



BRAND LOYALTY ANALYSIS OF A BRAND PRODUCT

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Abstract

Abstracts This study aims to determine the level of *consumer brand loyalty* to a brand product. In this study, the aim is to find out the structure of the loyalty pyramid, which includes *switchers*, *habitual buyers*, *satisfied buyers*, *liking of the brand*, and *committed buyers* of *Head & Shoulders* brand *shampoos*. The results of the study show that: (1) *Head & Shoulders* brand *shampoo* has the most consumers at the *committed buyer level*, which is 91.25%, so it is concluded to be good. (2) The percentage of *switcher buyer*, *habitual buyer*, *satisfied buyer*, *liking of the brand*, and *committed buyer* of *Head & Shoulders* brand *shampoo* is 18.50%, 42.08%, 79.67%, 86.60%, and 91.25%, respectively, so that the arrangement of the loyalty pyramid is like an inverted pyramid. This indicates that *the Head & Shoulders* brand has *strong brand equity*.

Keywords: *brand loyalty, switcher, habitual buyer, satisfied buyer, liking of the brand, committed buyer.*

INTRODUCTION

Business is full of competition, the intensity is getting higher day by day. Competition occurs in almost all business sectors, including the shampoo hair wash business. The *shampoo* business in Indonesia has rapid market competition, as shown by the incessant airing of advertisements on television (TV) media. There are at least 8 *widely known shampoo* brands in the Indonesian market, namely; *Head & Shoulders*, *Pantene*, and *Rejoice* brand *shampoos* (produced by PT Procter & Gamble Indonesia), *Sunsilk*, *Clear*, *Dove*, and *Lifebouy* brand *shampoos* (produced by PT Unilever Indonesia), *Zinc* brand *shampoos* (produced by PT Lions Wings), and many more other *shampoo* brands. *Shampoo* products with certain brands have market share and market segments that consumers are fanatical about, due to the compatibility of shampoo quality with the characteristics of their hair. Fanatical *shampoo* consumers will not be willing to change to another *shampoo* brand. Consumers become loyal to *shampoo* brands that are able to deliver hair results as expected. Consumer loyalty to the *shampoo* brand of choice is called *brand loyalty*, which is the essential commitment to repurchase a special brand (Peter & Olson, 2003).

As a result of observations in several supermarkets in Yogyakarta, *Head & Shoulders* brand *shampoo* is one of the *shampoo* brands that are in demand by the people in Yogyakarta, besides *Pantene* brand *shampoo* and *Clear* brand. *Head & Shoulders* *shampoo* brand in 2005 had the highest *Loyalty Index* and *Customer Satisfaction* (Palupi, 2005), although in 2006 it was no longer in the first ranking, because it was shifted by the *Pantene* brand (Palupi, 2006).

Now (2007) as a product innovation, *Head & Shoulders* brand *shampoo* is produced with a new formula. In the promotion of this product, it is stated that with one shampoo, the results will be more effective in overcoming dandruff than three shampoos with regular *shampoo*. Through new packaging, new prices, and new formulas, *Head & Shoulders* brand *shampoo* is offered to



customers three product variants, namely: (1) *REFRE- SHING MENTHOL*, which can remove dandruff and contains natural menthol that makes the scalp feel cold so that consumers feel fresh and fit. (2) *SMOOTH & SILKY*, can remove dandruff and contains moisturizing ingredients to reduce hair dryness, prevent breakage and split hair so that the hair becomes very soft. (3) *CLEAN & BALANCED*, It is added that the dominance of *shampoo* sales for each store/plaza/supermarket is not the same and the brand is not the same. Customers who consume and become loyal to Head & Shoulders *brand shampoos* have certain considerations, for example, adjusted to the characteristics and problems of the hair that the customer has. All of these considerations are based on the expectation that hair will be beautiful, healthy, and dandruff-free. Customers who are loyal to *shampoos* with certain brands will not easily switch to other brands (Duriyanto *et al.*, 2001). On the other hand, disloyal customers will easily switch to other brands, which is possible due to the factors of product characteristics, price, and convenience of using alternative product brands. Aaker (1991) The loyalty of a number of customers to the brand, of course, cannot be separated from the variables that make up it, namely *habitual behavior*, *switching cost*, *satisfaction*, *liking of the brand*, and *commitment*.

This study was conducted to see how the level of *consumer brand loyalty* to *shampoo* brands is by taking the *Head & Shoulders* brand as a case study. *Brand loyalty* will be classified through a loyalty pyramid, including *switcher*, *habitual buyer*, *satisfied buyer*, *liking of the brand*, and *committed buyer* of *Head & Shoulders brand shampoo*, (Aaker, 1991)

LITERATURE REVIEW

Brand loyalty is one of the 5 *brand equity* variables developed by Aaker (1991), in addition to *brand awareness*, *perceived quality*, *brand association*, and *other proprietary brand assets*. Peter and Olson (2003) provide a definition, *brand loyalty* is an essential commitment in repurchasing a special brand. *Brand loyalty* is a measure of customer connection to a brand (Duriyanto *et al.*, 2001). This measure is able to give an idea of whether or not a customer may switch to another brand of product, especially if there is a change in the brand, either regarding price or other attributes.

A customer who is very loyal to one brand will not easily move to another brand, no matter what happens to that brand. If customer loyalty to a brand increases, the vulnerability of that customer group to the threat and attack of competing product brands can be reduced. Thus, *brand loyalty* is one of the indicators of *brand equity* that is clearly related to sales opportunities, which also means a guarantee of the company's profit in the future.

Brand Loyalty Function

The correct management and utilization of a marketing strategy will make *brand loyalty* a strategic asset for the company. Some of the potentials that brand loyalty can provide to companies are "*reduced marketing costs*, *trade leverage*, *attracting new customers*, and *provide time to respond to competitive threats*" (Duriyanto *et al.*, 2001, p.127).

1. Reduced marketing costs

The existence of *brand loyalty* is related to marketing costs. Marketing costs will be cheaper especially in retaining customers compared to efforts to acquire new customers. So, marketing costs will be

becomes small if *brand loyalty* increases.

2. *Trade leverage* (Improve Strong loyalty to a brand will result in increased commerce and strengthen the confidence of the marketing intermediary. The more usual consumers are to buy a product, the more the higher the frequency of such consumer purchases, which can ultimately lead to Improve sales.



3. *Attracting new customers*

The number of customers who feel satisfied and like a certain brand will cause a feeling of confidence or trust in other potential customers to consume that particular brand. In addition, satisfied customers will generally recommend brands that have been/are being consumed to their friends/close relatives, so that they will attract new customers.

4. *Provide time to respond to competitive threats*

Brand loyalty will give the company time to respond to competitors' movements. If one of the competitors develops a new and superior product, then the loyal customer will give the company time to update the product produced by adjusting or innovating to be able to overcome the competitor's new products.

Brand Loyalty Levels

According to Durianto *et al.* (2001) Some of the characteristics of *brand loyalty* are:

1. *Switcher* (Consumers who like to move)

Customers who are at the *switcher loyalty* level are customers who are at the lowest level of the *brand loyalty* pyramid in general. Customers with *loyalty switchers* have frequent brand switching behaviors, are not at all loyal or are not interested in the brands they consume. The most visible characteristic of this type of customer is buying a product because of a low price or because of other incentive factors.

2. *Habitual buyer* (Consumers who buy out of habit)

Habitual behavior is a routine activity of consumers in buying a product brand, including the process of making purchase decisions and liking the product brand. Customers who are in the *habitual buyer level* can be categorized as customers who are satisfied with the brand of the product they consume or at least customers do not experience dissatisfaction in consuming the brand.

3. *Satisfied buyer*

At the *satisfied buyer* level, customers of a brand fall into the satisfied category if they consume the brand, although it is increasingly possible for customers to transfer purchases to other brands by incurring the *switching costs* associated with time, money, or performance risks associated with the customer's actions of switching brands.

4. *Liking of the brand*

Customers who fall into the *liking of the brand* category are customers who really like the brand. At this level, there are emotional feelings associated with the brand. The customer's liking can be based on associations related to symbols, a range of experiences in previous use, either experienced personally or by relatives or caused by *high perceived quality*. However, often this feeling of liking is a feeling that is difficult to identify and be carefully traced to categorize into something specific.

5. *Committed buyer* (Consumers who commit to the brand of the product purchased)

Commitment is the belief that the product consumed is able to give birth to communication and interaction among existing customers (Aaker, 1991, Herizon & Maylina, 2003). At the loyalty stage, *committed* buyers, customers are loyal customers. Customers have a pride as users of a brand and even the brand becomes very important for customers in terms of function and as an expression of who the customer really is. At this level, one of the actualizations of buyer loyalty is indicated by the act of recommending and promoting the brand to other parties.

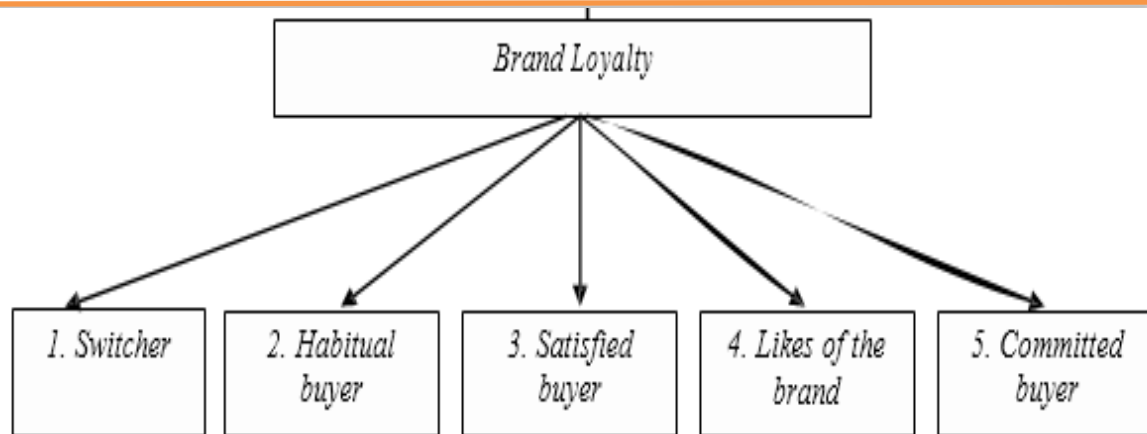


Figure 1. Analytical Concept Framework

METHODS

This type of research is descriptive, which is a study that aims to provide an overview of the details of a situation, social environment, or relationship to research variables (Efferin *et al.*, 2004, p.9). The population in this study is the entire population in Yogyakarta who consumes *Head & Shoulders* brand *shampoo*, which is unknown because there are no published statistics on the consumption of *the shampoo*.

The sample count was determined using a formula put forward by Hair *et al.* (1999, in Semuel, 2006), namely:

$$\frac{Z^2 \alpha/2 (P.Q) N}{e^2}$$

Description:

$Z\alpha/2$ = Standard value (Z) adjusted to the confidence interval $(1 - \alpha)100\%$.

P = Estimated proportion of the target population Recruitment samples.

Q = $(1-P)$ is the proportion that is not the target Recruitment samples.

E = Tolerance of sampling error rate Sample The should accepted.

Taking $\alpha = 10\%$ and the sampling rate $e = 2.5\%$, and the chance of taking population members is $P = 0.50$ (because the chances of selected *Head & Shoulders shampoo* consumers are unknown), the sample size that must be taken is a minimum of 1076 respondents. The *sampling* technique uses *purposive convenience sampling*, which is to take respondents who are easy to find and meet certain criteria to be used as research respondents (Singarimbun & Effendi, 2005). The criteria set are: (1) Male/female domiciled in Yogyakarta. (2) Be at least 18 years old. (3) Consuming *Head & Shoulders brand shampoo* in the last three months or at least have made a *repurchase*.

Validity and Reliability Tests

The questionnaire was first conducted before being formally disseminated to obtain the main data of the study, so that 30 respondents were *pre-tested* so that the validity and reliability of the bag could be known (Singarimbun & Effendi, 2005), which can be explained as follows:

1. Testing the Validity of Measuring Instruments (Questionnaire)

Validity indicates the extent to which a measuring instrument used can measure what it



wants to measure. The validity test uses *the Pearson Product Moment correlation* (SPSS v.13), which is the correlation of the value of each question item with the total value of the question (variable value). The question item is said to be valid if the correlation (r) $> r(0.05; n-2)$. Invalid question items are discarded, and the validity process is repeated for valid items only.

2. Measuring Instrument Reliability Test (Questionnaire)

Reliability is an index that shows the extent to which a measuring tool can be trusted in obtaining research data, both now and in the future. Reliability test using *Cronbach's Alpha method*,

which is applied with the SPSS program (v.13). If *Cronbach's Alpha* (r -Alpha) value is greater than 0.60, the measuring instrument is declared reliable (Hair *et al.*, 1998). On the other hand, if the measuring instrument is unreliable, it must be retested.

Descriptive Analysis

1. Crosstab (Crosstab)

Crosstab is a cross table consisting of one or more rows and one or more columns (Santoso, 2002). *Crosstabs* generate tables that reflect the combined distribution of two or more variables with a limited number of categories or differentiating values.

2. Mean

Mean to find out the single value of each research variable, so that it can be used to describe the research variables discussed. This study uses five class intervals, where the formulation of each class can be calculated with the following formula (Durianto *et al.*, 2001):

$$\begin{aligned} \text{Class interval} &= (\text{Highest scale} - \text{Lowest scale}) / \text{Number of classes} \\ &= (5 - 1) / 5 = 0.80 \end{aligned}$$

The scale range is: (1) 1.00 to 1.80 = Very bad, (2) 1.80 to 2.60 = Ugly. (3) 2.60 to 3.40 = Sufficient. (4) 3.40 to <4.20 = Good, and (5) 4.20 to 5.00 = Very Good.

3. Standard Deviation (SD)

Standard deviation to find out the data from the middle value (*red*), so that a single picture of the variation of the data or to determine the homogeneity of the respondents' answers will be known. SD is not large (no more than 20% *red*) shows small data variations, respondents' answers relatively homogeneous, as well as on the other hand (Santoso, 2002).

4. Prosentase (%)

The percentage is used to see how large the number of *switcher buyers*, *habitual buyers*, *satisfied buyers*, *liking of the brand buyer*, and *committed buyers*, in order to create a pyramid of brand loyalty levels. The percentage is calculated based on the number of respondents who answered score 4 and score 5 divided by the number of research respondents cumulatively (3 x 400 answers).

DISCUSSION

Brand loyalty is an essential commitment in buying back a brand of a special product.

**Table 1.** Respondents' Responses to the Attributes of *Brand Loyalty Shampoo*

Constituent Attributes <i>Brand Loyalty Score</i> and	<u>Accumulate Response</u>					Total Answers
	1	2	3	4*	5*	
<i>Switcher buyer</i> (I, II, III)	152	559	267	182	40	1200
<i>Habitual buyer</i> (I, II, III)	44	343	308	362	143	1200
<i>Satisfier buyer</i> (I, II, III)	6	94	144	558	398	1200
<i>Liking the brand</i> (I, II, III)	0	30	130	579	461	1200
<i>Committed buyer</i> (I, II, III)	0	5	100	627	468	1200

Because products with these brands are able to meet the needs and desires of customers. Below is presented the *brand loyalty* level of *Head & Shoulders* brand *shampoo*, which is based on the accumulation of respondents' answers for *switcher buyer*, *habitual buyer*, *satisfied buyer*, *liking of the brand*, and *committed buyer* that has been shown in the sub-sub chapter in advance.

Based on Table 6, it can be seen that the percentage of each of the attributes that form *brand loyalty* of *Head & Shoulders brand shampoo* is as follows:

1. *Switcher buyer* = $(182 + 40) / 1200 \times 100\% = 18.50\%$.
2. *Habitual buyer* = $(362 + 143) / 1200 \times 100\% = 42.08\%$.
3. *Satisfied buyer* = $(558 + 398) / 1200 \times 100\% = 79.67\%$.
4. *Liking of the brand* = $(579 + 461) / 1200 \times 100\% = 86.67\%$.
5. *Committed buyer* = $(627 + 468) / 1200 \times 100\% = 91.25\%$.

Based on the data above, it can be said that there are 18.50% of *switcher buyers* or customers of *Head & Shoulders brand shampoo* who tend to change brands, especially customers who are sensitive to prices, discounts, and unavailability in stores. In accordance with the concept, the number of *switcher buyers* must be at least (small) from a number of variables that form *brand loyalty*, especially for brands that have strong *brand equity* (Durianto *et al.*, 2001), as well as the results of this study. Customers who fall into the *category of switcher buyers* can be possible for several reasons, namely: (1) not prioritizing the quality or benefits that can be felt from using *Head & Shoulders brand shampoo*, and (2) not having serious problems with their hair, meaning that with any *brand of shampoo* the customer gets something expected. *Head & Shoulders brand shampoo* due to *habitual buyer* factors is relatively large, which is 42.08%, which is more than the number of *switcher buyers* (18.50%). In accordance with the concept, the number of *habitual buyers* must be more than the number of *switcher buyers* based on the concept of the inverted pyramid, especially for brands that have strong *brand equity* (Durianto *et al.*, 2001), as well as the results of this study. The habit of customers buying *Head & Shoulders brand shampoo* certainly has a certain reason, namely feeling suitable for *the Head & Shoulders brand shampoo* and because many people buy *Head & Shoulders brand shampoo*.

The number of satisfied customers with *Head & Shoulders brand shampoo* is relatively large, reaching 79.67%, which is more than the number of *habitual buyers* (42.08%). In accordance with the concept, the number of *satisfied buyers* must be more than the number of *habitual buyers* based on the concept of an inverted pyramid, especially for brands that have strong *brand equity* (Durianto *et al.*, 2001). Customers who are satisfied with the *Head & Shoulders brand shampoo*



consider that this *shampoo* has the ability to eliminate dandruff and is able to overcome the problem of dry/split hair/frizz/dullness, and can guarantee the beauty/health of customers' hair.

The number of customers who like the brand (*liking of the brand*) *Head & Shoulders* is relatively high, reaching 86.67%, which is more than the number of *satisfied buyers* (79.67%). In accordance with the concept, the number of *liking of the brand buyer* must be more than the number for brands that have strong *brand equity* for brands that have strong *brand equity* (Durianto *et al.*, 2001), as well as the results of this study. Customers who like the *Head & Shoulders* brand certainly have their own reasons, namely the quality is good, famous, and reflects a classy brand (Durianto *et al.*, 2001), as well as the results of this research. Customers who like the *Head & Shoulders* brand certainly have their own reasons, namely good quality, fame, and reflect a classy brand.

The number of committed customers to *Head & Shoulders* brand shampoo is the most at 91.25%, which is more than the number of *liking of the brand buyer* (86.67%). In accordance with the concept, the number of *committed buyers* must be more than the number of *liking of the brand buyer* based on the concept of the inverted pyramid, especially for brands that have strong *brand equity* (Durianto *et al.*, 2001), as well as the results of this research. *Committed buyer* as much as 91.25%, meaning that there are 91.25% of customers who are loyal to *Head & Shoulders brand shampoo*, where these customers have a pride as users of *Head & Shoulders* brand shampoo and even *Head & Shoulders* brand. This is very important for customers in terms of their function. Thus, it can be said that *Head & Shoulders* brand shampoo has strong (high) brand equity, thus generating loyalty with all forms of commitment. Based on the description of the results of the analysis and discussion above, the first and second hypotheses submitted are proven to be true.

CONCLUSION

Based on the results of the descriptive analysis, it is concluded that the level of *brand loyalty* can be detailed from the consumer hierarchy with the following characteristics:

1. The percentage of *switchers*, *habitual buyers*, *satisfied buyers*, *liking of the brand*, and *committed buyers* of *Head & Shoulders brand shampoos* are 18.50%, 42.08%, 79.67%, 86.60%, and 91.25%, respectively, so that the arrangement/level of the reverse loyalty pyramid as the theoretical concept, can be fulfilled
2. The results of the study indicate that the *Head & Shoulders brand* has strong *brand equity* in the minds of its customers. Thus, it can be said that *Head & Shoulders* brand shampoo has strong (high) brand equity, thus generating loyalty with all forms of commitment. Based on the description of the results of the analysis and discussion above, the first and second hypotheses submitted are proven to be true.

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