Study on Customer Perception about the Advertising and Branding on Automobiles

Manjunatha R G

HarshaKumar H S

3rd semester MBA

Post graduate Department of Business Administration

Alva's institute of engineering and Technology

Mijar, Moodbidri, Dakshina Kannada

harshaliki99513@gmail.com

rgmanjunatha54@gmail.com

Abstract

It's possible that the increase in disposal income in India's rural as well as urban areas is what's causing the country's automobile industries to make such impressive profits day after day. It demonstrates that the product satisfies consumer needs and that the entire financial institution makes it simple to obtain financing. With numerous new manufacturers entering the market and others like Audi, BMW, Jaguar, and Porsche all ready to enter the Indian markets, the competition in this industry is only getting hotter. Knowing and developing a personality for their brands is one aspect that could aid businesses in the marketing of their goods.

Top vehicle brands' and advertising's difficulties are seen to be less significant. According to the Consumer Reports National Research Centre's survey on perceptions of vehicle brands and advertisements, this is the result. The survey's steadfast leaders, Toyota, Ford, Honda, and Chevrolet, kept their top spots but saw the points differential narrow. In actuality, the majority of the most well-known businesses and advertisements witnessed double-digit decreases in their overall scores. This move has been advantageous for smaller businesses, as demonstrated by the entry of the small electric-car manufacturer Tesla into the top The results of the survey show how customers rate each brand in seven categories, including performance, value, and safety. green or environmentally responsible design, fashionable design, and innovative technology. The total brand perception score is obtained by combining those variables.

We also asked respondents to rate the significance of each element in buying an automobile in the poll. The top factor, like in previous years, was safety, which was then followed by quality, value, performance, environmental friendliness, design and style, technology, and innovation.

Indians are now known for being ardent car aficionados, and their favourite vehicles serve as both status symbols and fast cars. Foreign automakers are establishing manufacturing facilities all over the nation at lower prices after learning about the Indian market and the R&D potentials in the technical community in India. The demand for all types of automobiles in the Indian automobile sector is currently enjoying an unprecedented boom. The two main causes of this surge are an increase in discretionary income and the living standards of middle-class Indian families, which are thought to number up to four million. Second, the Indian government has taken a number of liberalisation steps, including easing the restrictions on foreign exchange and stocks, lowering import tariffs, and liberalising the banking sector.

Even though Toyota's brand perception has significantly decreased from last year's study findings, the company still retains its leadership position. Other well-known manufacturers including Ford, Honda, and BMW saw scores decline by more than points. With modest single-digit declines, Cadillac and Chevrolet, two of General Motors' top brands, fared somewhat better.

Introduction

The automobile business is currently the most profitable industry. Between June 2005 and June 2006, sales of passenger automobiles increased 38% annually when compared to the same period the year before, thanks to an increase in both rural and urban disposable income and the availability of credit from all financial institutions. As more established manufacturers like Porsche, Bentley, Audi, and BMW prepare to enter the Indian markets, the competition is growing as new competitors are entering the market. One thing firm can do to help with product marketing is to become aware of and establish a personality for their brands.

This article attempts to respond to questions about the brand personalities of specific cars in India by doing market research. The many portions of this study address the brand personality introduction, the firms selected, the product, and the industry.

Currently, the automobile industry is the most profitable sector of the economy. Due to increased disposable income in both rural and urban areas and the availability of financing from all financial institutions, passenger car sales increased 25% annually from June 2005 to June 2006 compared to the same time the year before. The market is seeing a number of new competitors enter, and others, like Porsche, Bentley, Audi, and BMW, aim to enter the market.

In the last ten years, India's automotive industry has witnessed substantial change. This sector in India is expected to increase by close to 3.62 percent yearly. customer inclinations due to exposure to a vast array of information sources, complicated and undergoing rapid change. Therefore, it has never been more important for retailers to understand consumer preferences. This research focuses on consumer preferences and buying patterns when it comes to buying cars.

Consumer pleasure is necessary for marketers to survive. Customer happiness is influenced by their expectations and the brand's actual performance. Advertising is very important in determining brand preference. Every person in today's highly communicative environment is influenced by advertising to some extent. both the public and private sectors, or both the domestic.

Review Literature

The literature review will contain important articles and studies that look at how to improve consumer attitudes, preferences, and satisfaction with regard to branded products, with a focus on automobiles. Due to the growing competition and changes in the business environment, businesses must create customer-focused strategies that are based on service quality, customer pleasure, and customer loyalty. Different attitudes and needs exist among today's consumers. They assert that many customer attitudes are challenging to ascertain by conventional approaches. Customer satisfaction is crucial to a company's marketability and long-term sustainability. Customer satisfaction necessitates having a competitive advantage.

Several scholars concur that a brand generates in customers emotions impacted by their encounter with the brand. Mirica, Kanovska, Mala, and Bencikova (2018); Branding is seen as a separate marketing tool, which is a significant consideration because it is the aspect of the product that sets it apart from other

items. (2017) Moravcikova et al. The brand has a big impact on what people decide to buy and how satisfied they are (Gogolova & Majerova, 2014).

More so if we are talking about vehicles where buyers often act logically and where the purchase choice is influenced by a variety of factors. Quality is a crucial element that is connected to the brand. While customers' perceptions of quality are influenced by outward signs.

The industry that combines invention, technology, ingenuity, and ideas to advance the economy of the country is the automobile sector. Consumer behavior in the auto industry is changing as a result of digital technologies and advertising. Businesses have also come to understand the enormous potential of digital marketing and advertising, and how to keep their digital marketing portfolios active while also offering their goods and services a digital edge. The largest creator of online talks, according to Millennial Media's (2011) study, is the automotive industry. Customers that receive automotive content watch it once a week on average, and 21% do it daily. Businesses may easily increase conversions by using innovative marketing strategies and compelling content. According to a survey conducted by a top internet research firm, 62% of individuals would in the near future utilize the Internet as their main source of information when buying a car. People are also falling for applications for smartphones and mobile vehicles. In order to share their experiences with other like-minded customers, People are becoming engaged and proud participants in the online communities for their specific automakers. Public opinion favours the company's use of all digital marketing strategies, including banner ads, online test drives and vehicle reservations, tailored advertising, etc. The car industry is witnessing increasing sales and more rivalry, which calls for a focused investment in digital advertising, according to Havas Digital Insight (2011).

Statement of the Problems

Due to the rise of globalization and liberalization, the automobile manufacturers are engaged in a fierce competition and are concentrating their efforts on capturing the Indian markets. Previously regarded as a luxury, driving is now a part of daily life and is therefore a necessity. Customers no longer believe that yesterday's extravagances are today's necessities. It is crucial for marketers to research potential customers' impressions and identify the factors that contribute to those perceptions. A brand is composed of a name, a symbol, and a visual element. Consumer perceptions and opinions about a product's performance are reflected in brands. The most powerful brand is the one that is most present in the consumer's mind. Every brand has a different level of power and worth in the market. In the market, certain businesses are usually unheard of by the consumers, while other brands display a very high degree of recognition. Due to their enthusiasm for the brand's performance, consumers don't think twice about buying products with high acceptability brand names. Some businesses commend consumers who have a high level of brand loyalty.

The following are the primary issues that this study has identified:

- Is there a connection between customers' intentions to buy vehicles on social media and brand perception?

- Is there a connection between social media advertising and customers' intentions to buy vehicles on social media?

- Is there a strong link between brand equity and customers' intentions to buy vehicles on social media?

Objectives of the Study

The goals of the current investigation are as follows:

1. To learn more about India's automobile industry.

2. To understand the buying decision-making process.

3. To research Indian consumers' buying behavior.

4.To determine consumer satisfaction with automobile items and their   purchasing habits.

5. To know about brand image of automobiles in current market.

Scope of the Study

The car is now a necessity and plays a significant role in modern life. It is a well-known fact that the car has evolved into a need and an essential part of life for even middle-class individuals as a result of rising spending power and a shift in lifestyle toward luxury. Hence, there is an amazing amount of room to explore the demographic traits, purchasing preferences, and perceptions of car buyers. India is a prospective market for all consumer goods and services, particularly automobiles. The residents have begun purchasing cars for personal usage, business use, or the upkeep of social status as a result of their increased purchasing power. Only the top 10 most well-known brands of automobiles have been included in this analysis due to the large number of market participants in the automotive industry. They are Ford, Renault, Chevrolet, Volkswagen, Tata, Toyota, Hyundai, Mahindra, Maruti Suzuki, and Honda with the use of knowledge about the different market segments' purchasing behaviours, a seller can select their target market segment and adopt marketing strategies to increase sales. In order to suit their demands, marketers and advertising have been seeking to understand why people purchase cars as well as what additional characteristics they look for in a vehicle.

Need for the Study

With a current annual revenue that contributes for approximately 5% of India's GDP, the automobile industry is one of the nation's primary industrial sectors (GDP). 13 More crucially, it directly supports 10 million jobs and employs close to 2 million people. Due to the fact that the sector contributes for 19% of indirect taxes, it is important for defining national policy. Its prospective function might be revealed by another interpretation of global historical trends. Growth in a society's per capita (GDP) is accompanied with a rapid increase in the need for mobility among the populace. During its current period of economic expansion, India's people is projected to have a high need for personal mobility. When examining the Indian market environment, it becomes evident that the nation's auto industry has been a relatively protected sector with import duties that limits the admission of foreign companies. As part of a larger push to liberalise its economy, India has opened up the sector to foreign direct investments and has steadily lowered trade restrictions. Today, practically all of the largest multinational companies with operations in India manufacture two-wheelers and passenger vehicles in almost all size categories. India was the sixth-largest auto manufacturer in the world in 2015. 2022 Indian automakers manufactured a record 23.4 million vehicles. 2014–15 (Apr–Mar) includes 3.22 million passenger cars. 500301 passenger cars were built in 2001–2002. It increased to 2590917 in 2014–15, which represents an increase in passenger cars relative to 2001–02. From 2001-2002 to 2014-15, there was an overall increase of 417.87%, or an increase of 32.14% per year. In 2014–15, there were 71636 more passenger cars than in 2013–14 (a 2.84 percent increase). About 22.1 million cars will be produced in 2022. The auto industry has grown at a compound annual growth rate of over 75% over the last five years. The demand mix has also changed,

with sales of various car brands showing an accelerated trend. Due to their higher income, the middle-class family was able to fulfil their dream of getting a car that was more affordable for respondents in the middle-middle and low-middle categories.

Hypothesis

The objectives have been given a specific focus, and hypotheses have been developed to evaluate them using relevant statistical techniques. It calls for the creation of hypotheses during the entire analysis process. The study's null hypotheses were the following.

H1: There is no statistically significant correlation between consumers' preferences for different car brands and their demographic characteristics.

H2: The criteria have no appreciable impact on consumer preference for particular car brands.

H3: The brand image of the car is not strongly predicted by the car's features.

H4: The issues experienced by car buyers are not significantly different between the sexes of the respondents.

H5: There are no appreciable disparities in the issues faced by car buyers across the respondents' various age groups.

H6: The challenges faced by car consumers are not significantly different depending on the respondents' literacy levels.

H7: There are no appreciable disparities in the issues experienced by car buyers across the respondents' current jobs.

H8: The challenges experienced by car buyers are not significantly impacted by the respondents' monthly wages.

Methodology

To reduce errors in data gathering and processing, research methodology must be solid. The research design, research approach, research strategy, research variables, selection of the car brand and study area, resources for data collection, population, sampling procedure, study period, research instrument, pilot study, reliability and validity of the research instrument, data collection, data processing, data analysis strategy, ethical considerations, limitations of the study, and report format are all part of the methodology used in the current study.

Research Design

Determining the overall design, such as exploratory, descriptive, or explanatory (causal research), choosing a sample size, picking data collection methods, developing the research tools, and formulating a plan for data analysis are all important considerations. In order to identify prospective future study topics, exploratory studies often have a looser structure. Typically, the purpose of exploration is to generate hypotheses or future study questions.

Research Approach

The most prevalent research techniques in the social sciences and humanities are quantitative and qualitative. Furthermore, social science research may be conducted in a quantitative, qualitative, or mixed setting. 6 By incorporating both qualitative and quantitative research approaches, this study incorporates

both. The research was qualitative, therefore the researcher looked at a variety of qualitative characteristics.

In order to get the logical inferences from the respondents' comments, the researcher has quantified their responses, which is a quantitative aspect of research. As a result, the study was carried out using a mixed research methodology.

Research Variable

To answer a research topic or pass hypothetical assessments, the differentiation of variables is required. Researcher's primary areas of interest include link between many factors. The following types of variables were used in this study:

1. A physical or social environment feature has been accepted as an independent variable when it has been chosen, interfered with, or modified by a quantitative variable so that its impact on other variables (dependent variables) can be identified.

2. A dependent variable is one that alters as a result of the independent variable.

3. A moderating variable is a second independent variable that is included because it is believed to have a significant contributing or contingent impact on the initially stated outcome.

Automotive brands, features of factors that influence consumer buying preferences, and car attributes are independent variables in this study. And the regularity of the dependent variables are customer buying preferences, influencing factors on consumer buying preferences, the car's brand image, consumer perception, and consumer difficulties. Additionally, demographic characteristics of the respondents, such as gender, age, reading level, etc., are thought of as moderating variables.

Resources of Data Collection

Primary information has been gathered from car owners in the study area. The required information was gathered during the survey using a structured question is framed that was asked to people. Background information and secondary data for the study were collected from a range of published and unpublished sources, including, among other things, journals, magazines, publications, reports, books, daily, periodicals, websites, automobile band manuals, and car band booklets. This effort was mostly carried out online.

Selection of Car Brands

Maruti Suzuki, Hyundai, Mahindra, Honda, Tata, Toyota, Ford, Renault, Chevrolet, and Volkswagen were among the top 10 automakers as of October 2015 that were used in this study to analyse consumer buying habits and attitudes about various vehicle brand types.

Data Analysis and Findings

The empirical data that I have acquired for my study is presented in this chapter. I included illustrations in the chapter to help readers understand how the text and study relate to one another. Additionally, it displays the respondent's demographic data and a statistical analysis of the data gathered from the respondents. We conducted a primary data by google form, in that we asked some general question, the question are as follow.

1. What is the Car brand you would prefer to purchase?

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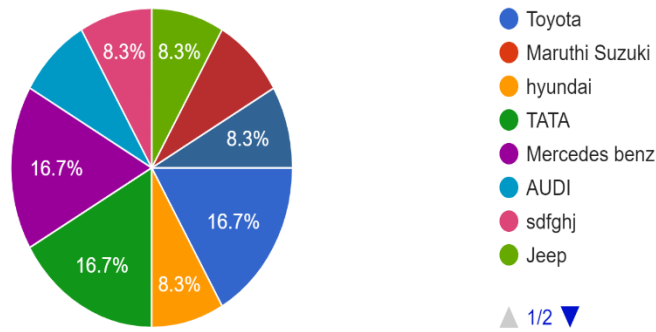
In the above circle the demographic variable occupation indicates that 16.7% respondent are prefer to purchase the Toyota, 8.3% are Hyundai, 16.7% are Tata, 16.7% are Mercedes Benz, 5% are Audi, 8.3% are jeep.

2. What influence you the most to make purchase decision
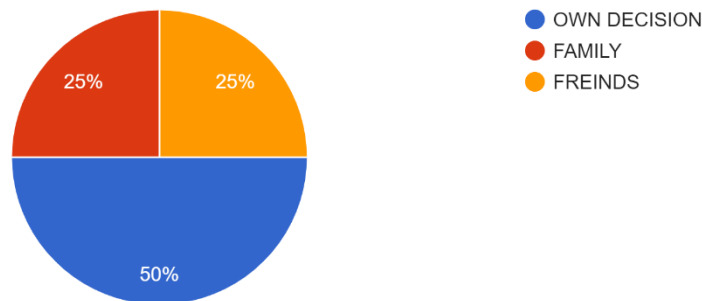
In the above circle the demographic variable occupation indicates that 25% respondent are decided by own to purchase the car. 25% are influence by family members.

3. What are attributes you consider while buying the car.
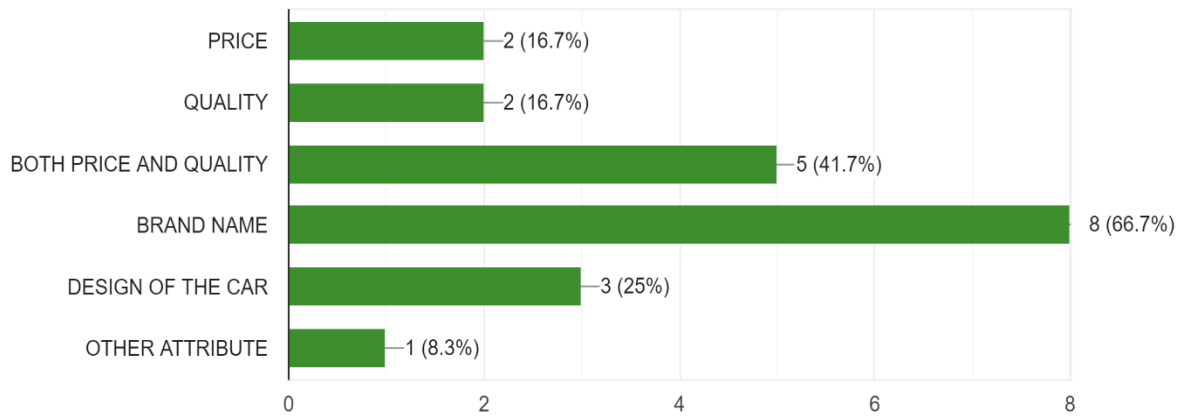
In the above table 16.7% are looking consider the price while buying the car. 16.7% are consider the quality. 41.7% are consider the both price and quality. 66.7% are consider the brand name. 25% are consider the design of the car. 8.3% are consider the other attributes.

4. How many numbers of brands you took into consideration before finally making mind to purchase the car.
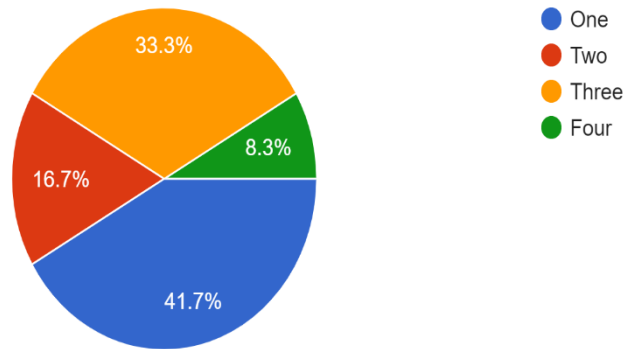

In the above circle shows 33.3% people consider three brand while purchasing the car, 8.3% people consider four brand, 16.7% people consider two brand, 41.7% consider only one brand while purchasing the car.

5. How frequently you look up information about the standards of well- and lesser-known brands.
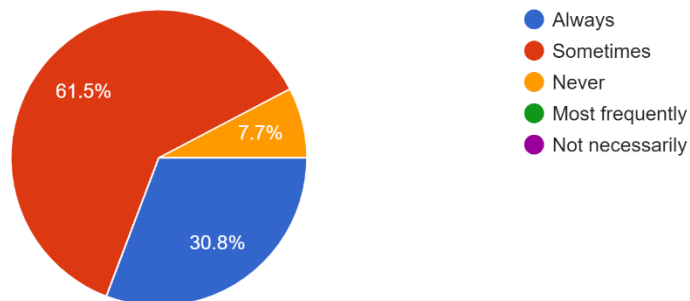
It showing nearly 30.8% are always checking brands of the car, 61.5% are sometimes, 7.7% are never checking brand information.

6. What extent the brand name is more important than the desired attributes of the product.
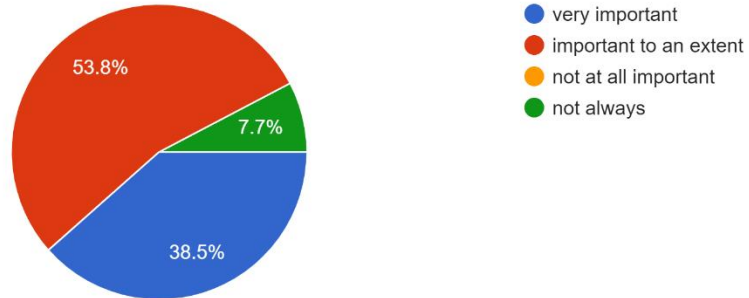
Nearly 38.5% believe that the brand name is more significant than the desired traits, 53.8% agree to some extent, and 7.7% disagree, saying that the brand name is not always more significant.

7. What advertisement method that influence you the most to buy the car.
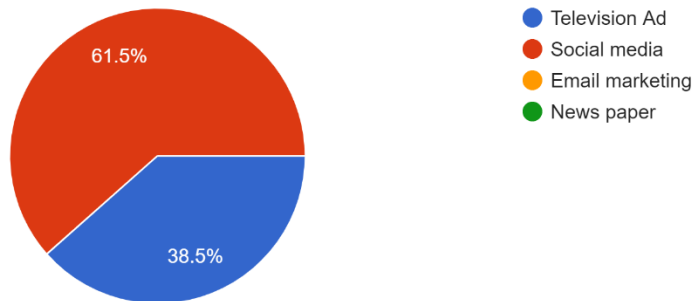
61.5% people influenced by social media advertisement to buy the car, 38.5% are influenced by television.

8. Would you prefer to buy the car by looking at Advertisement.
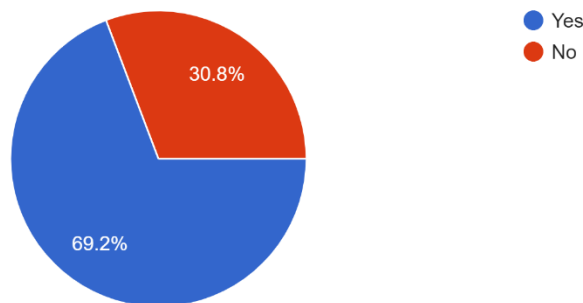
69.2% are saying yes while 30.8% are saying no.

I intended to take into account how brand recognition affects consumer decision-making when choosing an automobile with this survey. When choosing a brand to buy an automobile, customers consider the name of the company. The survey's outcome is highly encouraging and demonstrates that brand names influence the consumer's decision in the automotive sector.

Findings

Brand Equity

I have described a brand as a group of related brand assets and liabilities in my theoretical framework. These associations, which relate to brand name and symbol, affect how valuable a product is to the company and its clients. Brand equity traits are closely related to the brand name and symbol. All of a brand's assets and liabilities are affected by changes to the name or logo.

Brand Loyalty

Brand loyalty is an indicator that a consumer prefers to purchase a particular brand because they believe it to possess the most alluring traits, images, or standards of quality at the most competitive price. Brand loyalty is a strategy to support a brand and encourage long-term recurrent purchases of that brand. When a consumer is devoted to a brand, they will frequently buy the same item.

Consumer Behaviour

Brand loyalty is a sign that a customer wants to buy a specific brand because they think it offers the most enticing characteristics, pictures, or quality standards at the most affordable price.

A technique to sustain a brand and promote long-term recurrent purchases of that brand is called brand loyalty. One method to show brand loyalty is to always purchase the same item.

Conclusion

In the first stages of this thesis, I attempted to show how a customer's decision is influenced by brand, which is highly significant to them. Today, most consumers opt for branded goods because they believe in the name and the products' quality. I therefore made the decision to conduct research to determine how brand recognition affects consumer choice.

I researched many ideas for my thesis and conducted a poll that asked specific questions about these problems. I looked for data that might help me in my quest for solutions. I made judgements about the data I acquired based on these theories and my own empirical observations. Additionally, I was interested in learning how brand names affect consumers' decisions when they are considering buying a car.

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