



## Marketing Management

Elixir Marketing Mgmt. 74 (2014) 26705-26707

Elixir  
ISSN: 2229-712X

### Role of brand name in purchase decision of passenger cars

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#### ARTICLE INFO

##### Article history:

Received: 5 July 2013;

Received in revised form:

21 August 2014;

Accepted: 29 August 2014;

##### Keywords

Brand, Car,  
Purchase decision,  
Consumer behaviour.

#### ABSTRACT

Brand name play a vital role when people look for products to purchase, use and to evaluate before they buy or dispose of products and services in which they expect will satisfy their wants and needs. In the present scenario companies use consumer driven approaches to substantiate their abilities to satisfy the countless emerging needs and wants of the modern consumer. Amongst these consumer driven approaches, branding has emerged as one of the crucial activities required in the building of a loyal customer base and the creation of an effective brand image. Consumers want to associate themselves with certain brands and this makes a large influence on their buying behavior<sup>1</sup>. Understanding consumers' behaviour is a crucial factor in the companies' success around the world. Brand is a combination of name, symbol and design. Brands represent the customer's perceptions and opinion about performance of the product. The powerful brand is which resides in the mind of the consumer. Brands differ in the amount of power and worth they have in the market place<sup>1</sup>. The purpose of this paper is to analyze role of brand name when people take a purchase decision, especially in the purchase of car. The objective is to identify if buyers of passenger cars consider the brand name as an important cue while evaluating different alternatives.

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#### Introduction

Brand is a combination of name, symbol and design. Brands represent the customer's perceptions and opinion about performance of the product. The powerful brand is which resides in the mind of the consumer. Brands differ in the amount of power and worth they have in the market place<sup>1</sup>. Some brands are usually unknown to the customers in the marketplace while on the other hand some brands show very high degree of awareness. The brands with high awareness have a high level of acceptability and customers do not refuse to buy such brands as they enjoy the brand performance. Some brands commend high level of brand loyalty. Brands also have a symbolic value which helps the people to choose the best product according to their need and satisfaction. Brand building now a days have a crucial position at the strategic center of business operations<sup>ii</sup>. At this vital union of company, product and customer, the brand team provides the vision and the platforms to create new forms of value, and the customers which will drive the business forward.

Brands play a very important role in the consumer decision making processes. It is really important for companies to find out customer's decision making process and identify the conditions, which customers apply while making decision (Cravens and Piercy, 2003<sup>iii</sup>). Customers follow the sequence of steps in decision process to purchase a specific product. They start realizing a requirement of product, get information, identify & evaluate alternative products and finally decide to purchase a product from a specific brand. When customers purchase particular brand frequently, he or she uses his or her past experience about that brand product regarding performance, quality and aesthetic appeal (Keller, 2008<sup>iv</sup>). Lim, K. and O'Cass, A. (2001<sup>v</sup>) implied that brand names are becoming increasingly the most critical success factor for companies in the highly competitive market place worldwide. They added that brand names are almost "the last source of differentiation" for

the companies' goods or services. Now- a day's brand is not only used for differentiation but also to justify the purchase decision as a value creating activity.

#### Brand Core Value- Creating value at the core

The Brand Core Model illustrates how brands have moved from symbols and slogans at the periphery of business to a value-creating activity at the heart of the enterprise. Brand practice belongs at the company core because the brand logic of creating customers shapes the allied fields of marketing, product development and customer development. From this central position, the brand team emerges as a key player in determining how customers are created, and how customers can be grown into new market opportunities. The brand core model is as follows<sup>vi</sup>:



#### Objectives of the study:

Consumers are driven by brands when they shop. This includes groceries, clothing, gadgets, household appliances and even cars. Consumers purchase a certain brand because they consider that brand to possess a certain quality that makes it

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more valuable than its competition<sup>viii</sup>. Hence the study is undertaken with the following objective:

To identify the role of brand name on purchase decision of passenger cars.

**Methodology**

The study is based on field research and made use of both primary and secondary data. Primary data are collected from 100 samples who are the car owners in Thrissur Municipal Corporation. A structured questionnaire is used for data collection. The sampling procedure used for the study is simple random sampling. In order to analyze data percentage and chi square analysis are done with the help of SPSS.

**Results**

Table No:3.1 below provides the demographic profile of respondents where 43 percent respondents belong to the age group of 30-40, 23 percent from 60 & above age group, 18 percent belonged to the age group of less than 30, 11 percent belonged to the age group of 40-50 and 5 percent belonged to the age group of 50-60.

Even though number of females driving a car on their own has increased considerably survey shows that 79 percent car owners are male and females are only 21 percent.

The table also explains the monthly income of respondents. It can be inferred that 44 percent of respondents belonged to the monthly income bracket of Rs. 30000-40000, 25 percent of respondents have a monthly income of Rs.20000-30000.12 percent have a monthly income between Rs.40000-50000, and 10 percent belonged to the income group of less than Rs 20000.

**Table No: 3.1 Demographic profile of respondents**

Variables		
Age	Less than 30	18
	30-40	43
	40-50	11
	50-60	5
	60 & above	23
Gender	Male	79
	Female	21
Monthly Income	Less than 20000	10
	20000-30000	25
	30000-40000	44
	40000-50000	12
	50000 & above	9

Source: Survey Data

The respondents are asked about the number of brands they compare before making a purchase decision. Purchase of a car involves investment of substantial amount of money which is evident from the Table No: 3.2 which indicate that 53 percent consumers consider more than four numbers of brands before taking a final purchase decision.

**Table No: 3.2 Number of brands considered for purchase**

Number of brands	Two	18
	Three	9
	Four	20
	More than four	53

Source: Survey Data

A car buyer expects to get the most for their money, including a good car at a good price. Table No: 3.3 below indicate that 55 percent strongly agree that brand name is associated with the value they provide. It is evident that consumers prefer buying a car with brand name because it is considered that they provide high quality value for money they spend.

**Table No: 3.3 Value for money**

Value for Money	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Frequency	7	18	5	15	55	100

Source: Survey Data

**Influence of brand on status**

H<sub>0</sub>: There is no relationship between brand name and status

H<sub>1</sub>: There is relationship between brand name and status

From the table it is clear that chi square value is 38.440. The low significance suggests that calculated value is higher than the table value so null hypothesis is rejected and alternate that there is relationship between brand of car owned and status in the society. It can be inferred that customers have a feeling that it's their status they are wearing on the road through the brand of car they own.

**Table No: 3.4**

**Test Statistics**

	Status
Chi-Square	38.440 <sup>a</sup>
df	1
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 50.0.

**Influence of brand on self image**

H<sub>0</sub>: There is no relationship between brand name and self image

H<sub>1</sub>: There is relationship between brand name and image

From the table it is clear that chi square value is 40.300. The low significance suggests that calculated value is higher than the table value so null hypothesis is rejected and alternate that there is relationship between brand of car owned and self image of the consumer.

**Table No: 3.5**

**Test Statistics**

	Status
Chi-Square	40.300 <sup>a</sup>
df	1
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 50.0.

**Conclusion**

Brand which differentiates one company from that of competitor is an important element which influences the purchase decision of consumers. As far as a car is concerned where lot of players are there it is the trust and credibility of brand which motivates the buyer to reach a final decision. The study concludes that brands which were merely symbols have become an element which adds value to the decision making process of a buyer which he/she considers as a matter of status that reflects his /her self image.

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<sup>i</sup>Retrieved from <http://nubloo.com/marketing/magenta-lessons-part-2-the-role-of-brands-in-marketing>

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<sup>iii</sup> Cravens, D. W., & Nigel F. P. (2003). *Strategic Marketing*. New Delhi: Prentice Hall of India.

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<sup>v</sup> Lim, K., and O'Cass, A. (2001). Consumer brand classifications: an assessment of culture-of-origin versus country-of-origin. *Journal of Product & Brand Management*, Vol 10 (2), 120-136.

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