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A STUDY ON BRAND LOYALTY (WITH SPECIAL REFERENCE TO HINDUSTAN UNILEVER LIMITED)

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Abstract

Brand loyalty represents one of the most valuable assets a company can build, reflecting a consumer's consistent preference for and commitment to a particular brand over competing alternatives. In the highly competitive fast-moving consumer goods (FMCG) sector, where product differentiation is often limited and switching costs are low, cultivating strong brand loyalty is essential for sustaining market share and long-term profitability. This study examines brand loyalty with special reference to Hindustan Unilever Limited (HUL), one of India's largest FMCG companies, focusing on factors such as product quality, trust and reputation, price value, availability, and advertising in shaping consumer loyalty towards HUL's diverse portfolio of brands. The research explores how these factors influence repeat purchase behaviour, willingness to recommend, and overall consumer commitment to HUL products. A descriptive research design was adopted using both primary and secondary data. Primary data were collected through a structured questionnaire administered to consumers of HUL products across different age groups and demographic segments, while secondary data were obtained from the company's annual reports, marketing journals, industry publications, and credible online sources related to brand management and consumer behaviour. The collected data were analyzed using percentage analysis, mean analysis, and graphical representation to evaluate the extent and drivers of brand loyalty towards HUL. The findings indicate that product quality and trust in brand reputation are the strongest determinants of loyalty towards HUL brands, followed by perceived price value and product availability, while advertising plays a comparatively supportive rather than primary role. However, challenges such as increasing competition from regional and digital-first brands, and price-sensitive switching among certain consumer segments, continue to test the strength of established brand loyalty. The study concludes that HUL's continued emphasis on product quality, trust-building, and wide market availability remains central to sustaining strong consumer loyalty in an increasingly competitive FMCG landscape.

Keywords: Brand loyalty, Hindustan Unilever Limited, HUL, FMCG, consumer behaviour, product quality, brand trust, repeat purchase, customer retention, brand reputation.

I. INTRODUCTION

Brand loyalty is a critical concept in marketing that refers to the tendency of consumers to consistently choose a particular brand over competing alternatives, even in the presence of comparable or lower-priced substitutes. It represents a deep-seated psychological and behavioural commitment that goes beyond a single purchase, encompassing repeat buying behaviour, positive word-of-mouth, resistance to competitor offers, and a willingness to pay a premium for the preferred brand. In highly competitive and commoditized industries such as fast-moving consumer goods (FMCG), where product differentiation can be minimal and switching costs are low, building and sustaining brand loyalty is often the difference between long-term market leadership and gradual erosion of market share.

Hindustan Unilever Limited (HUL), a subsidiary of the global consumer goods giant Unilever, is one of India's largest and most diversified FMCG companies, with a portfolio spanning home care, personal care, and food and refreshment categories. Brands such as Lux, Dove, Surf Excel, Lifebuoy, Fair & Lovely (Glow & Lovely), and Brooke Bond have become household names across India, reflecting decades of sustained brand building, product innovation, and extensive market

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penetration. HUL's ability to maintain strong brand loyalty across such a diverse portfolio offers a valuable context for examining the factors that drive consumer commitment in the Indian FMCG sector.

Several factors contribute to the development of brand loyalty, including consistent product quality, trust in brand reputation, perceived value for money, widespread product availability, and effective advertising and marketing communication. In the FMCG sector specifically, where products are often purchased frequently and involve relatively low financial risk per transaction, trust and habitual repeat purchase play a particularly significant role in reinforcing brand loyalty over time. Additionally, strong distribution networks and consistent product availability across urban and rural markets contribute significantly to sustaining consumer preference, particularly in a geographically diverse market such as India.

Despite HUL's long-established market presence, the company faces increasing challenges to its brand loyalty from several sources, including the entry of value-focused regional and local brands, the rise of digital-first direct-to-consumer (D2C) brands offering niche or specialized products, and growing price sensitivity among certain consumer segments, particularly in rural and semi-urban markets. Understanding which factors most strongly reinforce consumer loyalty towards HUL brands, and which factors make consumers vulnerable to switching, is therefore essential for the company to sustain its competitive position in an evolving FMCG landscape.

Therefore, this study aims to examine brand loyalty with special reference to Hindustan Unilever Limited, focusing on the key factors that influence consumer commitment to HUL brands. The research evaluates the relative importance of product quality, trust, price value, availability, and advertising in shaping loyalty, while also assessing repeat purchase behaviour and willingness to recommend HUL products. The findings of this study are expected to provide valuable insights for HUL's marketing and brand management teams, as well as for researchers and other FMCG companies seeking to strengthen consumer loyalty in a highly competitive market.

Research Objectives

The primary objective of this study is to examine brand loyalty towards Hindustan Unilever Limited and identify the key factors influencing consumer commitment to HUL brands. The study aims to evaluate consumer awareness and perception of HUL's product portfolio across various FMCG categories. It seeks to assess the relative importance of factors such as product quality, trust and reputation, price value, availability, and advertising in shaping brand loyalty. The research also aims to examine repeat purchase behaviour and consumers' willingness to recommend HUL products to others as indicators of loyalty strength. Furthermore, the study intends to identify the key challenges affecting brand loyalty towards HUL, including competition from regional and digital-first brands, and to provide practical recommendations for strengthening consumer loyalty in an increasingly competitive FMCG market.

Research Methodology

This study adopts a descriptive research design to examine brand loyalty with special reference to Hindustan Unilever Limited. The research is based on both primary and secondary data. Primary data are collected through a structured questionnaire administered to consumers of HUL products across different age groups, income levels, and geographic locations. The questionnaire focuses on various aspects such as awareness of HUL brands, factors influencing brand loyalty, repeat purchase behaviour, willingness to recommend HUL products, and overall satisfaction and loyalty towards the company's brand portfolio. Secondary data are collected from HUL's annual reports, marketing journals, industry publications, books, and credible online sources related to brand management and consumer behaviour.

A convenience sampling technique is employed to select the respondents, with a sample size of 120 respondents for the purpose of analysis. The collected data are organized, classified, and

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analyzed using statistical tools such as percentage analysis, mean analysis, and graphical representations including bar charts and pie charts. The analysis helps evaluate the extent and drivers of brand loyalty towards HUL and identifies the factors that most significantly influence consumer commitment. Based on the findings, appropriate recommendations are provided to help HUL and similar FMCG companies strengthen brand loyalty and customer retention strategies.

II. REVIEW OF LITERATURE

1. Title: Brand Loyalty: Measurement and Management

Authors: Aaker, D. A. (1991)

Abstract: This foundational study introduces the concept of brand equity and identifies brand loyalty as its most valuable component. The author establishes a framework linking brand awareness, perceived quality, and brand associations to overall loyalty. The study concludes that firms investing in building strong brand equity achieve sustained competitive advantage through customer retention.

2. Title: A Model of Customer Satisfaction with Service Encounters Involving Failure and Recovery

Authors: Oliver, R. L. (1999)

Abstract: This research develops a comprehensive model linking customer satisfaction to brand loyalty, distinguishing between cognitive, affective, and conative stages of loyalty development. The findings indicate that repeated satisfactory experiences progressively deepen consumer commitment to a brand. The author concludes that sustained satisfaction is a necessary but not always sufficient condition for true brand loyalty.

3. Title: Determinants of Brand Loyalty in FMCG Products: An Empirical Study

Authors: Rundle-Thiele, S., & Bennett, R. (2001)

Abstract: This study examines the key determinants of brand loyalty specifically within the fast-moving consumer goods sector, including price sensitivity, product quality, and habitual purchase behaviour. The findings reveal that habitual repeat purchase, driven by consistent product quality and availability, is the dominant form of loyalty in low-involvement FMCG categories. The authors emphasize that emotional attachment plays a comparatively smaller role in FMCG loyalty than in high-involvement categories.

4. Title: The Role of Trust in Building Brand Loyalty

Authors: Chaudhuri, A., & Holbrook, M. B. (2001)

Abstract: This research examines the relationship between brand trust, brand affect, and two dimensions of brand loyalty: purchase loyalty and attitudinal loyalty. The findings indicate that brand trust significantly predicts both market share and relative price, mediated through loyalty. The authors conclude that building consumer trust is a critical pathway to sustainable brand loyalty and financial performance.

5. Title: Distribution Intensity and Brand Loyalty in Emerging Markets

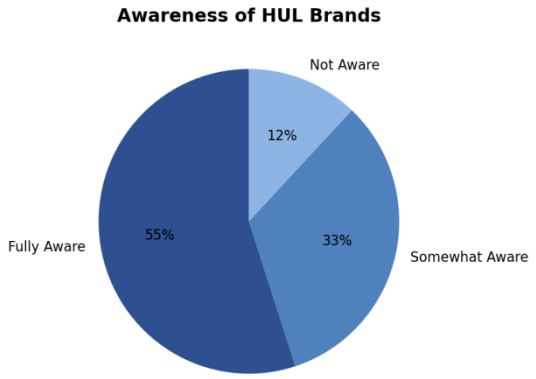
Authors: Kumar, N., & Steenkamp, J. B. E. M. (2007)

Abstract: This study examines how distribution reach and product availability influence brand loyalty in emerging market contexts such as India. The findings indicate that wide and consistent product availability significantly reinforces habitual repeat purchase, particularly in rural and semi-urban markets with limited brand choice. The authors conclude that distribution strength is a key, often underappreciated, driver of brand loyalty in developing economies.

III. DATA ANALYSIS & INTERPRETATION

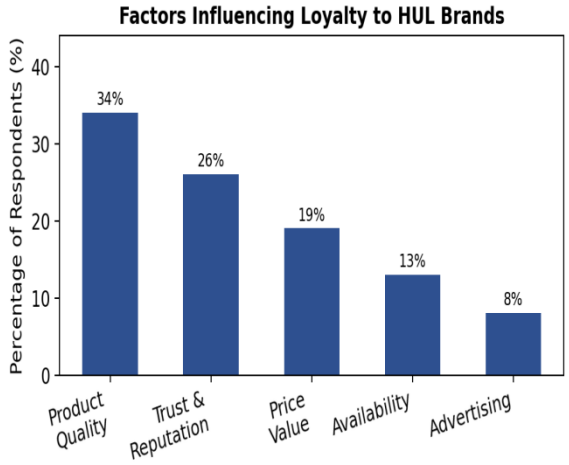
1. Awareness of HUL Brands

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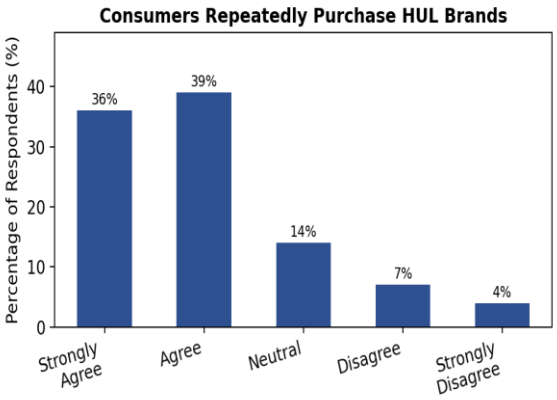
Interpretation: 55% of respondents reported being fully aware of HUL's various brands across categories, while 33% were somewhat aware and 12% were largely unaware. This reflects HUL's strong overall brand visibility, built through decades of market presence and sustained advertising across its diverse product portfolio.

2. Factors Influencing Brand Loyalty



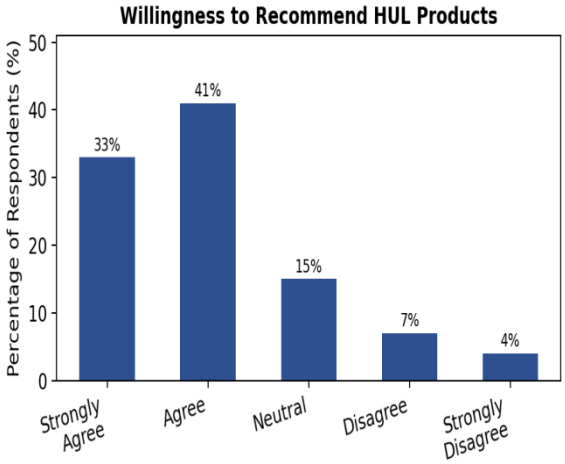
Interpretation: Product quality emerged as the most influential factor in driving loyalty, cited by 34% of respondents, followed by trust and reputation (26%) and price value (19%). Availability and advertising, while relevant, played a comparatively smaller role, suggesting that consistent product performance remains the foundation of consumer loyalty towards HUL brands.

3. Repeat Purchase Behaviour



Interpretation: A combined 75% of respondents agreed or strongly agreed that they repeatedly purchase HUL brands over competing alternatives, while only 11% disagreed. This high level of repeat purchase confirms strong habitual and behavioural loyalty among the surveyed consumer base.

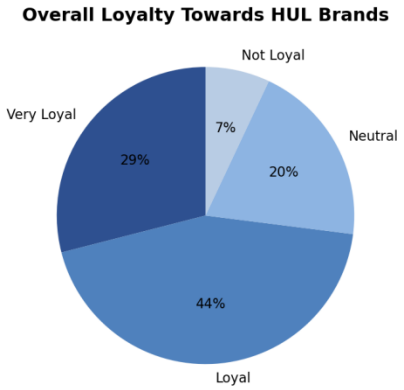
4. Willingness to Recommend HUL Products



Interpretation: 74% of respondents agreed or strongly agreed that they would recommend HUL products to others, while only 11% disagreed. This indicates that brand loyalty towards HUL extends beyond individual purchase behaviour into positive word-of-mouth advocacy, a strong indicator of attitudinal loyalty.

5. Overall Satisfaction & Loyalty Towards HUL

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Interpretation: 73% of respondents classified themselves as loyal or very loyal to HUL brands, while only 7% considered themselves not loyal. This reflects a strong overall loyalty base for the company, though the 20% neutral segment represents an opportunity for further engagement and conversion into committed brand advocates.

IV. FINDINGS

The findings of the study reveal that brand loyalty towards Hindustan Unilever Limited is primarily driven by consistent product quality and trust in the company's reputation, both of which significantly outweigh advertising as a loyalty driver. Most respondents reported a high level of repeat purchase behaviour towards HUL brands, indicating strong habitual loyalty reinforced by years of positive product experience. The study also found that willingness to recommend HUL products to others is high, reflecting a meaningful degree of attitudinal loyalty and brand advocacy beyond mere repeat transactions.

The study further identified price value and product availability as important secondary drivers of loyalty, particularly relevant in price-sensitive and geographically dispersed markets where consistent distribution reinforces habitual purchase. However, respondents also indicated a degree of vulnerability to competitive pressure, particularly from regional value brands and emerging digital-first competitors offering niche or specialized alternatives. Overall, the findings indicate that while HUL enjoys a strong and stable base of loyal consumers, sustained investment in product quality, trust-building, and market accessibility remains essential to defend this loyalty against an increasingly fragmented competitive landscape.

V. CONCLUSION

The study concludes that Hindustan Unilever Limited has successfully cultivated strong brand loyalty across its diverse FMCG portfolio, anchored primarily in consistent product quality and deep-rooted consumer trust. The findings indicate that repeat purchase behaviour and willingness to recommend HUL products remain high among surveyed consumers, reflecting both behavioural and attitudinal dimensions of loyalty. Price value and wide product availability further reinforce this loyalty, particularly in price-sensitive and geographically diverse markets.

The study also concludes that sustaining this loyalty in the future will require continued vigilance against emerging competitive threats, including regional value brands and digital-first challengers that appeal to changing consumer preferences. Although these pressures introduce a degree of risk to established loyalty patterns, they can be addressed through continued innovation, transparent communication of product quality and value, and deeper engagement with the sizeable neutral consumer segment. Overall, the research demonstrates that HUL's long-term brand strength depends on maintaining the trust and quality perceptions that have historically underpinned its market leadership, while adapting proactively to an evolving and increasingly competitive FMCG environment.

VI. FUTURE SCOPE

The scope of this study can be extended in several directions to build a more comprehensive understanding of brand loyalty within the FMCG sector. Future research could incorporate a larger, cross-regional sample spanning urban, semi-urban, and rural markets to examine how loyalty drivers and brand switching tendencies vary across different demographic and geographic segments, given India's considerable diversity in consumer preferences and purchasing power. Longitudinal studies tracking individual consumer purchase

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behaviour over multiple years would provide stronger evidence of how loyalty towards specific HUL brands evolves in response to price changes, new product launches, and competitive entries. Further investigation is also needed into brand-specific loyalty patterns, comparing consumer commitment across HUL's home care, personal care, and food and refreshment categories, since loyalty drivers may differ meaningfully by product type and purchase frequency. Additional research could explore the growing influence of digital marketing, social media engagement, and e-commerce channels on brand loyalty formation, particularly among younger, digitally native consumers. Finally, future studies could examine the impact of sustainability initiatives and ethical sourcing practices on brand loyalty, an increasingly important consideration for FMCG companies such as HUL as environmentally and socially conscious consumption trends continue to grow among Indian consumers.

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