A RELATIONAL STUDY ON CONSUMER PROMOTION, PRICE PERCEPTION, PRODUCT QUALITY PERCEPTION AND BRAND LOYALTY IN THE CONTEXT OF DETERGENT MARKETS IN BANGLADESH

by

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Internship Report Presented to Fulfill
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has been approved

November, 2005

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Mr. Muzahid Akbar
Senior Lecturer
School of Business
Independent University, Bangladesh

December 6, 2005

Mr. Muzahid Akbar
Lecturer,
School of Business
Independent University, Bangladesh

Sir,

With great pleasure I submit the Internship report on "A relational study of consumer promotion, price perception, product quality perception and brand loyalty in the detergent market of Bangladesh". I expect this report to fulfill the requirements of my internship program (BBA 449) at Unilever Bangladesh Limited.

I have put in my best efforts to make this report a success. However, I am sure that this report could have been a more superior one, if it had not been my first time to conduct such a relational study. However this has obviously been a great source of learning for me to conduct similar research studies in future.

I would like to express my sincere gratitude to you for your guidance and suggestions in preparing the report. I will be happy to provide any further explanation regarding this research report if necessary.

Thanking You.

Sincerely yours,

Muhammad Mashfiq Huq
ID# 0131001

Acknowledgements

In preparing this report a considerable amount of thinking and informational inputs from various sources were involved. I express my sincere gratitude to everyone who contributed towards making this research report possible. Major contributions were received from officials at Unilever Bangladesh Limited and Independent University, Bangladesh.

First of all I would like to thank the authorities of Unilever Bangladesh Limited to give me the prized opportunity to do my internship at their prestigious organization. The experience and knowledge gained at Unilever Bangladesh Limited helped me immensely to address and understand all the elements related to my report, which I otherwise would not have understood so well.

I would like to specially thank my supervisor at Unilever Bangladesh Limited, Mr Rajeeb Bhattacharjee, Product Group Manager for Wheel, for his absolute support, co-operation and encouragement that he extended to me from the very first day. In spite of having a very busy schedule, he made sure in every way that I acquire the best possible exposure and knowledge during my tenure as an intern under him.

My sincere gratitude goes to my internship supervisor Mr. Muzahid Akbar, for encouraging me at the very first place, to undertake such a relational study to fulfill my internship requirements. He gave all the time and attention, which I needed to complete my research and compile my report in as much orderly way as possible.

Last but not the least I would like to thank the respondents of my survey, for sparing the time to fill out the questionnaires. This research would not have been possible without their valuable inputs.

Table of Contents

List of Tables

Executive Summary

This paper is directed towards exploring the relationship between consumer promotion, price perception, product quality perceptions and brand loyalty in the detergent market of Bangladesh. Through sizeable literature review and discussions it is known that there is considerable correlation that exists among the study variables mentioned above. The data sampling was conducted on the customers of different brands of detergents. A structured questionnaire was used to find out the views of people regarding consumer promotion in detergent brands, price perceptions about the promoted brands of detergent, product quality perceptions about those brands and also to find out about brand loyalty in the detergent markets. A correlation analysis and a stepwise regression analysis were run on the collected data to analytically explore the relations and their extent. It was found that consumer promotion is positively correlated with the product quality perceptions and brand loyalty of those brands. Meaning that if a person views the consumer promotion positively, then his/ her perception of the product quality about a promoting brand will be proportionately high. It also means that the chances of the same person being brand loyal towards that brand would also be high. There is a positive correlation of price perception with perceived quality and brand loyalty. According to this, if the perceived prices of the promoted brands are fair then it would have positive effects on product quality perception and brand loyalty of that brand. It has also been found that product quality perceptions about promoted brands are positively correlated with brand loyalty of those brands. Overall consumer promotions are expected to give positive results with the people who have positive views about consumer promotion and who can be influenced by promotional efforts. So while deciding about consumer promotion it should be thought in advance that who is

the consumer promotion activity aimed at. This way wastage of large amounts of money can be avoided by spending on ineffective consumer promotion activity. Every effort should be given to make the consumers think that the prices of the promoted brand are fair, even when there is no promotional activity is undertaken. Though there is a tendency in the detergent market to provide frequent promotional offers, yet the perceived quality should in no way go down because there is a good possibility that the brand loyalty would also go down.

Introduction

Bangladesh has a detergent market of about 8.8 billion taka of which Unilever occupies a share of 30% making it the market leader. The major competitor brands in the detergent market for Unilever are Keya, Chaka and Tibet. To fight this steep competition the above mentioned companies constantly run consumer promotion in hope to sell more than the respective competitors. Although this strategy worked well at first but with the passage of time, the intense consumer promotions have done little to prevent Unilever from loosing shares to its competitors. In 2004, Wheel, Unilever's largest detergent brand ran about nine consumer promotions where as in 2005 it ran no consumer promotions at all. Consumer promotion over all is a very expensive affair. Unilever has the largest brands of detergent and so the cost of providing a consumer promotion offer is also large by the same proportion. Besides the competitor brands are known to involve in some unfair practices. They pay a very low wage rate to their labours so overhead costs are low, they under invoice their imported raw materials so that they can evade import taxes and other duties, so they save a lot of money in the process. They can then utilize this money for consumer promotion and other competitive activities that can earn them a higher share of the market. Therefore it is imperative that consumer promotions and other dependant elements have to be studied, to make sure that if a consumer promotion activity is implemented it is a highly effective one. This way, precious monetary resources have the minimum chances of being wasted. To understand the competition in the detergent market better price perceptions and product quality perceptions about the brands of detergent on promotion are also considered being worth studying. To look at market share issues, the brand loyalty element should also be explored.

Statement of the Problem

There are many companies that are operating to serve the detergent markets; as a result the competition has heightened. Consumer promotions are being heavily used in the detergent markets to increase sales of each available brand. Consumer promotions, when implemented use up a lot monetary resources. Failure to implement the consumer promotion activity effectively may result in major loss of money.

Purpose of the Study

The purpose of this research is to explore the relationship between consumer promotions, price perceptions with product quality perceptions and brand loyalty in the detergent market of Bangladesh.

Research Timeline

2005	October	Research proposal writing and literature rivew
2005	November	Data collection (surveys etc.)
2005	November 20	Data analysis and interpretation
2005	November 28	Draft submission of research report
2005	December 6	Submission of research report

Limitations

There are vast amounts of information and write-ups relating to the topics of this research that are present in the internet and various other sources, but it was not possible to gain access to many such information. So missing out some important aspect of the discussed topics can be a

possibility. There is a major time constraint in doing the research work and preparing the report, a much larger pool of information could have been dealt with if there was more time to analyze them. A minimal sample size will be used for this research; if a larger sample was taken into consideration the research would have been more accurate. The survey will be conducted in Dhaka city which could be a possible reason for the people's mind set to be similar and survey results not being very different from each other, the results could be different if people from outside metropolitan cities were brought under consideration.

Review of Literature

Consumer Promotion

Sales promotions as we know is a very important component of marketing promotion. Consumer promotion (e.g. coupons, samples, contests, sweepstakes, and price packs) is a part of sales promotion that is targeted towards the final buyers of consumer products (Kotler and Armstrong, 2002). There can be various types of consumer sales promotion some are incentive based while others are communicative in nature (Kotler et al., 1999; Tellis, 1998). The incentive based promotions can be price - oriented promotion or non price-oriented promotion. According to Britannica (article 21279) advertising presents a reason to buy a product but consumer promotion offers a short-term incentive to purchase. Consumer promotions often attract brand switchers (those who are not loyal to a specific brand) who are looking primarily for low price and good value. Thus, especially in markets where products are highly similar, consumer promotions can cause a short-term increase in sales. Abraham and Lodish (1987) stated that many consumer goods categories sold 90% of their volume on special deals which is a result of consumer promotion. Consumer promotion is thought to be a tool that helps manufacturers and

retailers to achieve their objectives of generating sales (Alvarez and Casielles, 2004). They also stated that the influence of sales promotions on the consumer will also depend on the consumer's characteristics

Price Perceptions

According to Schiffman and Kanuk (2004) price perception is about how customers see a product's price, as high, low or fair. They also stated that perception of price unfairness affect consumers' perceptions of value and ultimately their willingness to buy a product. According to Moore et al. (2003) years of research concerned with price show both positive and negative perceptions serve as marketplace cues. Several studies have also portrayed the role of price perceptions as an attribute to success (Jiang and Rosenbloom, 2004). When the price perceptions are high this is a sign of positive quality, prestige and status (Moore *et al.*, 2003).

The concept of reference price is related to price perceptions. Schiffman and Kanuk (2004) stated that reference price is the price the consumers use as a basis for comparison in judging another price. It is through reference price that the price perception of a brand of product is formed. When the consumer plans to buy a product, he or she will judge prices comparatively with the reference prices in order to determine whether the price is acceptable or not (Alvarez and Casielles, 2004). They also stated that, a result of consumers' comparison between the prices and the reference price, potential losses and gains emerge. The consumer perceives a gain when the reference price is higher than the observed price. If the observed price is higher than the reference price, the consumer experiences a loss.

Product Quality Perceptions

Product quality perceptions represent consumer judgment about the superiority of a product, which the user-based approaches think is essential in describing quality (Forker et al., 1996). Bundles of attributes together represent a certain level of quality, which therefore provide utility to the customer (Snoj et al., 2004). The benefits are measured through a perceived level of quality (level of working superiority), a bundle of attributes in comparison with the consumer's expectations. Schiffman and Kanuk (2004) stated consumers often judge the quality of a product on the basis of a variety of informational cues that they associate with the product. They also stated that the cues can either be intrinsic or extrinsic. Intrinsic cues are related to the physical characteristics of the product itself, like size, colour, flavour, aroma etc. The extrinsic cues on the other hand are related to elements that are put together with the actual product like packaging, pricing, advertising etc. The perceived quality of products and services is central to the theory that strong brands add value to consumers' purchase evaluations (Low and Lamb, 2000).

Brand Loyalty

Brand loyalty is the ultimate desired outcome of consumer learning (Schiffman and Kanuk, 2004). According to Rawly and Dawes (1999) brand loyalty is the likelihood of positive attitudes and behaviours of consumers towards a particular brand, this could amount to repeat purchase and positive word of mouth. They also stated that a loyal customer base is an asset for a company and it reduces the need for seeking new customers. It is also a known fact that retaining current customers requires less money and effort than getting new ones. The strongest measure of brand value is the loyalty a company produces among customers (Aaker, 1996).

According to Quester and Lim (2003) brand loyalty is known to have two components, namely attitudinal loyalty and behavioural loyalty. Behavioural loyalty is related to consistent

purchase behaviour of a specific brand; it is the consumer's overt purchase behaviour (Dikempe et al., 1997) while attitudinal loyalty refers to a highly favourable attitude towards a particular brand.

Rowley and Dawes (1999) stated that to understand brand loyalty better the following components of attitude model should be considered:

1. Cognitive component – associated with a "rational" decision making based on informational determinants.

2. Affective component - associated with emotions and feelings about the product or service.

3. Conative components – associated with a behavioral disposition.

Relation between consumer promotion and product quality perceptions

A primary reason for consumer promotion is to give an impression of greater quality and appeal to the potential customers (Alvarez and Casielles, 2004). Sales promotion influence the relative weighting of the utility factors and extends the perceived quality (Groth and Dye, 1999). Sales promotions can offer many benefits, the most obvious being monetary savings, and also motivation to perceive higher quality, convenience, value (Quock and Uncles, 2005).

The way a consumer promotion is framed is likely to effect consumers' perceptions of price, quality, value, and purchase intentions (Munger and Grewal, 2001). Ong (1997) on the other hand stated that there is a danger of unfavorable consumer perception as a result of consumer

promotion activity like bonus packs etc. Consumers tend to think that at the normal price or offering they over pay for a given level of quality, so their quality perception is affected.

Relationship between price perception and product quality perceptions

The more quality a product possesses the more utility it contains and the more its price should be in the market (Sjolander, 1992). According to Sjolander (1992) it is very much expected that there is a very strong positive relation between perceived price and perceived quality. Perceived quality explains a considerable portion of the variance in the price the consumers are willing to pay for different brands (Low and Lamb, 2000).Unfavorable price perceptions may have a direct effect on customer intention to switch to a different brand, because the consumers might think that the price does not match quality (Jiang and Rosenbloom, 2004). Companies sometimes attempt to appeal to uninformed consumers by using high prices from start as a signal of high quality, with the belief that if they perceive the price of their products to be high then they automatically perceive the product quality to be high as well (Kalita *et al.*, 2004).

Relationship between consumer promotion and brand loyalty

According to Alvarez and Casielles (2004) promotions can have, as an effect, the consumer acquiring a brand that he or she would not otherwise try. They also stated that categories of products whose buyers are very loyal, consumer promotion activity like coupons etc that reward the loyalty could have a bigger effect. Srinivasan and Anderson (1998) acknowledged that many times sales promotions are used by new entrants to break consumers' brand loyalty toward established brands. In the short run, established brands may be able to ignore sales promotions from new brands without serious loss of sales. Over the longer run, however, unless proper

defensive and counter-offensive strategies are developed and implemented, established brands can gradually lose their loyal customer base. Dawes (2004) on the other hand stated that repeat buying rates that buying a brand on promotion decreases the likelihood of a subsequent purchase of that brand.

Relationship between price perception and brand loyalty

Alvarez and Casielles (2004) stated that when the consumer perceives a loss, the utility that the provides (brand) will diminish, and with it the likelihood of purchase will also go down. If, in contrast, the consumer perceives a gain, he or she will be more inclined to purchase the brand. Price perceptions are expected play an increased role in determining both post-purchase satisfaction and brand loyalty (Jiang and Rosenbloom, 2004). According to representative research higher perceived prices leads to expectation of higher perceived quality and value, in turn lead to higher levels of satisfaction of customers, greater levels of customer loyalty and retention and to a greater success of organizations (Snoj et al., 2004).

Relationship between quality perception and brand loyalty

According to Ruyter and Wetzels (1997) the perceived quality is often viewed as a pre-requisite for loyalty and that perceived quality contributes positively to increase loyalty. They also stated that the influence of quality on preference loyalty generally varies per industry. Boulding et al. (1993) found positive relationships between quality and repurchase intentions and willingness to recommend to others. Because product quality perceptions influence value, efforts of marketers have focused on improving product quality in order to enhance perceptions of value, and consequently purchase intentions leading to loyalty (Grewal and Munger, 2001). The

loyal customers, who gave indication that they would return, will be the internal level for managers to improve their quality in order to increase customer loyalty (Bowen and Chen, 2001).

Research Question

The following questions have to be addressed for the study:

1. Is there any significant relationship between consumer promotion and product quality perception in the detergent market of Bangladesh?

2. Is there any significant relationship between price perception and product quality perception in the detergent market of Bangladesh?

3. Is there any significant relationship between consumer promotion and brand loyalty in the detergent market of Bangladesh?

4. Is there any significant relationship between price perception and brand loyalty in the detergent market of Bangladesh?

5. Is there any significant relationship between product quality perception and brand loyalty in the detergent market of Bangladesh?

Hypothesis

The hypothesis that can be derived from the research questions are:

1. There is significant relationship between consumer promotion and product quality perception in the detergent market of Bangladesh.

2. There is significant relationship between price perception and product quality perception in the detergent market of Bangladesh.

3. There is significant relationship between consumer promotion and brand loyalty in the detergent market of Bangladesh.

4. There is significant relationship between price perception and brand loyalty in the detergent market of Bangladesh.

5. There is significant relationship between product quality perception and brand loyalty in the detergent market of Bangladesh.

Development of Conceptual Framework
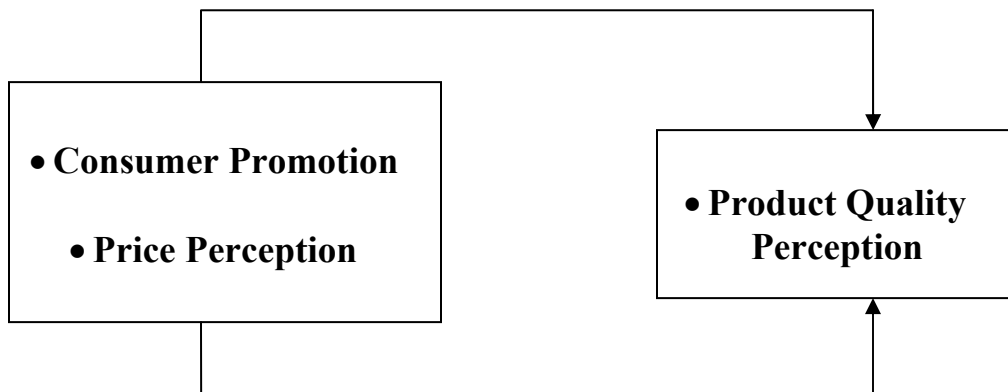
Figure 1 . Model 1: Conceptual Framework of research variables
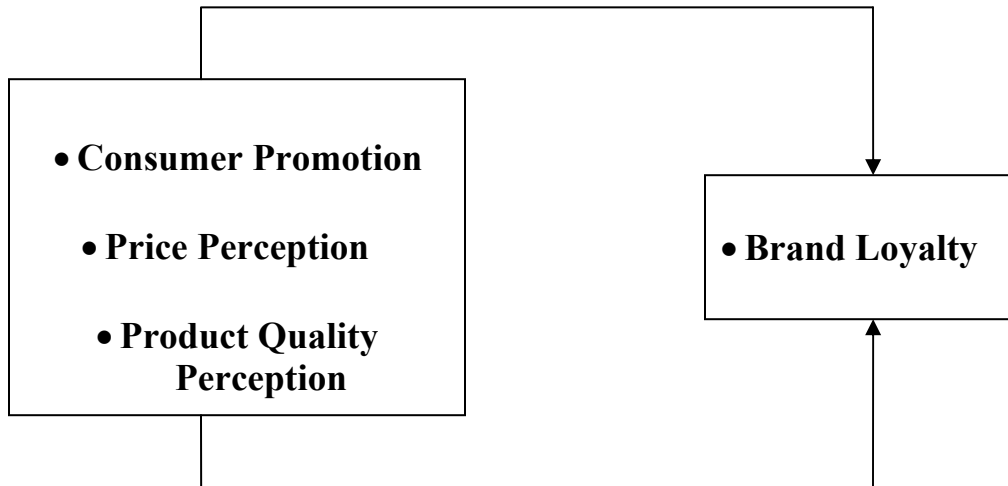
Figure 2. Model 2: Conceptual Framework of research variables

Methodology

Research design

The illustrations of the conceptual framework model 1 and 2 (Figure 1 and 2) above gives a visual idea of the relationship and structure that exists among the study variables. The main purpose of the research is to assess the existing correlation among the variables.

This research is about exploring and understanding the relationship that exists between consumer promotion, price perception with product quality perceptions and brand loyalty in the detergent market of Bangladesh. Here in the first model (figure 1) the independent variables are assigned to be consumer promotions and price perceptions. The dependant variable on the other

hand is product quality perception. In the second model (figure 2) the independent variables are consumer promotions, price perceptions and product quality perceptions, in this case the dependant variable is brand loyalty. So the researcher is attempting to find out, if any changes in the independent variable have a changing effect on the dependant ones as well, thereby proving that a relationship exists. The researcher also tried to find out the degree to which a change in the dependant variables has an impact on the independent ones, in other words the degree of relation is also explored here. Therefore the correlation study was chosen for this research.

Sampling method

The required data for this research was collected from the regular customers of detergents. There was no particular sample frame available for this research so convenience sampling was used, as it is also the cheapest and the easiest methods of sampling. The sample frame for this research consisted of shoppers (mainly house wives) at different shopping centres and stores etc, and also the parents of school children were included. In the shopping centres the researcher surveyed the people who seemed to be the most appropriate respondent for this kind of survey. The parents of kindergarten students, who spend time waiting for their kids outside the schools, were also surveyed, because they usually have a lot of time to spare and can give valuable inputs. Due to time constraints the survey was conducted in Dhaka city only. Over all there were about a 104 people who participated in the survey.

Survey instrument

A structured questionnaire was used to collect data. The questionnaire consists of different parts to gather information on the different variables under considerations. The

questionnaire is the best instrument for the survey in this case because, for a correlation study the sample sizes have to be very large as it is quantitative in nature, so surveying so many people with personal interviews or observations would be next to impossible. With questionnaires, no responses of the respondents can be missed out. It gives more time to the respondents to think and then give the answers. And it is a quicker and cheaper way to conduct the survey. Questionnaires can be conducted in any environment, with minimum influence of the outside environment. Questionnaires also have the advantage of keeping the personal details of the respondents confidential.

A sample of the questionnaire has been attached in the appendix 1. The first 6 questions have been set to measure the respondents' opinions regarding sales promotion. This scale was taken from d'Astous and Jacob (2002) and has a reliability of 0.95. Questions (7 – 10) measures the price perceptions regarding the brands of detergents on promotion, these have been used by Suri et al. (2000) and has a reliability of >0.8. The next 4 questions (11 – 14) are expected to measure product quality perceptions of detergents on promotion. This has been taken from Waller and Ahire (1996) and has a reliability of 0.841. The last 10 questions measure brand loyalty. The scale was developed and used by Quester and Lim (2003) with a reliability of <0.55.

Data Collection

The data collection was done through both primary and secondary sources. The primary data was collected through questionnaire surveys and the secondary data was collected from the available archives of Unilever Bangladesh Ltd, for addressing the research questions.

Data Analysis

This is a study of relationship of various variables. So after the data collection a correlation analysis was performed using the acquired data, to ascertain if relationship between the variables exist or not. Stepwise regression analysis was also performed to determine the degree of the correlation among the variables. For doing the data analysis SPSS 12 was used, because it is a very systematic computer program that can deal with a large amount of data and can give out accurate results.

Results

Table 1

Reliability coefficients and descriptive statistics

Variables	Number of Items	Alpha Values	Mean	Std. Deviation
Consumer Promotion	6	0.439	3.20	0.53
Price Perception	4	0.741	3.70	0.70
Product Quality Perception	4	0.813	3.90	0.66
Brand Loyalty	10	0.835	3.70	0.63

n = 104

Table 1 gives a structured view of the alpha values, means and standard deviations of the variables under study in this research. The questions in the questionnaire to approach the variables have been obtained from various articles. The alpha values, means and standard deviations have been calculated by SPSS 12 through input of research data. The survey was done with a questionnaire having a 5 point scale as the response format. The means have been calculated by taking the average of all the answers of the questions in each variable.

The calculated mean for consumer promotions is 3.20 with a standard deviation of 0.53. This shows that on an average people think positively about consumer promotions as the value is slightly above 3 which is a point that shows the indifference of people's opinions.

The mean for price perception of detergent on promotion is 3.70 and has a standard deviation of 0.70. So it can be interpreted that people generally have positive perceptions about fairness of price of the brands of detergent on promotion.

Product quality perception has a mean of 3.90 and a standard deviation of 0.66. This shows that people have a fairly positive quality perception of the brands of detergent that are available on promotion.

The mean value for brand loyalty is 3.70 with a standard deviation of 0.63. This shows that the general loyalty of people towards detergents is reasonably high.

Correlation analysis

Table 2

Correlation matrix of the study variables

Variable	Consumer Promotion	Price Perceptions	Product Quality Perceptions	Brand Loyalty
Consumer Promotion	-	0.380**	0.265**	0.369**
Price Perceptions		-	0.569**	0.369**
Product Quality Perceptions			-	0.560**
Brand Loyalty				-

**p< 0.01 (2 tailed)

The table above is a result of a correlation analysis that has been done on all the data that has been collected through the survey. This analysis is done to show the existing relation among the study variables (consumer promotion, price perception, product quality perception and brand loyalty). A bivariate two tailed correlation analysis was done by running the data on SPSS 12.

The table above clearly shows that each of the figures have the symbol '**' next to them indicating that each of the variables are significantly correlated with each other at a significance level of $p<0.01$. Consumer promotion is significantly correlated with price perception ($r = 0.38$, $p< 0.01$), quality perception ($r = 0.27$, at $p< 0.01$) and brand loyalty ($r = 0.37$, $p< 0.01$). Price perceptions are correlated with product quality perceptions ($r = 0.57$, $p< 0.01$) and brand loyalty ($r = 0.37$, $p< 0.01$) in addition to being correlated to consumer promotion as mentioned before. Product quality perceptions were correlated with brand loyalty ($r = 0.56$, $p< 0.01$) in addition to being correlated with consumer promotion and price perception.

According to our first conceptual framework model 1(figure 1) the correlation of consumer promotion and price perceptions with product quality perceptions ($r = 0.27$, at $p < 0.01$; $r = 0.57$, $p < 0.01$) is what we need to look into. According to model 2 (figure 2) the correlation of consumer promotion, price perception and quality perception with brand loyalty ($r = 0.37$, $p < 0.01$; $r = 0.37$, $p < 0.01$; $r = 0.56$, $p < 0.01$) is what we need to investigate. This shows that the established correlation among consumer promotion and price perception is of no importance to our current study here.

Regression analysis

Step wise regression analysis were also done in order to examine the correlation more closely and to figure out the degree to which the independent variables can have an effect on the dependant ones.

Regression analysis for Model 1

The first regression was done by setting consumer promotion and price perception as independent variable while product quality perceptions were set as the dependant variable.

Table 3 A

Stepwise regression on Product Quality Perceptions

Variable	B	SE B	β	R Square	ΔR
Step 1					
Price Perception	0.543	0.078	0.569	0.324	-

$p < 0.001$

The table 3A above shows that quality perception is significantly related with price perception at p<0.001. The variable consumer promotion was excluded from the stepwise regression calculation because it has no significant relation with quality perception according to this analysis, and so it could not be fit into the regression equation. The predictor variable price perception explains 32% of the variance of product quality perceptions.

Regression analysis for Model 2

In the second stepwise regression product quality perception was set as independent variable in addition to the previously mentioned consumer promotion and price perception, while the dependant variable in this case was brand loyalty.

Table 3B

Stepwise regression on Brand Loyalty

Variable	B	SE B	β	R Square	ΔR
Step 1				0.314	
Quality Perception	0.539	0.077	0.560**		-
Step2				0.366	0.052
Quality Perception	0.470	0.078	0.497**		
Consumer Promotion	0.282	0.098	0.238*		

**p< 0.001, *p< 0.01

Table 3B shows that brand loyalty is significantly associated with quality perception (p< 0.001) and consumer promotion (p<0.01). The price perception variable has been excluded from the regression equation because it has no significant correlation and hence it would not fit into it.

The two predictor variable explains 37% of the variance in brand loyalty. That is quality perception and consumer promotion that explain 31% and 6 % respectively.

Assessment of Research Hypothesis:

Model 1: Hypotheses

Hypothesis 1:

There is significant relationship between consumer promotion and product quality perception in the detergent market of Bangladesh.

The correlation analysis shows that the variable consumer promotion and quality perception have significant and positive association (r = 0.27, p<0.01). The result of the correlation analysis provides full support to hypothesis 1. It is very obvious that there will be a positive correlation because, if people have a positive view about consumer promotion then it is more likely for them to have a positive perception of quality of brands of detergent that are being promoted. If however they view consumer promotion negatively they would also probably think that the quality of the brands on promotion is also low.

The regression analysis failed to add consumer promotion as an independent variable while quality perception was the dependant one. This is because it suggests that there is no significant correlation among the above mentioned variables. Therefore it does not support hypothesis1. Although this analysis should have supported the hypothesis, but due to certain

irregularities that could possibly exist in the data collected the analysis did not produce the expected results.

Hypothesis 2:

    There is significant relationship between price perception and product quality perception in the detergent market of Bangladesh.

Correlation analysis suggests that price perceptions are significantly correlated with product quality perceptions ($r = 0.57$, $p<0.01$). Therefore the correlation analysis fully supports hypothesis 2.

    The result of the stepwise regression also suggests a significant correlation among perceived price and perceived quality at $p< 0.001$. The related predictor variable, perceived price explained 32% of the variance in product quality perceptions. So this analysis also supports the hypothesis.

    The very likely reason for this positive correlation is that if the people perceive that the promoted brands are available on a fair price (positive perception) then they would also have a positive product quality perception about them.

Model 2: Hypotheses

Hypothesis 3:

    There is significant relationship between consumer promotion and brand loyalty in the detergent market of Bangladesh.

The conducted correlation analysis suggests that there is a significant and positive association among consumer promotion and brand loyalty (r = 0.37, p<0.01). So this shows that the correlation analysis completely supports hypothesis 3.

The regression analysis also supports this hypothesis. It portrays that consumer promotion and brand loyalty are significantly correlated at p< 0.01. The predictor variable, in this case consumer promotion explains 6% of the variance in brand loyalty. So this analysis also supports hypothesis 3.

This is very much expected because if people have a positive view regarding consumer promotions, then they will be more loyal to that brand if they come up with more consumer promotion offers.

Hypothesis 4:

There is significant relationship between price perception and brand loyalty in the detergent market of Bangladesh.

According to the correlation analysis there is a positive and significant association among price perception and brand loyalty (r = 0.37, p<0.01). This analysis fully supports this hypothesis.

The regression analysis however does not show any association among the above mentioned variables. For this reason it has been excluded from the equation while the analysis was conducted. So this analysis does not support the hypothesis. Although it is expected that there would be a correlation, due to possible abnormality in the response of the conducted survey the correlation could not be establish.

The correlation was expected simply because if the price perceptions of the promoted brands are positive, then it is also expected that the loyalty towards that brand will also be positive, because they would think that they are paying a fair price for it.

Hypothesis 5:

There is significant relationship between product quality perception and brand loyalty in the detergent market of Bangladesh.

Correlation analysis shows that there is a significant and positive association among quality perception and brand loyalty ($r = 0.56$, $p<0.01$). The correlation analysis hence supports the hypothesis.

The regression analysis also shows a positive and significant correlation among the above mentioned variable at significance level of 0.001. The predictor variable perceived quality explains 31% of the variance in brand loyalty. This analysis also supports the hypothesis.

The reason for such association in this case is simply that when the perception of product quality of a promoted brand is positive, then it is also likely that the people would have a positive loyalty towards that particular brand.

Recommendation

       All the determined hypotheses have been proven to be correct. This means that the expected significant correlations among the study variables consumer promotion, price perception, product quality perception and brand loyalty does exist in reality. The findings could help the managers in making decisions regarding consumer promotions more confidently and logically.

       To decide whether providing more consumer promotion with detergents is a good idea or not, the market should not be looked at as one single whole. In previous researches conducted my Unilever Bangladesh Limited there have been evidence that indicates that increase in consumer promotions decreases their perceived product quality. For this theory to hold all the consumers in the detergent market have to have the same characteristics and have to be expected to behave the same way. The detergent market is very large and encompasses diverse groups of people who think and behave differently. The real market conditions are not simple, and people have distinctly different ways of thinking, therefore marketers usually deal with different groups of customer differently, the same should be the case when deciding about consumer promotions. However, taking the individual characteristics of the consumers of the detergent market, under consideration is impossible. To make decisions easier yet effective customers have to be thought of as belonging to two groups. One that gets influenced by consumer promotion and buy the product, and the other who do not act on the stimuli of consumer promotion.

      Overall not a single respondent of the survey has a negative view of consumer promotion. This could be because they like the idea that companies are trying to give them better deals and putting in good effort to make a sale to them. But overall positive attitude towards consumer promotion can not by itself lead to a successful consumer promotion activity.

Consumer promotions usually take up a lot of limited monetary resources which have to be spent wisely. To make a consumer promotion successful large amounts of sales are needed to cover up the costs involved in providing it. This can only result from aiming the consumer promotion efforts towards the group of customers who get influenced to buy the brands on promotion. If done otherwise the money and efforts can easily go to waste. Being one of the oldest and largest detergent manufacturers in the country, Unilever has enough learning to easily segment the customer base into the two groups mentioned above.

According to the survey data analysis it is found that consumer promotions are positively related with quality perception and brand loyalty. This could be because of the overall positive attitude towards consumer promotions these days, people see that very prestigious brands of consumer products are constantly coming up with new consumer promotion activity, so they may associate quality with consumer promotion. Again, if the people are influenced to buy a promoted brand it is also likely that ultimately they will consciously or unconsciously become loyal to that brand offering more promotions. So for this group of people higher number of successful consumer promotions can prove to be beneficial in both short and long term.

The perceived price of the brands on promotion is positively related to quality perception and brand loyalty of that brand. This means that if there is a promotion offer (may even be a price discount) people should perceive the overall price as fair (positive perception). If they think other wise then their promotion efforts will produce negative results in terms of product quality perceptions and brand loyalty. Care should be taken that prices aren't brought down so much that they think that usually they pay too much for a given volume or quality level, when a promotional offer is not there. If the consumers believe that they always pay a fair for a particular brand, they will be more influenced to make repeat purchase of the brand.

Conclusion

Overall when it comes to consumer promotions, general views of people about consumer promotion and price perceptions have a great impact on product quality perceptions. When it comes to brand loyalty of a promotional brand, perceived quality play an important role in addition to general views on consumer promotion and price perception. So all such factors or elements that could have an impact on the consumer promotion, price perception and quality perception should be considered very important.

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Questionnaire For Laundry Detergent Customers

This is a survey about the offerings of the various laundry detergent manufacturers. Your honest opinions will be highly valued and appreciated. There are no right or wrong answers. Participation in this survey is completely voluntary. All answers will be kept confidential.

Please circle the number which closely matches your opinion:

The following questions are related to your opinion regarding the various sales promotion offers by the different brands of detergent

1	2	3	4	5
Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree

1. Promotional offers with detergents pleases me   1 2 3 4 5

2. Promotional offers interests me about the brands of detergent   1 2 3 4 5

3. Promotional offers with detergents influence me to buy the product   1 2 3 4 5

4. Promotional offers with detergents seem to be dishonest   1 2 3 4 5

5. Promotional offers makes me feel like I am being manipulated   1 2 3 4 5

6. A promotional offer gives a good image about a particular brand   1 2 3 4 5

The following questions are related to your views on prices of brands of detergent on promotion

1	2	3	4	5
Strongly Disagree	**Disagree**	**Uncertain**	**Agree**	**Strongly Agree**

7. At sale price the detergents are usually good value for money   1 2 3 4 5

8. Usually the different brands of detergent appears to give a good

   deal   1 2 3 4 5

9. The offered sale price of different brands of detergent is usually

   quite fair   1 2 3 4 5

10. The proposed offer for the different brand of detergent is usually

    extremely good   1 2 3 4 5

The following questions are related to your views on quality of brands of detergent on promotional offers

1	2	3	4	5
Strongly Disagree	**Disagree**	**Uncertain**	**Agree**	**Strongly Agree**

11. The brands of detergent on promotion is usually extremely good at

    cleaning clothes   1 2 3 4 5

12. The brands of detergent on promotion are usually highly reliable   1 2 3 4 5

13. The brands of detergent on promotion usually matches my   1 2 3 4 5

expectations

14. The brands of detergent on promotion is usually of high quality   1 2 3 4 5

The following questions are related to your loyalty towards detergents in general

1	2	3	4	5
Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree

15. I put in an effort while choosing a brand of detergent   1 2 3 4 5

16. I always thought of a particular brand of detergent over the

    other brand(s) when I consider buying detergent   1 2 3 4 5

17. I consider brand to be very important in choosing a detergent   1 2 3 4 5

18. Over the last few months/years, I have always bought the same

    brand of detergent because I really liked the brand   1 2 3 4 5

19. I would be upset if I had to buy another brand of detergent if a

    particular brand is not available   1 2 3 4 5

20. I would continue to buy the same brand of detergent because I like

    the brand very much   1 2 3 4 5

21. I feel very attached to a particular brand of detergent over the others 1 2 3 4 5

22. Although another brand was on sale, I still bought one particular

    brand of detergent   1 2 3 4 5

23. Once I have decided on a particular brand of detergent over other

    brands, I will stick by it   1 2 3 4 5

24. If a particular brand of detergent was not available at the stores, I

    would rather not buy at all if I have to choose another brand   1 2 3 4 5

Please tick (√) the appropriate answers

Gender: Male ☐   Female ☐

Age Group: 15 – 20 ☐   20 – 25 ☐   25 – 30 ☐   30 - 35 ☐   35 - 40 ☐

                40 - 45 ☐   Above 45 ☐

Please provide the following information (optional)

Name: _____

Address: _____

_____

Phone # _____

Thank You For Taking The Time To Share Your Valuable Opinion

Appendix - 2

Reliability Statistics

Cronbach's Alpha	N of Items
.439	6

Reliability Statistics

Cronbach's Alpha	N of Items
.741	4

Reliability Statistics

Cronbach's Alpha	N of Items
.813	4

Reliability Statistics

Cronbach's Alpha	N of Items
.835	10

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ConsProm	104	1.83	4.67	3.2420	.52852
PricePerc	104	2.00	5.00	3.6875	.69652
QualtPerc	104	1.75	5.00	3.9255	.66453
BrLoyalty	104	2.20	4.70	3.7212	.62778
Valid N (listwise)	104				

Correlations

		ConsProm	PricePerc	QualtPerc	BrLoyalty
ConsProm	Pearson Correlation	1	.380(**)	.265(**)	.369(**)
	Sig. (2-tailed)	.	.000	.007	.000
	N	104	104	104	104
PricePerc	Pearson Correlation	.380(**)	1	.569(**)	.369(**)
	Sig. (2-tailed)	.000	.	.000	.000
	N	104	104	104	104
QualtPerc	Pearson Correlation	.265(**)	.569(**)	1	.560(**)
	Sig. (2-tailed)	.007	.000	.	.000
	N	104	104	104	104
BrLoyalty	Pearson Correlation	.369(**)	.369(**)	.560(**)	1

		.000	.000	.000	.
Sig. (2-tailed)					
N		104	104	104	104

** Correlation is significant at the 0.01 level (2-tailed).

Variables Entered/Removed(a)

Model	Variables Entered	Variables Removed	Method
1	PricePerc	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a Dependent Variable: QualtPerc

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569(a)	.324	.317	.54901

a Predictors: (Constant), PricePerc

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.741	1	14.741	48.909	.000(a)
	Residual	30.743	102	.301		
	Total	45.485	103			

a Predictors: (Constant), PricePerc

b Dependent Variable: QualtPerc

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.923	.291		6.598	.000
	PricePerc	.543	.078	.569	6.993	.000

a Dependent Variable: QualtPerc

Excluded Variables(b)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	ConsProm	.057(a)	.644	.521	.064	.856

a Predictors in the Model: (Constant), PricePerc

b Dependent Variable: QualtPerc

Variables Entered/Removed(a)

Model	Variables Entered	Variables Removed	Method
1	QualtPerc	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).
2	ConsProm	.	Stepwise (Criteria: Probability-of-F-to-enter <= .050, Probability-of-F-to-remove >= .100).

a Dependent Variable: BrLoyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.560(a)	.314	.307	.52265
2	.605(b)	.366	.354	.50476

a Predictors: (Constant), QualtPerc

b Predictors: (Constant), QualtPerc, ConsProm

ANOVA(c)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.731	1	12.731	46.607	.000(a)
	Residual	27.862	102	.273		
	Total	40.593	103			
2	Regression	14.860	2	7.430	29.163	.000(b)
	Residual	25.733	101	.255		
	Total	40.593	103			

a Predictors: (Constant), QualtPerc

b Predictors: (Constant), QualtPerc, ConsProm

c Dependent Variable: BrLoyalty

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.644	.308		5.330	.000
	QualtPerc	.529	.077	.560	6.827	.000
2	(Constant)	.963	.380		2.535	.013
	QualtPerc	.470	.078	.497	6.050	.000
	ConsPro	.282	.098	.238	2.891	.005

m					

a Dependent Variable: BrLoyalty

Excluded Variables(c)

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics Tolerance
1	ConsProm	.238(a)	2.891	.005	.276	.930
	PricePerc	.074(a)	.740	.461	.073	.676
2	PricePerc	-.007(b)	-.070	.944	-.007	.619

a Predictors in the Model: (Constant), QualtPerc

b Predictors in the Model: (Constant), QualtPerc, ConsProm

c Dependent Variable: BrLoyalty

Appendix 3

Brief Overview About The Detergent Market

Wheel Washing Powder (WWP) was launched in August of 1997 by leveraging the equity of the Wheel laundry soap. Wheel laundry soap was considered the best soap and stood for quality and care. The brand was initially launched and replaced the NSD powder brands of Unilever.

WWP was launched with two stock keeping units (SKUs), 500g and 1 KG and achieved a volume of 2,280 tons in 5 months. Despite a price increase from beginning of the following year the brand showed a strong growth achieving the total annual volume of 12,700 tons; a third SKU of 40g was added to the brand during the year. 1999 a second price increase was taken for the larger two SKUs but the brand continued to show good growth, ending the year with a volume of 22,800 tons.

A major re-launch was rolled out in beginning of 2000 for the brand, during the re-launch the packaging was significantly improved, the perfume was also improved and the proposition changed from lemon to Powerons. The innovation was a response to the launch of the competition Aromatic Washing powder. Prior to the re-launch, the competition was aggressively blocked with continuous promotion behind the brand. After the re-launch the brand grew and countered the competition in 2000, achieving a volume of 29,500 tons.

In order to get an even faster growth in 2001 vs. 2000; the brand was aggressively promoted- which yielded in a growth of 43%; ending the year with a volume of 42,200 tons. With the explosive growth of WWP in 2001, it attracted competition like Chaka and Keya, both of which entered the segment in beginning 2002. In order to contain competition and continue the growth of 2001, WWP maintained the high degree of promotions (free volume promotions) it

failed to deliver any considerable growth as expected, however the volume sales increased to 46,500 tons. During the year WWP was re-staged with the ingredients changing from "Powerons" to "Powerfoam".

In 2003, WWP promotion were predominately cross-brand promos, with the cost born by the other brand. This resulted in good growth for WWP in 2003, ending the year with 48,000 tons. During the period of 2002 onward, the brand has been losing shares to competition and in order to differentiate the brand further a relaunch was planned in 2004 Q1. The RL involved incorporation of coloured granules to the powder and increase in incorporation of perfume by 25%. However there was no change in the formulation of the powder. Post the re-launch the share decline has not stopped, despite heavy support behind the brand.