Introduction

1.1 Prelude

Globalization is an inevitable phenomenon that is leading the entire world towards becoming one market, a global village. Not only has the process of globalization aided immensely in the exchange of goods and services, information and knowledge through the reductions in international barriers, but it has also led the world into becoming a real single universal community comprising of people from different cultures, thus resulting in the shrinkage of the world. With the world becoming a single market, globalization has had a major contribution in enabling the organizations worldwide to step out confidently from the restricted domestic markets and to set up their operations across the globe. This has largely led to a decline in the importance in national borders and emphasized great by on what the consumers actually demand, whether the consumers are located in the some country in which the organization exists or in an entirely different part of the world. Moreover, with the rapid increase in global competition, companies that strictly adhere to and cater to the needs of the local markets are finding themselves at a disadvantage and gradually loosing the competitive advantage that they so much strived to achieve.

In order to understand the concept of branding, it is essential to know what brands are. The word “brand” is derived from the Old Norse word “brandr” which means “to burn” as brands were and still are the means by which livestock owners mark their animals to identify ownership. A brand is the idea or image of a specific product or service that attracts, connects and retains consumers by identifying the name, logo, slogan, or design of the company which owns the idea or image. Branding is done when that idea or image is marketed so that it is recognizable by more and more people, and identified with a particular service or product when there are many other companies offering the same service or product. Branding permits customers to develop association with the brand and eases the purchase decision. A brand will drive sales, build customer loyalty,
create brand value, and most of all, it will be the catalyst for business growth, as consumers will be motivated to buy the product. Building a strong brand is considered the best way of doing business, because of the constant changes in the marketing environment. Successful branding could strengthen a producer’s competitive position to withstand the increasing power of retails.

Branding is the process by which companies distinguish their product offerings in the context of competition. Branding affects perception since, it is well known that in blind product testing consumers often fail to distinguish between brands in each products category. The American Marketing Association defines branding as “it is not about getting target market to choose over the competition, but it is about getting prospects to see as the only one that provides a solution to their problem”. It further explains that “to succeed in branding one must understand and take in to considuation the needs and wants of customers and prospects”. This is integrating brand strategies through company at every point of public contact. The brand resides within the hearts and minds of customers, clients and prospects. It is the sum total of their experiences and perceptions, some of which can influence, and some may not. Strong brands are important to both companies and consumers. Companies can get benefits because strong brands add value to companies, positively affect consumers’ perceptions of brands, act as a barrier to competition, improve profits and provide a base for brand extensions. Consumers gain, because strong brands act as a form of quality certification and create trust. Branding enables the company to build brand recognition and loyalty among clients, and also to communicate its values and special approach to business in a memorable way.

An increasing number of high - technological companies have undertaken brand-building initiatives under the premise that these initiatives can create an asset that generate long-term profit, e.g. Intel’s inside campaign, which began in 1991. The study did not rumin its research on branding area from the perspective of the company and stakeholders it’s other like financial partners, employers, suppliers etc, rather it was mainly confined to the consumer gain from branding, in the process of decision making in buying the branded products. According to
Jobber.D, (2007) “strong brands benefit consumers where quality certification is provided, which can aid decision-making. Consumers tend to trust strong brands. Accordingly, the Henley Forecasting Center’s consumers are increasingly turning to ‘trusted guides’ to manage choice. A key trusted guide’ is the brand name and its perceptual associations.

This study seeks to analyze the brand preference of the customers of cars in pre-purchase and post-purchase. It takes some literature review from previous published articles, journals and books and develops a conceptual framework then relating the identified variables from review with the theory of marketing - consumer buying decision making process. The study also aimed to identify customer value, satisfaction, and retention and to helps the strategic and marketing planners who are concerned with the philosophy and practice of new product development in order to introduce better, innovative and customized products to the consumers.

This research is focused on the individual final consumer, who purchases for his / her own personal use or for household use. End use consumption is perhaps the most pervasive of all types of consumer behaviours, for it involves every individual, of every age background, in the role either of buyer, or user or both.

1.2 Consumer Behaviour

Marketing is a social process. If a product or service satisfies a particular want of a person, then it is useful and valuable to that person. Utility is the usefulness of a product or service in relation to the user’s wants.

If a person “needs” or “wants” something, it is ‘something of value’ to that person. We could argue that if a person needs only car, clothes and shelter for survival. We also need cars, computers, and fitness centers for us. Distinguishing between needs and wants in a mass consumption society like ours, is inevitably based on value judgments. Because ‘needs’ are inevitable while ‘wants’ need not be so.
1.3 Operational Definition

Belch and Belch (2007, p. 105) have defined consumer behaviour as ‘the process and activities that people engage themselves in, when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires.’

Consumer behaviour is defined as “the decision process and physical activity of an individual who engages himself in, when evaluating, acquiring, using or disposing of goods and services”.

Consumer behaviour is a sub-set of human behaviour which is concerned with the decisions of an individual in purchasing and using products. In attempting to explain and predict consumer buying decisions, marketers make extensive use of social science, including psychology, sociology, social psychology, economics, and cultural anthropology.

In order to achieve better understanding of the consumer behaviour, study of these disciplines is required which may provide some explanation as to ‘why people behave as they do’. Economics explains consumer behaviour in relation to economic factors. Sociology and cultural anthropology explanations concerning the influences of family and group behaviour on individual behaviour, the diffusion of new products and ideas. Psychology explains the motivation that underlines buying behaviour i.e the perceptions that individuals have about the products they buy.

Consumer behaviour is, not only the study of ‘what’ people use, but also ‘where’ ‘how often’, and ‘under what conditions’ products are used.

The new approach draws a clear distinction between the consumer and purchasing agent. It is the motivation of the purchasing agent which is the most direct and relevant one in marketing. The prospective consumer of a given purchase and the person making the purchase is often two different people. In many cases the purchase is made for a household and the purchasing agent is only one of those who will use it.
1.4 Brand and Branding

A brand is a name, term, symbol of design or a combination of all that is intended to identify the goods or service of one seller or group of sellers and to differentiate them from other competitors.

A brand identifies the product for a buyer and gives seller a chance to earn goodwill. In repeated purchase the usage of brand goes back to the middle age for promoting sales. It is said that Egyptians used identification (brand) to market their pottery.

The continued use of brand to the present time in business has largely been due to

i) Growth in competition

ii) Growth in national and local advertising

iii) Growth of packing, and

iv) The development of consumers’ brand consciousness.

Branding is the management process by which a product is branded. It is a general term covering various activities, such as giving a brand name to a product, designing a brand mark and establishing and popularizing it.

1.5 Brand Name

The company has to choose its brand name strategically. Each product can have a separate brand name, or one family name can be extended to all the products. Brand name is part of the brand which can have vocalized expression. It should suggest something about the product benefits, qualities such as action or colour.

i) It should be easy to pronounce, recognize and to remember.

ii) It should be distinctive.

iii) It should not carry a poor meaning in other countries or languages.
1.6 Basic Concepts (Terminology)

1.6.1 Brand Attributes

Functional or emotional associations are assigned to a brand, by its customers and prospects. Brand attributes can either be positive or negative and can have varying degrees of relevance and importance to different customer segments.

1.6.2 Brand Audit

A comprehensive and systematic examination of all collaterals (both tangible and intangible) which relates to a brand.

1.6.3 Brand Awareness

Realization by consumer is the existence and availability of the particular product. Brand awareness is a common source of marketing communication effect.

1.6.4 Brand Essence

The core characteristics that define a brand.

1.6.5 Brand Expansion

The exposure of a particular brand to a broader target (i.e.,) customer market, geographic market or distribution channel.

1.6.6 Brand Extension

The application of brand beyond its initial range of products or outside of its category. This becomes possible when the brand image and its attributes have contributed to the perception of the consumer / user, where the brand is the decision driver.

1.6.7 Brand Identity

A unique set of associations that the brand strategist aspires to create or maintain these associations represent what the brand should stand for and imply a potential promise to customers. It is important to note that a brand identity refers to the strategic goal for a brand; while brand image is what currently resides in the minds of consumers.
1.6.8 Brand Image

A unique set of associations in the minds of target customers which represent, what the brand currently stands for, implies current promise to customers.

1.7 Factors influencing Brand Loyalty

In changing environment, sustaining a loyal base of consumers involves a mass of factors, for example, creating an emotional brand prevents the consumers from switching. Brand loyalty offers a number of advantages to the marketers in today’s competitive context. There is profit from increased buying, profit from goodwill and profit from a premium price when consumers stay loyal to a particular brand. As the environment changes and as there is a proliferation of brand, brand loyalty as a concept is likely to undergo a number of changes.

There could be a number of factors, which influence brand loyalty. Recent studies across different product categories have shown that there need not be a correlation between customer satisfaction and loyalty.

The aspects, which provide insight into managing the loyalty factors are:

i) Nature of the product and consumer usage.

ii) Monitoring trends to sustain the loyal base of consumers

iii) Symbolic and functional appeals associated with the product / brand

1.8 Purchase Decision

In many purchase situations the consumer is confronted with a complex set of alternatives, and has to choose among a variety of products. He makes selection, based on size, colour, style, models and brands. Also, the consumer can make decision about when and where to buy a certain product and how much to pay and how to pay. Some purchase situations involve more cash outlays, safety and health have to be examined. Many product purchases require the evaluation of variety of economic, social, and psychological factors as the consequences of a wrong decision can be costly.
The economic concept of consumer sovereignty points out that, consumer is a king or queen in the market. According to this concept all the productive resources are deployed so as to fulfill the needs of the consumer. Consumers’ tastes and choices are supposed to be fulfilled by the process of market forces. Is it so in reality? There can be two explanations for such a reality. One is that, the market forces and the laws of economics aim at fulfilling the needs and aspiration of the consumers at the macro level, and not at the micro level. That is to say that even though each and every need of the individual consumer is not fulfilled, the general or overall trend in the consumer tastes and choices as reflected in the market trend seem to be fulfilled by the market forces, otherwise, markets can not exist.

The other explanation is based on the nature of markets of individual products and services. There are two types of markets a) Buyers market b) Sellers market. While in buyers market, the consumer supposed to have the upper hand and the products are designed to fulfill his needs and aspirations, in the latter, whatever is produced is sold and hence, there is no question of consumer needs.

1.9 Scope and Importance of the Study

Among the consumer durable goods, car plays a greater role nowadays. In a sense, it has become an essential product. It has become part and parcel of the life of people, particularly with people who have fixed and regular incomes. Yesterdays luxuries are today’s necessities. The potentially large market offered in India has long been tantalized both by the domestic and the foreign investors. Over the last decade, per capita income has risen at a faster pace in the country’s history due to higher GDP (Gross Domestic Product) growth and falling birth rates. An attempt is made here to show how changes in income levels and demographics have already led to changes in consumption pattern of Indian households.

Over the years, the demand for consumer durable has kept pace with rising income levels, double income families, changing life styles, easy availability of credit, increase in the number of nuclear families, increasing consumer awareness and introduction of new models. The consumer durable segment was poised for
decent growth in 2004-05 as against the first two quarters of the previous fiscal year, because of the emerging opportunities and strong fundamentals of the country’s economy, according to a survey by the Federation of Indian Chamber of Commerce and Industry.

Findings of this study will be useful and important for both the car industry and the consumers as well as for other researchers doing similar nature of research in academic field in future. It can also become good information for those companies who are engaged in the research of branding process in order to identify perception of the consumers for their branded product.

This finding will be broad enough to generate interest among a sufficiently large group of researchers, because it analyses a lot of facts about the various criteria of choice that determine the perceptions and preferences of brand car. This finding will also give a data of various sources from where consumer can get information about the product in percentage form which will help the planner, to make decision regarding which source will be more effective to promote their branded products.

1.10 Statement of the Problem

This research is intended to describe and analyze consumers brand preference on car purchase. The purpose of this study is to understand the personal experience of people who own a car and analyse on brand preference of car among the consumers in Krishnagiri and Dharmapuri Districts. This will give a conclusion on how do consumers perceived brand among different criteria in order to take the decision in purchasing a branded car.

Strong brand names can have positive effects on consumer perceptions and preferences. There are very few studies on car consumer, consumer image, decision making process and buying of a branded car.

This study aims to find certain criteria of the consumers of branded car in Krishnagiri and Dharmapuri Districts by analyzing the following questions.
i) What is the status of brand preference on different car brands? Or which brand is preferred most by consumers of Krishnagiri and Dharmapuri Districts while purchasing a car?

ii) What is the status and impact of the technical, economical, social, and personal criteria on consumers to take the decision for choosing and purchasing a branded car?

iii) What is the current satisfaction level on the particular brand owned?

It is also equally important on the part of providers to retain their customers for a very long period, since the competition level has been soaring. Therefore, quality of products, popularity of brand, reasonable cost, supply, and the like are considered as very important for regular customers. Hence, the study would definitely be helpful both to customers and the dealers in order to identify each other.

1.11 Objectives of the Study

The overall objective of the present study is to study the Brand Preference and Purchase Decision by the consumers of selected car owners in Krishnagiri and Dharmapuri Districts. The specific objectives are

i) To outline the conceptual background with focus on the behaviour of consumer and car owners in Krishnagiri and Dharmapuri districts.

ii) To examine the present car market trends in India and Tamilnadu.

iii) To evaluate the pre-purchase, during purchase and post-purchase behaviour of consumers based on their product attributes and dealer services.

iv) To measure the consumer’s expectation, perception and satisfaction level towards the use of the car and analyze the association between the variables.

v) To identify the factors influencing the consumers towards the purchase of car and the selection of brands.

vi) To offer suggestions to help car owners on balanced purchase decision making while purchasing a car.
1.12 Profile of the Study Area

The entire primary research was done in Krishnagiri and Dharmapuri districts; The present Dharmapuri district was then a part of Salem District. During British rule and even till 1947 Dharmapuri was one of the Taluks of Salem District, and it was formed as a separate District on 02.10.1965 with head quarters in Dharmapuri. Dharmapuri District was bifurcated into Dharmapuri and Krishnagiri Districts on 09.02.2004.

Krishnagiri town is the headquarters of Krishnagiri District. It is one of the historical places in Tamil Nadu. Now, it is counted as one of the fastest growing district of Tamil Nadu. The geographical area of this district is 5143 sq.kms. It has 5 Taluks, 10 Blocks 2 Municipalities and 352 Panchayat villages. As per 2001 census, Krishnagiri District had a population of 34,77,317. Males constitute 50 percent and females 50 percent of the total population and 13 percent of the population was under six years of age. Krishnagiri’s average literacy rate is 72.4 percent, which is lower than the national average which is 74.0 percent. Male literacy is 79.7 percent and female literacy is 64.9 percent. Krishnagiri is emphasizing on education very much, for which in this district there are several famous Schools, colleges of different courses such as Medical, Engineering and Arts and Science Colleges. Krishnagiri is also a developing city due to urbanization and there is a drastic technological growth in all parts and sectors of Krishnagiri.

1.12.1 Period of the Study

The whole spectrum of the research work was divided into eight levels and the researcher had worked on all eight levels. The researcher had planned the research at various levels during the period spanning from 2011 to 2014.

1.12.2 Period of Data Collection

The data were collected from the respondents from January 2013 to June 2013.
1.13 Limitations of the Study

The present study has the following limitations.

i) The present study was confined only to the owners of cars who use them for their own purpose.

ii) The scope of the study has been limited to certain important demographic factors like age, sex, literacy level, occupational status and the income of car users.

iii) Though there are many cars in the market only few models were chosen for the study.

iv) Source list of respondents received from the Regional Transport Office consists of owners of cars, vans, buses, trucks, lorries, etc. Out of the source list, the researcher has taken only car owners in these areas. Out of the 2402 car owners, the researcher chose only 500 respondents and distributed them questionnaire, and all the 500 filled in questionnaire were received from them.

1.14 Thesis Outline

The report is presented in six chapters.

Chapter I

This chapter introduces the subject matter and sets out the problems, objectives, scope and importance and limitations of the study.

Chapter II

This chapter attempts to give Review of Literature and Basic Concepts on studies relating to consumer behaviour and purchase decision.

Chapter III

This chapter provides the Profile of Study Area, i.e Krishnagiri and Dharmapuri districts and profile of the car industry.
Chapter IV

It relates to the Research Methodology of the Study.

Chapter V

Describes the Analysis of the collected Data and their Interpretation.

Chapter VI

This chapter summarizes the major Results, Findings of the study, Suggestions, Recommendations, Scope for further study and Conclusion.
References and Notes


