

Recent trends in the business of consumer goods are characterized by a shift from "mainstream" marketing to "segment" or "niche" marketing (Strand, 1990).

In niche marketing, the emphasis shifts from sales and market share to brand loyalty. Volkswagen is a high-loyalty big name in the small car niche. The home computer niche belongs to Apple and not to the giant IBM.

At the level of advertising, brand loyalty building entails a gradual progression from "reach" towards "repetition." While a new product or brand should concentrate on reach to maximize brand awareness, as the brand becomes more familiar, so called "reminder" advertising becomes the strategy with stress on repetition or frequency rather than on reach. Research has established that the repetition of ads leads subjects to a more positive evaluation for a familiar brand, but to a more negative evaluation for an unfamiliar one (Tellis, 1988).

In today's era of brand proliferation attended by rising media costs and clutter, brand loyalty building through mass media advertising is a real challenge (Plummer, 1990).

This work presents a procedure for brand loyalty building using the TV media. The steps involved are:

- (1) To highlight important aspects of brand loyalty and to propose a suitable measure for it,
- (2) To develop a theoretical framework through the visualization of a brand loyal consumer as a sleeping baby, and finally
- (3) To design and develop a computer based Marketing Decision Support System (MDSS) for managers.

The theme for this dissertation originated from my interactions with managers and executives of advertising agencies as well as manufacturing companies. The problem was put to me very simply and succinctly:

"My company specializes in a consumer soft (a jargon for repeatedly purchased packaged goods) and I have an advertising budget to be spent over the next six months on three brands. Is there a scientific way of going about it so that I get the best results from my advertising money?"

We put the question in the right perspective by noting that the three most crucial questions of advertising management are:

- (1) How much to spend
- (2) How to spend
- (3) Evaluation of a Campaign

Currently, most companies deal with the first two questions as two independent activities, the second following the first, while the third question finds little place either on the advertisers' agenda or in text books. As Lodish (1986) puts it:

If consumers do not change either long-term or short-term purchasing behaviour as the result of an advertising or promotional program, then the program has no value. But how many companies are measuring such program related changes in consumer behaviour?

Here an attempt has been made to tie up all the three questions within the single framework of an MDSS, based on a statistical model employing econometric techniques.

Specifically, we will start with the question of "how to" and arrive at the answer to "how much" while providing a suitable measure for the purpose of evaluating an advertising campaign aimed at brand loyalty building.