Not at all important	2	2%
<b>TOTAL</b>	<b>102</b>	<b>100</b>

**FIGURE 4.18 IMPORTANCE OF CUSTOMER SERVICE  
IN THE DECISION TO REMAIN LOYAL TO A  
PARTICULAR BRAND.**



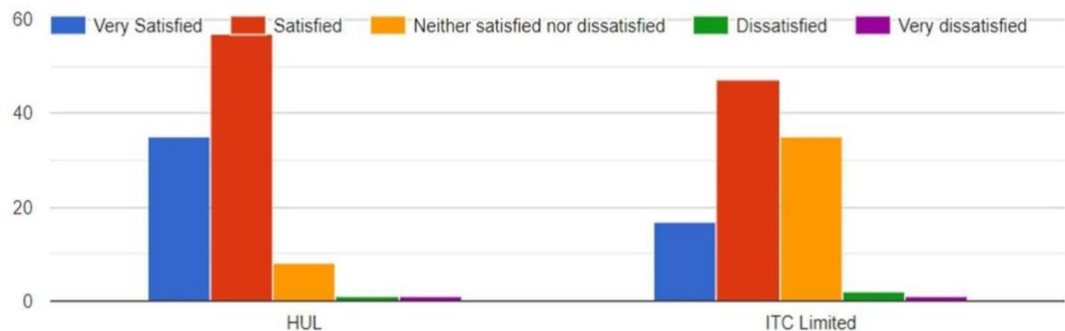
### **INFERENCE**

From the above data it is understood that 61.8% of the respondents believe that customer service is very important in determining loyalty towards a particular brand and 14.7 % of respondents thinks that it is only somewhat important to maintain customer service in maintaining customer loyalty towards a product.

**TABLE 4.19 LEVEL OF SATISFACTION WITH THE  
PERSONAL CARE PRODUCTS OF HUL AND ITC**

	<b>HUL</b>	<b>HUL PERCENTAGE</b>	<b>ITC</b>	<b>ITC PERCENTAGE</b>
Very satisfied	35	34.31%	17	16.66%
Satisfied	57	55.88%	47	46.07%
Neither satisfied nor dissatisfied	8	7.84%	35	34.31%
Dissatisfied	1	0.92%	2	1.96%
Very dissatisfied	1	0.92%	1	0.92%
<b>TOTAL</b>	<b>102</b>	<b>100</b>	<b>102</b>	<b>100</b>

**FIGURE 4.19 LEVEL OF SATISFACTION WITH THE  
PERSONAL CARE PRODUCTS OF HUL AND ITC**



## INFERENCE

When it comes to level of satisfaction based on personal care products of HUL and ITC 34.31% of the respondents are very satisfied on HUL products and a majority of 55.88% feels satisfied on HUL personal care products . in case of ITC products 16.66% of respondents are very satisfied and 46.07 % of respondents are satisfied on personal care products of ITC .

#### **4.20 Views on the brand loyalty and satisfaction associated with personal care products from HUL and ITC**

According to some of the respondents HUL commands a premium in the market, reflected in its higher price-to-earnings (PE) ratio compared to ITC . HUL products mostly consumed by most of the consumers when compared to ITC products. They also suggest that the product range of HUL is more attractive and useful. The same products are therefore purchased repeatedly. Brand loyalty in personal care plays a significant role in a brand success for both HUL and ITC. The respondents also comment that brand loyalty and satisfaction can vary among consumers based on personal preferences, experiences, and perceptions. Both Hindustan Unilever Limited (HUL) and ITC are renowned companies in the personal care products sector, known for their quality and diverse product offerings. Factors such as product effectiveness, price, brand reputation, and customer service contribute to consumers' loyalty and satisfaction with these brands. Ultimately, individual experiences and preferences shape one's perception of these brands. HUL and ITC are providing quality products at a reasonable price but people are more familiar with the products of HUL. They both are giants in the industry and provide good products based on customer demand. The product from HUL and ITC are affordable and availability of different variety in same product help to choose what they need, also one of the respondent suggested that Investors might favor ITC for its attractive valuation and dividend yield, appealing to those seeking value. Conversely, HUL might attract investors looking for stability and established market leadership.

**CHAPTER 5**

**SUMMARY, FINDINGS,  
RECOMMENDATIONS AND  
CONCLUSION**

## INTRODUCTION

The project report on brand loyalty in the FMCG sector presents a comparative analysis between Hindustan Unilever Limited (HUL) and ITC Limited, with special reference to personal care product lines. The research study was conducted with the objectives to evaluate the Impact of Marketing Strategies on Brand Loyalty, to analyze the Factors Influencing Brand Loyalty in HUL and ITC Products in FMCGs and to analyze the Effect of Brand Loyalty on Purchase Decisions for HUL and ITC Products. Because acquiring new customers for a brand can be costly, encouraging existing customers to make repeat purchases is crucial for the long-term sustainability of a company's business. Establishing a base of loyal customers is considered to be the most important goal of the company to dominate their competitors. Key findings reveal both the HUL and ITC limited enjoys brand loyalty but HUL often have higher brand loyalty. By building brand loyalty among customers both HUL and ITC limited can reduce the expenses associated with acquiring new customers and can generate substantial revenue from their existing loyal customers. Customer's loyalty towards a brand is largely influenced by the quality of its products, the affordability of its prices, and its reputation in the market. These factors along with other factors such as marketing, advertisement and product variety collectively shape customers' preferences and strengthen their loyalty towards the brand. Many respondents from both HUL and ITC agree that the companies' marketing and advertising efforts have influenced their brand loyalty. More respondents from HUL strongly agree with this compared to ITC. The study also states that HUL is more innovative and adaptive to changes in consumer preference than compared to ITC. This consistent innovation not only enhances the overall brand experience but also cultivates a sense of trust and satisfaction among consumers, leading to increased brand loyalty. This study of the comparison between HUL and ITC reveals how brand loyalty, awareness, satisfaction, and media advertisement interact. To ensure lasting brand loyalty in today's competitive market, businesses should focus on various factors. These include maintaining high product quality, implementing competitive pricing strategies, actively engaging with consumers, and executing effective advertising campaigns.

## **MAJOR FINDINGS OF THE STUDY**

- From the analysis of the gender, it is recognized that most of the respondents are female.
- Majority of the respondents come under younger age group 18-24
- The majority of the respondent's education qualification is degree or diploma.
- From the survey it is clear that majority of the respondents are students.
- The majority of the respondents have an income below 10,000, since it is evident that most of the respondents are students.
- The data suggests that Pears, Dove, and Lux have been the dominant brands in HUL's market share over the past 6 months
- The data from ITC highlights that brands such as Vivel, Engage, and Savlon have dominated the market share for the past 6 months, indicating their strong brand popularity
- The primary source of awareness for personal care products among respondents from both HUL and ITC Ltd is television and radio advertisements, with a significant majority being aware through this channel. Additionally, a notable proportion of respondents, particularly from HUL, rely on social media advertisements for product awareness.

- Considerable percentage of respondents from both HUF and ITC agree that the marketing and advertising efforts of Hindustan Unilever Limited (HUL) and ITC Limited have influenced their brand loyalty to the respective products. Moreover, a notable proportion, particularly among respondents of HUF, strongly agree with this statement, indicating the significant impact of marketing and advertising efforts on brand loyalty for both companies.
- Product quality and brand reputation significantly influence brand loyalty for both HUL and ITC personal care products in the FMCG sector, with HUL scoring higher percentages in both aspects. Price affordability also emerges as a crucial factor, particularly for ITC, while marketing and advertising play relatively lesser roles in influencing brand loyalty
- For majority of the respondents of HUL brand loyalty always influence the purchase decision and for majority of the respondents of ITC brand loyalty only sometimes influence the purchase decision. These results highlight the different factors that contribute to brand loyalty among consumers of personal care products from HUL and ITC Limited.
- Brand loyalty always influences purchase decisions for the majority of respondents from HUL, whereas for the majority of ITC respondents, brand loyalty only occasionally impacts their purchase decisions.
- Majority of respondents prioritize product quality over brand loyalty. Similarly, a substantial proportion of respondents prioritize price over brand loyalty, suggesting that the perceived quality and affordability of a product play a more significant role in influencing their buying behavior for personal care products.
- Majority of respondents from HUL, have remained loyal to their brands without switching, whereas a majority of respondents from ITC have switched brands.



- Price concerns and product availability issues emerged as significant factors influencing brand changes among respondents. Both price and availability of the product plays an important role in consumer decision making when it comes to brand switching
- Respondents tend to make frequent purchases of personal care products from HUL, while they only make occasional purchases of personal care products from ITC.
- A considerable percentage of the respondents perceive Hindustan Unilever Limited (HUL) products as offering good to excellent value for money, with a significant portion indicating that HUL products are considered good value. In comparison, for ITC products, a smaller proportion of respondents view them as providing excellent or good value for money, though a notable percentage still regard them as good value..
- Significant percentage of respondents perceive Hindustan Unilever Limited (HUL) as innovative and adaptable to changing consumer preferences, whereas a smaller fraction holds the same view for ITC. Additionally, half of the respondents believe that both ITC and HUL demonstrate equal levels of innovation and adaptability to accommodate shifts in consumer preferences towards their products.
- Majority of respondents perceive customer service to be highly significant in influencing brand loyalty, with a substantial proportion considering it as very important. Conversely, a smaller but notable percentage of respondents view customer service as somewhat important in maintaining customer loyalty towards a product.
- A notable portion of respondents expressed high satisfaction with HUL's personal care products, with a significant percentage reporting being very satisfied and a majority indicating satisfaction. Similarly, for ITC's personal care products, while fewer respondents reported being very satisfied compared to HUL, a considerable proportion expressed satisfaction.

## **RECOMMENDATIONS**

- ITC should take care to explore brand portfolio expansion strategies to compete more effectively with HUL across a wider range of FMCG products.
- Targeted marketing initiatives should be undertaken to strengthen brand perception in categories where HUL dominates. This could involve focusing on product differentiation or strategic marketing campaigns.
- Should prioritize allocating resources towards digital marketing initiatives to effectively reach younger consumers. By investing in targeted digital advertising campaigns, engaging social media content, and interactive digital experiences, brands can enhance their visibility, reach more younger audiences. Digital platforms can help optimize marketing strategies and tailor messaging to better connect with the preferences and behavior of younger consumers.
- ITC can capitalize on its existing brand recognition by implementing integrated marketing campaigns across various channels, including traditional media, digital platforms, and experiential marketing.
- Continuous product innovation to introduce unique offerings to specific consumer needs. By giving attention to evolving consumer preferences and market trends, ITC can develop innovative products that satisfy its target audience and differentiate its brand in the competitive products. Investing in research and development initiatives, consumer insights, and market analysis can help identify emerging opportunities and unmet needs, allowing ITC to introduce innovative solutions that capture consumer interest and drive brand growth.

- a competitive balance between product quality and price. Consumers are increasingly value-conscious, so offering attractive deals and promotions can be crucial for loyalty.
- Go beyond generic marketing. Implement loyalty programs with targeted rewards and personalized product recommendations.
- Address the challenge of building brand loyalty by suggesting the implementation of effective marketing campaigns and customer relationship management strategies.
- Recommend a balanced approach to pricing. While maintaining affordability, ITC should consider investing in product innovation and highlighting unique features to enhance perceived value.
- Conduct market research to identify specific consumer segments where HUL is losing brand loyalty. This will allow for targeted interventions to regain market share.
- Develop a comprehensive marketing strategy that leverages HUL's positive brand image through effective communication of product quality and scientific backing.
- Recommend exploring strategic partnerships or sponsorships that align with HUL's values and resonate with the target audience. This can strengthen brand association and build a positive brand identity.
- Analyze the feasibility of introducing cost-effective packaging options or budget-friendly product lines to cater to price-sensitive consumers.
- Suggest incorporating emotional marketing strategies that capitalize on HUL's strong brand heritage and the positive feelings associated with using their products.

- Emphasize the importance of continuous product innovation to address evolving consumer preferences and market trends. Consider recommending the exploration of new product lines or incorporating sustainable practices into existing offerings
- FMCG companies can actively participate in social responsibility initiatives within the communities they serve. This could involve sponsoring local events, supporting environmental clean-up projects, or promoting healthy lifestyle choices.
- Utilize consumer data to tailor marketing campaigns and loyalty programs within the FMCG industry.

## CONCLUSION

The comparative analysis between Hindustan Unilever Limited (HUL) and ITC Limited in the FMCG sector, particularly focusing on personal care products, reveals intriguing insights into brand loyalty and consumer behavior. Through a comprehensive examination of various factors influencing brand loyalty, including marketing strategies, product quality, pricing, and consumer preferences, several key findings have emerged. It is evident that both HUL and ITC Limited enjoy a degree of brand loyalty among consumers. However, HUL appears to have a stronger hold on brand loyalty compared to ITC, attributed partly to its consistent innovation, adaptability to changing consumer preferences, and perceived product quality.

The study also signifies the marketing and advertising efforts in influencing brand loyalty, with respondents from both companies acknowledging their impact. Particularly, television and radio advertisements play a crucial role in reaching consumers, highlighting the importance of traditional media channels alongside digital platforms.

Differences in consumer preferences between HUL and ITC shows that , with HUL consumers prioritize product quality while ITC consumers are more concerned with price affordability. This suggests the need for targeted marketing initiatives and product

differentiation strategies tailored to each company's strengths and consumer preferences.

The study identifies challenges faced by both companies, such as brand switching among ITC consumers and the need for continuous product innovation to sustain brand loyalty. Additionally, addressing price concerns and product availability issues is crucial for retaining and attracting customers.

Based on these findings, several recommendations have been proposed to enhance brand competitiveness and foster lasting brand loyalty. These recommendations encompass strategies such as brand portfolio expansion, targeted marketing initiatives, leveraging digital platforms, continuous product innovation, and emphasizing customer service.

In conclusion, the data analysis specify the importance of understanding consumer behavior, market dynamics, and competitive landscapes to formulate effective strategies that promote brand loyalty and drive business growth in the FMCG sector. By implementing the recommended strategies and leveraging the findings of this study, both HUL and ITC can strengthen their positions in the market and ensure sustainable success in the long run.

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# APPENDIX

# QUESTIONNAIRE

1. Gender

a) Male

b) Female

c) Other

2. Age

a) 8-24 years

b) 25-35 years

c) 36-50 years

d) Above 50 years

3. Educational qualification

a) 10/12 equivalent

b) Degree/diploma

c) Master's Degree

d) Doctorate Degree

4. Occupation

a) Government Employee

b) Private employee

c) Business

d) Students

e) Others

5.Monthly income

- a) Less than 10,000
- b) 10,000-30.000
- c) 30001-50,000
- d) 50,000-70,000
- e) More than 70,000

6. Have you used any of the following products from Hindustan Unilever Limited (HUL) in the past six months?

Dove

Pears

Rexona

Lux

Lifebuoy

Clinic plus

Sunsilk

Indulekha

Tresemme

Axe

7. Have you used any of the following products from ITC in the past six months?

Fiama

Vivel

Engage

Superia

Savlon

Shower to shower

Dermafique

EDW ESSENZA

8. How do you typically become aware of new personal care products or promotions from the following companies?

	HUL	ITC
Television and radio advertisements		
In-store displays or promotions		
Social media advertising		
Influencer marketing campaigns		
Trail offers and Samples		
Online reviews or testimonials		
Others		

9. The marketing and advertising efforts of Hindustan Unilever Limited (HUL) and ITC Limited have influenced your brand loyalty to their products?

	HUL	ITC Limited
Strongly agree		
Agree		
Neither agree nor disagree		
Disagree		
Strongly disagree		

Respondents can choose the option that best reflects the influence of marketing and advertising efforts on their brand loyalty for HUL and ITC products.

10. Which of the following factors most influence your brand loyalty when it comes to personal care products of HUL and ITC limited in the FMCG sector? (Select all that apply)

	HUL	ITC limited
Product quality		
Brand reputation		
Price affordability		
Marketing and advertising		
Product availability		
Product variety		
Other		

11.How often does brand loyalty influence your decision to purchase personal care products of the following companies?

	HUL	ITC Limited
Always		
Often		
Sometimes		
Rarely		
Never		

12.When making purchase decisions for HUL and ITC personal care products, which factors do you consider more important than brand loyalty? (Select all that apply)

- a) Price
- b) Product quality
- c) Brand reputation
- d) Product features
- e) Availability
- f) Other (please specify)

13. Have you changed your brand of personal care products

	Yes	No
HUL		
ITC Limited		

14. If yes select the most appropriate reason

- a) Product quality dissatisfaction
- b) Price concerns
- c) Availability issues
- d) Attracted by promotions/discounts
- e) Desire for innovation
- f) Influenced by recommendations
- g) Poor customer service experience
- h) Environmental/ethical considerations
- i) Personal preference/lifestyle changes
- j) Other

15. How frequently do you repurchase personal care products from Hindustan Unilever Limited (HUL) and ITC Limited?

	HUL	ITC Limited
Very frequently		
Frequently		
Occasionally		
Rarely		
Never		

16. How do you perceive the value offered by personal care products from Hindustan Unilever Limited (HUL) and ITC Limited?

	HUL	ITC Limited
Excellent value for money		
Good value for money		
Average value for money		
Poor value for money		
Very poor value for money		



17. Which brand do you perceive as being more innovative and adaptive to changing consumer preferences?

- a) HUL
- b) ITC
- c) Both equally

18. How important is customer service in your decision to remain loyal to a particular brand?

- a) Very important
- b) Some what important
- c) Neutral
- d) Not very important
- e) Not at all important

19. Please rate your level of satisfaction with the personal care products of the following companies.

	<b>HUL</b>	<b>ITC</b>
Very satisfied		
Satisfied		
Neither satisfied nor dissatisfied		
Dissatisfied		
Very dissatisfied		

20. What are your views on the brand loyalty and satisfaction associated with personal care products from HUL and ITC