Brand Experience in the Car Industry

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ABSTRACT

Branding is a critical element of marketing and is the essence of attracting prospective customers. The brand needs to have a package of various elements that create a bond between the product and the customer. Over a period of time, this bond has to grow and become strong such that customers remain loyal. Passenger vehicles on the roads have increased tremendously with bumper to bumper traffic becoming the norm. There are a plethora of car variants always claiming to have more value-addition. Cars are of all shapes, hues, designs, seating and storage capacity. Manufacturers who have collaboration between Indian and foreign companies seem to be doing better. Research was undertaken in the passenger car industry at the city of Chennai, a smart city designated by the Government of India. The objective was to investigate the impact of certain variables on the experience with the car brand and the manufacturer. Variables impacting car brand experience that were chosen for the research comprised Brand Partner Quality, Self-Connection, Intimacy, Passion and Trust. The relationship between car brand experience and brand loyalty was also assessed. Tools like multiple regression analysis and correlation were used. Results reveal the extent of impact of these variables.

Keywords: Brand Experience, Brand Partner Quality, Brand, Car, Experience, Loyalty, Relationship Quality, Self-Connection, Intimacy, Passion and Trust.

INTRODUCTION:

Passenger vehicle sales in India have been steadily increasing over the last decade. The month of December 2017 witnessed mixed results. Some companies had gained as compared to the previous year while others did not register growth.

Table 1: Passenger Vehicle Sales in India

Company	December 2016	December 2017	Percentage Change
Maruti Suzuki	106,388	118,560	11.4%
Hyundai Motor	40,057	40,158	0.3 %
Mahindra	16,799	15,543	-7 %
Tata Motors	10,827	14,180	31 %
Toyota Kirloskar	12,747	10,793	-15.32 %
Honda Cars	10,071	12,642	26 %
Ford India	5566	5087	-8.60 %

Source: www.autocarindia.com

It can be observed from Table 1 that only four companies were able to witness growth. Such companies were Honda Cars, Hyundai Motor, Maruti Suzuki, and Tata Motors. The remaining three companies had a decline in the volume of sales and these included Ford India, Mahindra, and Toyota Kirloskar.

REVIEW OF LITERATURE:

Brand Partner Quality:

Pajaree (2015) assessed the factors influencing consumer behaviour on brand-new car purchase decision making in Thailand. It was found that brand reliability, model reputation, quality and performance, safety, design, brand partnering quality, fuel consumption, and engine capacity are most important factor in car purchase decision making. Moreover, advertisement and promotion, test drive experience, reference group opinions, after sale service, availability of spares, and previous brand experience have influence on decision making. Results of the study showed that the customer considers the factors like, stylish view, fuel economy, better performance, affordable cost, and partnering quality of company while purchasing brand-new cars. Subsequently, opinion survey, reliability, reputation, promotion, and second-hand sale have significant influence of car purchase. It was concluded personal satisfaction, product quality, service excellence, and relationship quality are the predominant factors in capturing minds of new car buyers.

Ahmed et al. (2013) investigated the brand choice of customers on car purchase. This study has revealed that car purchase vastly depends on various factors connected with the car, dealer, company and personal attributes of the customer. This study emphasised that spare parts availability, brand image, brand partnership, durability has involved in selecting a particular brand car. Furthermore, design, colour, resale value, service cost, fuel economy, driving comfort, and luxurious look are also the expectation of customers while purchasing cars. Moreover, brand partnership quality and association with the customers attract new customers. Findings of the study revealed that Toyota is most penchant brand, followed by Ford, BMW, Honda, Mercedes-Benz and Volvo cars. It was concluded that safety, brand image, brand partnership, durability, comfort and luxurious look, design, technology are the main factors involved in car purchase.

Self-Connection:

Aswathy et al. (2012) attempted to check role of prior product knowledge to information search in Indian car market. This study recognized that buyers are searching information regarding the car preferred to buy. It was found that the buyers attempt to check, mileage, engine capacity, features in cars, performance, stylish look, interior, and safety elements in the car. Prior product knowledge increases buyer awareness while searching car to buy. Results revealed that the buyer self-connection and attachment with the particular brand induced to purchase the car. Findings of the study revealed that perceived ability to search, motivation to search, prior product knowledge, and perceived value of additional information are the significant factors in car purchase. It was concluded that prior product knowledge guides the buyers to search relevant information while making car purchase decisions.

Menon and Jagathy Raj (2012) checked the consumer purchase behaviour of passenger cars. It also examined self-connection with the brand by checking actual past behaviour and its influence on behavioural intentions. This study also revealed that information collection, personal need, convenience, comfort, car model, manufacturer and dealer, satisfaction, and external factors influence behavioural intentions. Moreover, self-connection and fondness with the brand has big influence on behavioural intentions. Furthermore, fuel efficiency, value for money, power and performance, model attraction, resale value, technology, safety, and riding comfort shapes satisfaction of buyers. Findings also revealed that style of the car, appearance, after-sale service, experience, and luxurious value have change buyer behaviour towards car purchase. It was concluded that available car models and brands, website search, showroom visit, test drive also educates car information to the potential buyers and effects on their behavioural intentions.

Intimacy:

Akila et al. (2015) examined the brand preference and purchase behaviour of b-segment passenger cars of customers. This study also attempted to check the decision-making practice of customers, both personally and in group so as to buy a car. It was found that the individuals are taking decisions based on their own knowledge and consultation with reference groups. The new car buyers are purchasing cars, on the basis of reference group recommendations. Results revealed that customers give more emphasis on fuel economy, product quality, utility and technology features associated with the car. In addition to that they prefer to buy passenger car which offer durability, reasonable price, and driving comfort. This study revealed that the customers are considering space, size, technology, interior, comfort, mileage, colour, engine power, and availability of spare while purchasing b-segment cars. It was concluded that the brand intimacy from the company increases customer preference on b-segment cars.

Kale (2012) assessed the sources of innovation and technology capability development in the Indian automobile industry. This study revealed that the progress of auto sector resulted with the presence of Indian industrial policies on development of innovative capabilities in Indian firms. The technology innovation brings innovation in the cars,

which makes need fulfilment of customers. Results indicated that intimacy regarding safety and protection standard, development of technical capacities, and stylish build quality attracts customers. It was found that innovative technology gradually changed car features from creative simulation to modernization. Findings of the study revealed that continues innovation in car technology adds various features which fulfils the expectation of customers. It was concluded that sources of innovation and technology increases customer satisfaction.

Passion:

Gupta et al. (2017) investigated the purchase behaviour of customers on hatchback cars. Purchase behaviour of customers depends on various factors connected with the hatchback car. It was found that interior, technical specification, safety, maintenance cost, fuel cost, and promotional activities of the company shapes purchase behaviour of customers. The study also found that customer attachment and passion towards hatchback car shapes their mindset to purchase the desired car. Results indicated that price, technical features, responsiveness, reliability, value added service, and awareness and passion are the main factors considered by the buyers on purchase of a car. Findings revealed that the connection between age of the customer and their purchase decision towards hatchback car. It was concluded that the car makers should increase their car performance in terms of fuel efficiency, innovation, reduction of weight to attract more customers.

BhuwanandNisha (2013) examined the consumer perceptions and behaviour of car owners. It was found that consumer need to buy a car is based on the information gathering from internet and peer group. This study divulged that the factors like, re-sale value, value for price, market reputation, and availability of genuine parts affect consumer perceptions towards purchase of cars. This study stressed that the positive perceptions of customers assists to form positive behaviour on purchase of cars. Similarly customers own fondness and passion to a specific car makes certain perception and behaviour towards its usage. Results revealed that company brand image, mileage, performance, exterior look, interior design, price, safety, and comfort features have considerable influence of car purchase. It was concluded that advertisements, internet develops consumer knowledge and perception to purchase cars.

Trust:

Zolkifly (2013) examined the customer satisfaction towards national car attributes among Malay, Chinese and Indian car buyers. This study has identified that four attributes such as safety features, appearance, standing charges, and resale value in customer satisfaction. Results revealed that the attributes have significant influence towards customer satisfaction in national car purchase and ensures high trust on the brand. It was found that the standing charges has weak positive associated with customer satisfaction. It showed that standing charges has low effect on customer satisfaction. Resale value has significant positive effect on customer satisfaction towards national car purchase. Findings revealed that the safety features and appearance have direct and positive effect on customer satisfaction. It was concluded that Malay customers was highly satisfied, followed by Indian and Chinese customers with national car.

Menon and Jagathy Raj (2012) observed the factors influencing consumer buying behaviour of passenger car. This study revealed that personal needs, convenience, and comfort are the main features of personal preference. Moreover, innovation, fuel economy, brand value, price design, safety features, driving comfort and entertainment factors have influence on car selection. Satisfaction on brand, model, resale value, performance, style, peer group recommendation also alters consumer's car purchase behaviour. Results revealed that satisfied car buyers are more likely to resort to repeating purchases, which establishes high trust on the brand among the buyers. Findings stressed that brand trust helps to increase brand loyalty and encourages potential buyers to buy the brand. It was concluded that both personal characteristics and product features have impact on consumer purchase behaviour of passenger cars.

Brand Experience:

SuganthiandRenuka (2016) conducted this seminal work to assess customer satisfaction towards Maruti Swift car. Under compact car segment, it is the most preferred car by large number of customers. This study revealed that the customer need fulfilment while driving a car increases their experience and satisfaction. This study discovered that car size, colour, mileage, maintenance cost, brake, warranty, after sale service, capacity, and spare parts availability are potential influencers of customer satisfaction. Results indicated that personal profile variables such as, age, gender, educational qualification, and income have positive relationship with the influencers of customer satisfaction. Moreover, occupation and family size have negative relationship with the influencers of customer satisfaction. In conclusion, it was found that satisfaction factors are forming positive brand outlook and experience among the customers.

Duaand Savita (2013) endeavoured to scrutinize customer satisfaction on Tata cars. This study revealed that customer satisfaction is vital for all business activity; satisfied customers can make repeated purchase and share their brand experience with others. It was also found that the outcome of customer satisfaction is in the form of loyalty, repeat purchase, referrals, high retention, and premium safety. Results indicated that price, design, safety, fuel cost, interior space, status, comfort, spares, and after sale service confirms the customer satisfaction Tata cars. Besides, customer welfare in the form of relationship management like insurance, finance, claims and so on associated with developing positive brand experience. Positive brand experience enhances customer satisfaction and brand loyalty. Findings revealed that the most influencing factors of customer satisfaction of Tata cars were price, fuel cost, and interior space. It was concluded that customer satisfaction and loyalty is high with Tata cars.

Balakrishnanand Jagathy Raj (2012) analysed the consumer purchase behaviour towards passenger cars. This study revealed that internet marketing, consumer politeness, family influence, virtual brand, price, service package, customer satisfaction and loyalty, brand experience and loyalty are the determinants of car buying behaviour. This study also emphasised that information search, personal needs, convenience, comfort, dealer influence, model influence, external influences, and satisfaction determines the buying behaviour of customers. Moreover, the customer experience on car, service, brand value, performance, and maintenance plays significant role in influencing potential car buyers. Findings revealed that the positive perception on dealer and showroom experience, value, car image, offers, and after sale service enhances customer satisfaction. It was suggested that car makers should focus on innovation in cars to attract more buyers.

Sanitthangkul et al. (2012) investigated the factors affecting consumer attitude toward the use of eco-cars. This study expressed that increasing fuel cost and saving habits have put the pressure on the development of energy saving cars. This study revealed that the customers have experience on using petrol or diesel variants. They are satisfied with the performance of the car, which also convenient to operate. Results revealed that the consumers are showing hesitation to use eco-car due to its slower acceptance among car buyers. It was found that psychological factors, such as, attitude, personality, lifestyle, self-image, and past experience have considerable influence on decision to purchase eco-cars. Moreover, risk, company reputation, warranty, brand image, and ease of use have significant impact on the use of eco-cars. It was concluded that the consumers show high preference on traditional cars than eco-cars.

Brand Loyalty:

Loureiro et al. (2017) examined the influence of corporate brand reputation on brand attachment and brand loyalty in automobile sector. This study considered Tesla, Toyota, and Volvo brand cars. It was also found that customer orientation, product quality, service quality, and reliability are tested. Moreover, customer's help to others, customers help to company, and social and environmental responsibility are tested on brand reputation. Findings showed that when considering brand loyalty, all dimensions have significant influence on brand loyalty of Toyota cars. In case of Volvo brand, reliability and social and environmental responsibility do not have significant influence on brand loyalty. It was found that Tesla does not have such kind of brand reputation among the customers. It was concluded that brand reputation have significant positive effect on brand attachment and brand loyalty.

Manzoorand Shaikh (2016) conducted this seminal work on brand equity and purchase intention in Indian automobile sector. It was found that perceived quality, brand loyalty, brand awareness, and brand association are the antecedents of purchase intention. This study was revealed that consumer learning, consideration, and choice are influenced by brand awareness of the consumers. Brand association assists the buyer to rescue information relating to a brand, distinguish the brand, expand a reason to buy the brand, increase a constructive and optimistic attitude on brand. Perceived quality is associated with the customer feeling towards brand purchase and use. Brand loyalty is concerned with buyer commitment to purchase a brand repeatedly for long-term. It was concluded that perceived quality, brand loyalty, brand awareness, and brand association have a positive direct influence on consumer buying decision.

SuryatiandKrisna (2015) scrutinized that various determinants of customer satisfaction and its implication on customer loyalty towards Honda brand. This study expressed that product quality, brand image, and price have direct association with customer satisfaction of a brand and it lead for customer loyalty. This study also attempted to test the relationship among these variables. Results revealed that product quality, brand image, and price have positive and significant influence on customer satisfaction. It was also found that product quality is largely depends on durability, brand image is concerned with strength of brand association, and price depend on comparison with other brands. It was concluded that customer satisfaction on Honda brand have significant and positive influence on customer loyalty. This study was suggested that providing better service and quality of brand can improve customer satisfaction and increase brand loyalty.

Liu (2012) examined the role of brand country of origin influence on the brands customer-based brand equity. This study particularly focused on the perception of customers on Chinese car brands, and also aimed to recognize customer-based brand equity is impacted by Chinese brands. Results of the study revealed that negative awareness and influence has been found among the Chinese product, which has tremendous impact of purchasing habit and brand loyalty. Moreover, it is confirmed that the country of origin influences the customer-based brand equity and which form consumer perception with regard to brand loyalty. Findings revealed that country of origin with enough brand loyalty helps the customer to make buying decisions. It was concluded that brand image, country of origin, and customer-based brand equity have significant impact on Chinese car purchase.

METHODS:

Structured questionnaire was administered to 1,114 car owners who had purchased passenger vehicles in the last three years. The survey was undertaken at Chennai and deliberate sampling was employed. The instrument possessed good reliability and internal consistency based on Cronbach values. Content, convergent and discriminant validity was also established.

ANALYSIS AND DISCUSSION:

In this study, the dependent variable is Car Brand Experience, Independent variables are Trust, Passion, Brand Partner Quality, Self-Connection, and Intimacy. The analysis is discussed as follows.

The Dependent variable was Car Brand Experience (Y) and the Independent variables were Trust (X_1), Passion(X_2), Brand Partner Quality (X_3), Self-Connection (X_4), and Intimacy (X_5).

The model summary is depicted in Table 2 and the analysis of variance in Table 3.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.623a	0.388	0.386	5.695

a. Predictors: (Constant), Trust, Passion, Brand Partner Quality, Self-Connection, Intimacy

Table 3: ANOVAa

	Model	Sum of Squares	df	Mean Square	F	p
1	Regression	26971.251	5	5394.250	166.337	0.000b***
	Residual	42547.666	1312	32.430		
	Total	**69518.917**	**1317**			

a. Dependent Variable: Brand Experience
b. Predictors: (Constant), Trust, Passion, Brand Partner Quality, Self-Connection, Intimacy
*** significant at $p<0.001$

The Multiple R value was 0.623 while the R Square value was 0.388. The F value was observed to be 166.337 and p values was significant at 0.1%.

The multiple correlation coefficient being0.623 measures the degree of relationship between the actual values and the predicted values of the Car Brand Experience. Because the predicted values are obtained as a linear combination of Trust (X_1), Passion (X_2), Brand Partner Quality (X_3), Self-Connection (X_4), and Intimacy (X_5), the coefficient value of 0.623 indicates that the relationship between Car Brand Experience and the five independent variables is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is0.388 simply means that about 38.8% of the variation in Car Brand Experience is explained by the estimated SRP that uses Trust, Passion, Brand Partner Quality, Self-Connection, and Intimacy as the independent variables and R square value is significant at 0.1% level.

The multiple regression values for the variables are summarised in Table 4.

Table 4: Variables in the Multiple Regression Analysis

Variables	Unstandardised co-efficient B	Std. Error of B	Standardised co-efficient Beta	t value	p value
Constant	3.328	0.851	-	3.913	0.000***
X_1	0.194	0.094	0.063	2.054	0.040*
X_2	0.232	0.083	0.068	2.804	0.005**
X_3	0.538	0.039	0.371	13.769	0.000***
X_4	0.360	0.071	0.155	5.073	0.000***
X_5	0.207	0.058	0.115	3.548	0.000***

* Denotes significant at 5% level; ** Denotes significant at 1% level; *** Denotes significant at 0.1% level

The multiple regression equation is

$$Y = 3.328 + 0.194X_1 + 0.232X_2 + 0.538X_3 + 0.36X_4 + 0.207X_5$$

The coefficient of X1 is 0.194 represents the partial effect of Trust on Car Brand Experience, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Car Brand Experience would increase by 0.194 for every unit increase in Trust and this coefficient value is significant at 5% level.

The coefficient of X2 is 0.232 represents the partial effect of Passion on Car Brand Experience, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Car Brand Experience would increase by 0.232 for every unit increase in Passion and this coefficient value is significant at 1% level.

The coefficient of X3 is 0.538 represents the partial effect of Brand Partner Quality on Car Brand Experience, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Car Brand Experience would increase by 0.538 for every unit increase in Brand Partner Quality and this coefficient value is significant at 0.1% level.

The coefficient of X4 is 0.36 represents the partial effect of Self-Connection on Car Brand Experience, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Car Brand Experience would increase by 0.36 for every unit increase in Self-Connection and this coefficient value is significant at 0.1% level.

The coefficient of X5 is 0.207 represents the partial effect of Intimacy on Car Brand Experience, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Car Brand Experience would increase by 0.207 for every unit increase in Intimacy and this coefficient value is significant at 0.1% level.

Correlation test (Table 5) was conducted to study the relationship between Car Brand Experience and Brand Loyalty intentions.

Hypothesis: There is statistically significant relationship between Car Brand Experience and Brand Loyalty intentions.

Null Hypothesis: There is statistically no significant relationship between Car Brand Experience and Brand Loyalty intentions.

Table 5: Correlation

Car Brand		Brand Experience	Brand Loyalty
Brand Experience	Pearson Correlation	1	0.369***
	Sig. (2-tailed)		0.000
	N	1114	1114
Brand Loyalty	Pearson Correlation	0.369***	1
	Sig. (2-tailed)	0.000	
	N	1114	1114

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

It is observed from Table 5 that p value is significant at 0.1% level and therefore the null hypothesis is rejected. Hence it is concluded that There is a statistically significant relationship between Car Brand Experience and Brand Loyalty intentions and the correlation coefficient is 0.369.

CONCLUSION:

Based on standardised coefficient of multiple regression analysis, Brand Partner Quality (0.371) is the most important factors to extract Car Brand Experience, followed by Self-Connection (0.155), Intimacy (0.115),

Passion (0.068), and Trust (0.063). The correlation between Car Brand Experience and Brand Loyalty intentions was observed to be positive yet weak.

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