

**“A CRITICAL STUDY OF BRAND STRATEGIES ADOPTED
BY INDIAN AUTOMOBILE COMPANIES FOR
COMPETITIVE ADVANTAGE” –
WITH SPECIAL REFERENCE TO PASSENGER CARS**

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By

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December - 2014

DECLARATION

I hereby declare that the thesis entitled “**A CRITICAL STUDY OF BRAND STRATEGIES ADOPTED BY INDIAN AUTOMOBILE COMPANIES FOR COMPETITIVE ADVANTAGE**” - WITH **SPECIAL REFERENCE TO PASSENGER CARS** completed and written by me has not previously formed the basis for the award of any Degree or Other similar title upon me of this or any other Vidyapeeth or examining body.

Place : Pune

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CERTIFICATE

This is to certify that the thesis entitled “**A CRITICAL STUDY OF BRAND STRATEGIES ADOPTED BY INDIAN AUTOMOBILE COMPANIES FOR COMPETITIVE ADVANTAGE**” - WITH **SPECIAL REFERENCE TO PASSENGER CARS** which is being submitted herewith for the award of the Degree of Doctor of Philosophy (Ph.D.) in Management of Tilak Maharashtra Vidyapeeth, Pune is the result of original research work completed by **Medha Tadpatrikar** under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body upon her.

Place : Pune

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Dr. Umesh K. Keskar

Research Guide

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ABSTRACT

“A CRITICAL STUDY OF BRAND STRATEGIES ADOPTED BY INDIAN AUTOMOBILE COMPANIES FOR COMPETITIVE ADVANTAGE” WITH SPECIAL REFERENCE TO PASSENGER CARS

Introduction :

The word ‘Brand’ refers to a product or service that is publicly distinguishable from other products or services so as to easily communicate and attract the customers. With availability of various products / services in the market, there prevails competition and hence it is essential for manufacturing company to promote and establish their brand i.e. the name of company for its survival. The automobile sector especially the passenger car manufacturing companies are no exception to the concept of branding. Thereby every car company have brand strategies to compete in the prevailing market scenario. An attempt is made to critically study the brand strategies adopted by Indian automobile companies for competitive advantage. The present study deals with brand strategies adopted by various passenger car companies.

Indian Automobile Industry :

Though the world automobile history can be traced back to year 1769, the first car on Indian road was in year 1897. Prior to Indian independence, there were only 3 automobiles companies namely Hindustan Motors, Premier and Mahindra and Mahindra. After Independence (1947), the growth of automobile industry was limited mainly due to government policies (generally referred as license raj) and thereby had negligible participation of private players.

The automobile industries that developed were largely confined either in manufacturing of commercial vehicles or the two wheelers.

The impact of globalization resulted in true sense for the emergence of passenger car companies. The year 1982 marked the establishment of Maruti car company, the outcome of joint venture between Indian government and Japan’s Suzuki company. Since then, the growth of passenger car companies has been remarkable. Presently there are several passenger car manufacturing companies and thus customers have wide choice of car models as well as car brands. Of the total

automobile market, nearly 80% constitutes the passenger car while 20% is market of utility vehicles. Thus keen competition is observed among car companies. Hence every company has its own strategy to build the market through establishing and positioning the company name i.e. Brand Name.

In general large number of customers do not buy products rather they buy the brands and hence the concept of branding is most important for survival of company. The present study of branding strategies adopted by passenger car companies is presented in five chapters viz.

Chapter I – Introduction

Chapter II – Literature Review

Chapter III – Research Methodology

Chapter IV – Analysis of Data

Chapter V – Conclusions and Recommendations

The study has following Objectives and Hypothesis :

Objectives

- To study branding exercise with regard to customer's perception.
- To study branding strategies adopted by various passenger car companies.
- To study various factors affecting brand strategies.
- To study future of branding concept.

Hypothesis

- The prime strategy of the Company's Brand / Marketing Head is to establish the Brand Name.
- The entry of Customers in passenger car segments B and C is based on Affordability.
- The Maruti car brand seems to be well established brand in present market scenario.
- Designing of brand promotional activities has thrust in resulting for customer's status symbol in the society.
- In near future the significant use of digital media for branding is unavoidable.

Research Methodology

Primary and Secondary data was collected during the period May 2012 to November 2013. The secondary data was collected from various books, research articles and websites while the primary data is based on personal interviews of the three entities involved in the study namely,

1. The customers of various brands of passenger cars
2. The company's Brand Heads / Marketing Heads and
3. The Heads of Advertising firms or The Brand Experts

Three separate questionnaires were prepared for each entity. Firstly, the questionnaire designed for the Customers covered important factors related to the behavioral aspects of the customers. Hence the questioner designed helped to gather information regarding present ownership of the brand, age of the passenger car, mode of finance in purchasing a particular car brand, awareness about tagline/ slogan of concerned car brand and important steps taken by the customer for arriving at the decision to purchase a particular brand of passenger car.

During the interview, information was specifically collected to know whose decision it was in purchasing the car that is whether it was customer himself taking the decision or was it a family decision or the decision based on the advice from others. Similarly information was gathered to identify important steps which the customer undertakes for his/her decision. Opinion of respondents on various steps taken such as discussions with relatives/ friends, visit to car dealer, customer undertaking the test drive, decision through advertisements or the information obtained through auto magazines / visiting car manufacturer's website and so on was recorded.

In general it is observed that the decision making of the Customers to purchase particular car brand is influenced by several factors. Hence the researcher was keenly interested to know about influencing factors like Name of the brand they own, performance of the car, affordability, previous ownership of same brand, resale value, various sales offers by the passenger car dealer, attraction of the brand ambassador and lastly the customer's status symbol in the society. Thus respondents during the survey have noted their opinion on the influencing factors.

Apart from studying the influencing factors, another important aspect studied was to know the customer's perception towards various available brands in the market. Hence perception of the customer was noted with reference to different characteristics associated with the car brand such as affordability, a family car, safety, quality, innovativeness and the stylish nature of the passenger car. The aspect of perception was studied for each of the three car segments A, B and C.

Secondly the questionnaire prepared for an interview with the Brand Heads / Marketing Heads of the car companies covered aspects related to the present market share of the company, their views regarding customers and potential customers, importance of branding, effect of offering various schemes to attract the customers, importance of brand loyalty among customers, strategy of the company towards branding and revenue generation and expected scenario of the brand concept in next decade or so.

The third the questionnaire was designed for undertaking interviews of Brand Experts. Besides covering similar aspects that related to interview aspects of Brand Heads / Marketing Heads of car companies, researcher had prime focus to collect information regarding views the Brand Experts had about the present scenario of the passenger car market. In this context the aim was to study the strategies adopted in designing the advertisements and hence the efforts taken by the advertisement firms in promoting the brands.

- **Statistical Analysis**

The information collected from the Customer respondents was primarily analyzed to compute the percentages. Especially with reference to the data collected regarding perception of the customers towards the car brand, top box analysis was done. Further statistical techniques such as correlation matrix and principal component analysis, were used for analyzing the data. Though different types of correlations like regular, forward and backward could be used here only regular type of multiple correlation was computed for all the variables.

During the survey researcher could clearly judge that the present market circumstances are governed by complex number of variables and hence to have appropriate analysis the technique of Principal Components Analysis was used. This

technique helps to extract such variables which are significant for the market circumstances. The percentage variance explained by first principal component is same in all the three segments as well as for all the segments together. Also the plotting of the loadings on the first two components was done and the clusters of variables were identified and analyzed.

With regard to interviews of Brand Heads/ Marketing Heads of passenger car companies and the Heads of Advertising Firms / Brand Experts, the views recorded on various aspects were summarized and thus two separate summary charts were prepared for each entity. The summary chart helped in further interpretation process.

- **Limitations**

As mentioned earlier the present research comprises of three entities that is the Customers, the Brand Heads/ Marketing Heads of car companies and Brand Experts. Considering each entity the researcher is well aware that passenger car customers are spread throughout the state. However it can appear as a limitation that the customers /respondents included in the present study are almost the residents of Pune city. This limitation has been experienced with reference to the time constraint and cost involved for various logistical aspects in covering the customer respondents outside Pune. No doubt researcher intends to overcome this limitation in near future by broadening the research area with large number of customers on state level.

With regard to personal interviews with the Brand Heads the researcher tried the level best to contact each and every passenger car automobile company. The process of contacting the Brand Heads / Marketing Heads of the company covered large time span of about twelve to thirteen months. During this period, the researcher tried to contact twelve Brand Heads/ Marketing Heads, however total nine Brand Heads/ Marketing Heads who agreed to interact were interviewed. However few of the brand heads did not respond to the several requests for an interview. On one hand not interviewing all the available Brand Heads/ Marketing Heads of the passenger car companies could be considered as a limitation however researcher has taken due care that all three passenger car segments were represented in the interview process.

In context of the interviews conducted of the Brand Experts it was striking to note that most of the Heads of advertising firms/ Brand Experts were reluctant to

quote the name of the car company they are associated with. Similarly the Brand Heads/ Marketing Heads of the companies too had their limitations to disclose regarding the source of their brand expertise. Of course this cannot be considered as a limitation as non disclosure of the source of the companies in making use of the services of the brand experts could be their business strategy. Here the researcher is satisfied that the efforts taken have helped to directly contact the leading Heads of advertisement firms / the renowned Brand Experts.

Conclusions

- Large number of male respondents certainly indicates the male dominance of Indian culture.
- Large number of respondents (38%) in the age group of 31 to 40 years can be related to phenomenon of active psychomotor skills with confidence of the passenger car owners.
- Under the car segments A, B and C the passenger car brands which leads the market are Mercedes Benz, Honda and Maruti respectively.
- The car segment C of entry level passenger car is significantly governed by Maruti brand.
- The gradual increase in the number of owners of passenger cars is related to either to the purchasing power of customers or easy availability of bank loan facility.
- During last three years inclination towards the purchase of mid size cars is found to be increasing. (From 20% to 37%)
- The trend of ownership of luxurious cars is found to be stable.
- About 60% of the passenger car owners from car segment B and C have their financial dependency on bank finance.
- Taking in to account all the 3 car segments, it was found that among all the influencing variables, the variable Brand Name has strong co-relationship with Status Symbol.

- Considering all the passenger car respondents it was found that the variable Brand Name and Performance of the Car are negatively correlated with Brand Ambassador.
- In car segment B, there exists positive correlation between variables Brand Name and Status Symbol, however Brand Name is more influenced by variable Affordability.
- Brand Name is positively correlated with Performance of the Car and Status Symbol.
- The variables like Affordability, Previous Ownership, Resale value, Sales Schemes and Brand Ambassador are negatively correlated with variable Brand Name.
- For the luxurious passenger cars there exist strong co-relationship between Performance of the Car and Status Symbol (0.54).
- There exists negligible relationship between variables Brand Ambassador and Performance of Car.
- There exists strong co-relationship between variables Brand Name and Affordability (0.50).
- Considering that the co-relationship of the variable Status Symbol with other variables Brand Name, Affordability and Previous Ownership the value of correlation coefficient is similar (0.36 ± 0.1).
- The variable Brand Ambassador has limited influence by other variables namely Affordability (0.07), Performance of the Car (0.18) and Resale Value (0.16).
- Brand Name has significantly strong co-relationship with Status Symbol (0.42) and Affordability (0.40).
- There exists negative co-relationship of the variable Brand Ambassador with both Brand Name (-0.09) and Performance of the Car (-0.04).
- The two most influencing variables identified in PCA technique were Brand Name and Performance of Car.

- In PCA for all customers the first principal component Brand Name traces 29.94 percent of the total variance. This component loads very high on the Status Symbol (0.72)
- For car segment B, the Brand Name has very high loading on Status Symbol (0.69)
- Similarly in car segment B, Brand Name also has high loading on influencing variable Affordable Price (0.68).
- For car segment C, the Brand Name has very high loading on Status Symbol (0.73)
- Among all the respondents very low awareness of car brand tagline/ slogans was found.
- As high as 75% of the luxurious car owners do not consider the parameter Affordability, as influencing parameter.
- There are more than 80% of the customers from car segments B and C who Strongly Agree or Agree regarding their perception about Affordability. For customers in segment B it is the purchasing power while for segment c customer it is fulfilling dream of ownership of car.
- Approximately 65% of customers from car segment A Strongly Agree regarding the availability of Safety features in their luxurious car.
- Safety features are less available for car brands in segment C.
- In car segment B as high as 68% customers Strongly Agree for Quality of Toyota car Brand and hence the company's strategic policy towards QDR (Quality, Reliability and Durability) seems to be the right focus.
- Regarding Quality parameter about one fourth customers of car brands Maruti and TATA brand were found to remain Neutral.
- Considering the Stylish appearance of car brands, Audi, Volkswagen and Chevrolet tops in their respective car segments.
- With more number of potential customers in near future, there is large market potential for segment B brands.

- Test Drive is the most important pre purchase activity undertaken by prospective buyers of all passenger car segments.
- The prospective buyers making use of digital media for having information about the car brands / models are higher in segment A of luxurious cars than prospective buyers of cars in segments B and C.
- Though the use of print media is expensive its present and future use seems to be unavoidable.
- Along with print media, dependency on electronic, digital and mobile media is increasing.
- The study of customer behaviour seems to be difficult due to regional and cultural differences.
- With availability of wide range of passenger car brands there is diminishing trend of customer loyalty.
- Most of the company's focus to introduce new technologies and thereby to improve the performance of car in terms of mileage.
- Internal branding exercise will be important in near future.
- Less importance is given for branding exercise and thus Brand Heads of Fiat, Toyota and Honda expressed their strategic plan devoted towards more revenue generation.
- The Mahindra car brand has the thrust to expand its share in rural market.
- Almost all the Brand Heads have the strategy in promoting as well as positioning their brand in the market especially by using various mediums.
- The thrust area of Fiat car brand is to recreate their brand value.
- The TATA car brand strives to create an aura for their brand.
- According to Brand Experts, Branding exercise is a continuous process.
- There seems to be lack of company vision in today's branding exercises. (NB)
- Considering the potential purchasing power in younger generation, the branding exercise should have focus to understand the needs / aspirations of the youths.

- IME expert feels that customer loyalty towards particular brand is diminishing due to availability of wider choice of car brands/ models.
- Most of the Brand Experts were of the opinion that the revenue generation takes front seat in today's branding exercise.
- Though expensive, it seems essential in branding exercise to make the use of various social media and technology.
- In branding exercise there is increase in use and dependency on digital media and mobile platform.

Recommendations

1. The brand promotional activities should especially focus on potential customers upto the age of 40 years.
2. The branding exercise essentially should succeed in communiting with the customers about car brands latest technology / quality features.
3. The brand promotional activities designed must reflect the vision of Car Company in context of innovations, safety features and performance of car.
4. The promises / assurances the car brand makes to the customers must be fulfilled so as to cultivate brand loyalty.
5. With changing time and technology, branding exercise should focus on the large scale use of digital media.
6. Success in understanding the behaviour of customers in terms of Affordability aspect will result for Car Company to govern significant market share.

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CHAPTER - I

INTRODUCTION

Considering the premise of research it is necessary to know in brief the initial circumstances about passenger car industry in India, the subsequent growth and market scenarios in past and present.

Global market competition is the quintessential component of automobile sector alike other manufacturing industries automobile sector has its own set milestones of evolution seen in design of car, assembly lines, selling and branding. This can be best audited by the background of automobile sector as well as the concept of branding. The introductory sheds light on all above aspects.

1.1 History of Automobiles

History of automobiles can be traced back to year 1769 when steam engine automobile, capable of carrying people was designed. In 1807, François Isaac de Rivaz designed first car which used an internal combustion engine running on fuel gas. Later in the year 1886 saw the birth of modern automobile when a German engineer Karl Benz built gasoline-powered car.

In 1893 Duryea Motor Wagon Company was founded by the brothers, Charles and Frank Duryea, was the first American automobile manufacturing company. In later period Olds Motor Vehicle Company (later known as Oldsmobile) was founded by Ransom E. Olds, dominated the automobile production in USA.

In 1897 Czech company Nesselsdorfer Wagenbau (later renamed to Tatra) produced first car in Central Europe. In the start of 20th century the Western Europe, especially France was leading in automobile sector. In 1903 France accounted for almost 48.8% of world automobile production.

The first car on Indian road dates back to the year 1897. The automobile industry started in India during 1940, till then the all the cars were imported from European nations.

The first automobile company in India, Hindustan motors was launched in 1942 that produced GM cars. The year 1944 marked the launch of India's second company, Premier producing Fiat. The following year Mahindra & Mahindra started by two brothers began assembling a utility vehicle, Jeep CJ-3A. Thus prior to the Indian independence there existed only three automobile companies in India.

With Independence in 1947, the Government of India initiated an effort to create new automobile component manufacturing industries which aimed at supporting the existing automobile companies.

Though, Government of India had taken initiative the growth of automobile industry was relatively slow for three decades till 1970 which was mainly due to the negligible participation of private sector. After 1970, the automotive industry started growing with manufacturing of tractors and commercial vehicles. During this period passenger cars were still considered as a item of luxury.

The Indian economy experienced the impact of globalization in the 1980's, when Japanese automobile manufacturers launched joint ventures with their Indian counterparts for manufacturing of motor cycles and light commercial vehicles. This was an era, in which scooters were introduced to Indians. The phenomenon of globalization resulted in Indian automobile companies establishing collaboration with their foreign counterparts mainly for knowledge of automobile technology. Though the manufacturing of scooters with foreign collaboration namely Vespa, Lambretta, increased significantly, passenger car manufacturing industry was stagnated to few models like Fiat, Ambassador and Standard.

In real sense, the passenger car manufacturing industry experienced remarkable presence only when in 1982, Indian Government owned Maruti Company and Suzuki, a Japanese passenger car manufacturer with joint venture to produce small cars. During this period the growth of automobile industry was significant as the small passenger car Maruti Suzuki made entry in every city and town of India.

In the later period, the Indian economy observed the gradual withdrawal of license Raj Policy which resulted for collaboration between several Indian and multinational car companies. De-licensing in 1991 marked the growth in automotive component and automobile manufacturing so as to meet the rising demands of domestic market.

Since then, the Indian automobile industry has developed significantly and today the automobile industry accounts for 22 per cent of the country's manufacturing Gross Domestic Product (GDP). The Automobile industry includes passenger cars, two-wheelers, three-wheelers and commercial vehicles and is currently the sixth-largest in the world with an average production of 18 million vehicles annually. According to the Society of Indian Automobile Manufacturers (SIAM), of the total the market share of various types of vehicles in domestic automobile industry the largest share is of two wheelers which accounts for 77%, followed by passenger cars (15%) and the remaining share is of commercial vehicles (4%) and three wheelers (3%).

The passenger car market constitutes around 80% of automobile sales while other 20% is made up of utility vehicles. Considering only the market share of four wheelers, it is found that the market is widening. For last two years (2011 and 2012) the growth of passenger car industry is reported to be 16% to 18%. The estimated increase of passenger car market would be at a CAGR of 14% during the period 2013-2020. Thus with production of three million units, India has overtaken Brazil to achieve 6th position in the world production. Today the passenger car industry is found to suppress major auto nations like Belgium, United Kingdom, Italy, Canada, Mexico, Russia, Spain, and France.

It is important to note that the export market for Indian passenger car producers is increasing significantly. As a result of high exports India in 2009 emerged as Asia's fourth largest exporter of passenger cars behind Japan, South Korea, and Thailand. In following year (2010) India surpassed Thailand to become Asia's third largest exporter of passenger cars.

As of 2010, India is home to 40 million passenger vehicles. More than 3.7 million automotive vehicles were produced in India in 2010 (an increase of 33.9%), making the country the second (after China) fastest growing automobile market in the world in that year. According to the Society of Indian Automobile Manufacturers, annual vehicle sales are projected to increase to 4 million by 2015

The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster consisting of Chennai is the biggest with 35% of the revenue share. The western hub near Mumbai and Pune

contributes to 33% of the market and the northern cluster around the National Capital Region contributes 32%. Chennai, houses the India operations of Ford, Hyundai, Renault, Mitsubishi, Nissan, BMW, Hindustan Motors, Daimler, Mini, and Datsun.. Gurgaon and Manesar in Haryana form the northern cluster where the country's largest car manufacturer, Maruti Suzuki, is based. The Chakan corridor near Pune, Maharashtra is the western cluster with companies like General Motors, Volkswagen, Skoda, Mahindra and Mahindra, Tata Motors, Mercedes Benz, Land Rover, Jaguar Cars, Fiat and Force Motors having assembly plants in the area. Nashik has a major base of Mahindra and Mahindra. Aurangabad with Audi, Skoda and Volkswagen also forms part of the western cluster. Another emerging cluster is in the state of Gujarat with manufacturing facility of General Motors in Halol and further planned for Tata Nano at their plant in Sanand. Ford, Maruti Suzuki and Peugeot-Citroen plants are also set to come up in Gujarat. Kolkata with Hindustan Motors, Noida with Honda and Bangalore with Toyota are some of the other automotive manufacturing regions around the country (http://en.wikipedia.org/wiki/Automotive_industry_in_India)

In recent years, India has emerged as a leading center in the world for the manufacturing of small cars. Hyundai, the biggest exporter from the country, now ships more than 250,000 cars annually from India. Maruti Suzuki also manufactures small cars for Nissan, which sells them in Europe. Tata Motors exports its passenger vehicles to Asian and African markets and is in preparation to launch electric vehicles in Europe. Since the demand for automobiles in recent years is directly linked to overall economic expansion and rising personal incomes, industry growth will slow if the economy weakens.

The growth of automobile industry in India has been attributed to various governments' initiatives such as open industrial policy, tax benefits, import policy and availability of loans. Besides the driving force, increased urbanization has also resulted in high demand for passenger cars.

According to New York Times, India's strong engineering base and expertise in the manufacturing of low-cost, fuel-efficient cars has resulted in the expansion of manufacturing facilities of several automobile companies like Hyundai, Nissan, Toyota, Volkswagen and Maruti Suzuki.

At present Maruti dominates the Indian market with 44% market share, that offers ten brands to customers. This is followed by Hyundai; Mahindra & Mahindra and Tata Motors.

The launch of Tata Nano changed the face of country's small car segment, by adding the new sub segment that has changed the competition. Even though there was a lukewarm response to Nano in initial phase, its entry has sparked interest in other players to launch similar car in coming years.

Taking into account different makes and models of passenger cars the SIAM (Society of Indian Automobile Manufacturers) has classified various cars into segments mentioned below.

The classification of segment is done on the basis of the length of the Passenger car:-

- A1 Segment - Mini – Up to 3400mm (M800, Nano)
- A2 Segment - Compact – 3401 to 4000mm (Alto, wagon r, Zen, i10, A-star, Swift, i20, Palio, Indica etc)
- A3 Segment - Midsize – 4001 to 4500mm (City, Sx4, Dzire, Logan, Accent, Fiesta, Verna etc)
- A4 Segment - Executive – 4501 to 4700mm (Corolla, Civic, C class, Optra, Octavia etc)
- A5 Segment - Premium – 4701 to 5000mm (Camry, E class, Accord, Sonata, Laura, Superb etc)
- A6 Segment - Luxury – Above 5000mm (Mercedes S class, 5 series etc)
- B1 Segment - Van – Omni, Versa, Magic etc
- B2 Segment - MUV/MPV – Innova, Tavera, Sumo etc
- SUV Segment - CRV, Vitara etc

Considering the potential growth and number of players in the automobile sector every car segment has to face market competition hence the competitive nature of automobile industry has pushed most of the companies to implement new and innovative marketing strategies to thaw the competition.

All the companies as a part of their marketing strategy offer a range of vehicles from small size cars to SUV in all the segments to make sure that the customer is confined to their own makes and is driving one of their models only.

1.2 Branding

To attract the potential customers and to increase the sales every company has large dependency on advertising media. Advertising on the Audio visual medium such as television is preferred as it gives the car makers an opportunity to display their cars. Flashy cars can be demonstrated on television but when it comes to the detailed information of the cars, then print and online media are chosen. The online medium offers a greater flexibility to the car companies since they come with a lot of interactive features like demonstrating the interiors of the car with its salient features. The print medium on the other hand provides a chance to the car makers to reveal the function/ features of a car in detail.

With the recent trend, the Celebrity endorsements and testimonial advertisements are now a day very common feature. A cricket star like Sachin Tendulkar or film stars like Aamir Khan and Ranbir Kapoor are found endorsing particular make of passenger cars. Their own brand image, which is well known to general public, helps to establish the passenger car brand. Few examples of successful endorsement of passenger car are; Shah Rukh Khan endorsing Hyundai i10 and Ranbir Kapoor doing the same with Nissan Micra helping the car models to achieve high sales.

Hence, it is observed that by manufacturing of passenger car is one of the processes and the other is marketing the same. The marketing process makes use of various techniques to attract the customers. Thus each passenger car player tries to establish their make / model of car which in short is known as branding

The word "brand" is derived from the Old Norse brandr meaning "to burn." It refers to the practice of producers burning their mark (or brand) onto their products. Old Norse is a North Germanic language that was spoken by inhabitants of Scandinavia and inhabitants of their overseas settlements during the Viking Age, until about 1300 AD.

Cattles were branded long before this. The term "maverick," originally meaning an unbranded calf, comes from Texas rancher Samuel Augustus Maverick who, following the American Civil War, decided that since all other cattle were branded, his would be identified by having no markings at all. Even the signatures on paintings of famous artists like Leonardo Da Vinci can be viewed as an example of brand.

Before the industrial revolution, most of the products used at home were made in house and hence an average person would just buy the raw materials needed and make the desired product. However, in the 1800s, the products began to be produced in mass quantity and since then most household products could be purchased in a store, thus saving the person is time that could be spent working and earning more money than what was spent on the products to buy. This was the period when the concepts of advertising and competition had started making an impact on the business.

After several trials of designing the product things like packaging, quality, durability, design and value for customers helps build the reputation of the product as well as the name of the manufacturer, It helps to gain an image in market for one manufacturer by distinguishing him from the other manufacturer. In later period the creation of image of product / company gave rise to new phenomenon i.e. BRAND.

Branding plays essential role in product strategy. Known brands command a price premium. Developing and survival of a brand is very costly as company needs to continuously engage in various communication activities such as advertising, promotion and packaging etc.

In the economic markets where there is severe competition and also a vast choice of products for consumers to choose from, the companies know that there is a greater chance of consumers selecting product from many other products. So the creation of an identity in the form of a brand becomes important for the company to survive in the market place. Branding of product or service is vital for survival as it helps companies to position the product firmly in the minds of the consumer.

To the company, brands represent valuable legal property which can influence consumer behavior and buying patterns as well as create the loyalty towards the product.

From company's point of view it is very important to have loyal customers. Branding and brands become successful only after delivering the value promise they manage to retain 'loyal' customers. Loyalty is a fundamental component of building a brand, as customers usually have a enormous choices in products to choose from in the same market segment and for a company to be successful, it has to come up with various strategies to keep customers re- choosing and re-buying their product rather than choosing product that of a competitor company.

A clear brand strategy provides clarity to employees in telling them how to act, what is expected from them and in achieving company's various targets. This also help employees to be motivated.

Branding offers a company the stability and prolonged existence needed to be successful in the market. By consistently delivering messages about value proposition and presenting products and services that fulfill these commitments, brand becomes an integral part of the society and culture.

Eventually customers tend to choose the brands that are easily recognizable and trusted. Strong branding is supported by word of mouth publicity as customers share their own experience with others.

A strong brand also gets talked about and which helps company in getting new customers. Many people love to tell others (word of mouth) about the brands they are using. Depending on the customer's experience with the brand this talk can be positive or negative.

If a brand consistently delivers the promises made by the product / service then brand also help customers in understanding the brand value as well as knowing, expecting the same brand experience.

If the brand is focused too strongly on only one product, then it can limit company's chances to sell other products or entering new segments. One disadvantage of Company or product's brand is that it can limit the flexibility to move from one segment to other segments. For example, Kleenex, which is a market leader in facial tissue, has found it difficult to develop and promote products beyond facial tissue as customers find it difficult to make connection of Kleenex with other products. But when companies loose the brand focuses they also run into problems. A good example is that of General Motors, who used to be synonymous with success but for some

years now its profits and market share have been dwindling. The major reason is unlike other automakers, GM has five major car divisions and so now GM competes with itself for market share and revenue.

Various authors have defined Brand differently. In earlier times brand was defined as a form of identity or legal ownership

In the 1990's, David Aaker, Professor, at US Berkeley Haas School of Business, introduced the concept of brand as an asset to be managed for the benefit of the corporation.

According to Businessdictionary.com, Branding can be defined as the "Entire process involved in creating a unique name and image for a product (good or service) in the consumers' mind, through advertising campaigns with a consistent theme. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers"

David Ogilvy, (1985) defined brand as "The intangible sum of a product's attributes: its name, packaging and price, its history, its reputation and the way it's advertised."

Another brand expert Wally Olins (2008) defines a brand as simply an organization, or a product or service with a personality".

CEO of John Hancock states that (David F. D'Alessandro, 2002, Brand Warfare, McGraw-Hill) "A brand is whatever the consumer thinks of when he hears your company's name. Branding is everything..."

In year 2003 Sergio Zyman, stated that "A brand is essentially a container for a customer's complete experience with the product or company."

Brad Van Auken (2003) feels that, "Brand is the source of differentiation that guides customer purchase choice."

More over the concept of branding move towards understanding the branding process. Therefore Leslie de Chernatony and Malcolm McDonald, (2006) consider, the social and psychological roles played by the brands. According to them "Brand succeeds because they represent more than just utilitarian benefit and thereby powerful brands make strong image statements and consumers choose them not just because of their quality but because of the images they project.

In year 2008, Wally Olins (2008) discussed about corporate brands i.e., “Corporate name is also the name of its brands. According to the author there are quite a few companies like – Volkswagen, Ford and Pepsi; while some companies try harder to separate their corporate name from all their brand names.”

One of the Indian author Harsh V. Verma (2010) states that “At the heart of every brand success rests at the intersection point between the values embedded in the market offering and the customer needs space. Brands are created when these intersection create values that are unparalleled in the communication. The brand itself is what lies hidden below the tip of the iceberg.”

Jagdeep Kapoor (2010) states, “Brands are built into the minds and hearts of consumers and consumer like brands rationally as well as emotionally. And every brand and marketing manager has to clearly decide whether the emphasis should be on promotion or emotion.”

Phillip Kotler (2011) has defined brand as a name, term, sign, symbol or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competitor

According to Seth Godin (2011) “Brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer’s decision to choose one product or service over another”.

Considering the dynamic market scenario the concept of Branding gradually has developed as an important strategic tool in marketing decisions. Therefore in present day market scenario branding has gained significant importance for any business or service. Today branding has resulted as an essential and integral part of any organization to establish itself in the respective field of business. In competitive markets branding helps a company to have distinct image in market which sets them apart from other companies in the market.

Liberalization, globalization and intense competition have created new challenges for companies and thereby to their brands. Branding in simple word is an association with a name, mark, symbol, product or service of a company. If there is no association in customers mind then a name, mark or symbol of the product becomes meaningless.

The American Marketing Association defines a brand as “A name, term, design, symbol or any other feature that identifies one seller’s good or service as distinct from those of other sellers.

With proper association of a name, mark, symbol, product or service of a company in mind of customers results into particular product or service becoming a brand. In short brand is a reputation of particular product or service.

Brand identities are designed for establishing the products in the market and making them noticeable in regards to competition. Further branding of the product also creates an assurance about the product in the minds of customers.

Since ages it is observed on one hand that continuous sale of products is responsible for success of company. However on the other hand the decline in sale of products is generally assumed that the product is less accepted in the market and may affect negatively on company’s survival. Thus the process of branding of the products become essential to the shield product from declining sales of product. The increased sales thus help companies to avoid business failure.

Presently companies use the concept of branding specially to create a space for their product in customers’ mind. In today’s competitive market such space is already crowded with several other brands and therefore companies have to put in constant efforts in creating a space so as to gain instant recognition for their product. Therefore it is a battle for survival for companies and their products. Mindset or the customer’s attitude towards the products is beyond control of any company and that is the reason branding is now an essential part of company business and subsequent success.

The brand of a product / services has following objectives such as:

- To differentiate the product from the competitor
- To deliver the clear message
- To create credibility and trust in customer
- To connect psychologically with target prospects
- To encourage the buyer to buy the product
- To create and increase the customer loyalty
- To protect the firm legally

- To help in promotion and advertising

The use of the concept of branding for any company is not an easy task or achievement. To create a successful brand, it is essential for companies to understand the needs of their customers along with the ability to judge the prospective behavior of the customer especially towards their product.

A specific brand lives in the minds of customers. For this reason a company at every point of public contact makes an effort to integrate the brand strategies that is based on their experiences and perceptions, hence as the intense competition intensifies every day a reputed strong brand is invaluable to attract large number of customers.

Any brand is a set of perceptions and images that represents a company, their product or service. In general many people refer to a brand as a logo, tag line or audio jingle; however a brand is actually much larger than all of this. The larger role of a brand for the product or service is the essence or promise of what, the product or service of reputed company will be delivered or experienced by customers. Moreover a brand allows a buyer to easily identify a particular company or product and also to differentiate that particular product or service from similar products.

In present scenario, Branding is an integral part of the business building process. Thus, most of the companies incur mammoth expenses towards building their company's brand. Branding forms an integral part of the business.

- Brands enable customers to remember specific product/service.
- Brand builds customer loyalty which basically leads to repeat purchases.
- Brand helps to attract new customers through referrals from existing customers
- Brand conveys a message to customers regarding what can be delivered through product/service
- Brand also tends to have emotional expressions which relates to the customers.
- Brand does add value to business

1.3 Importance of Branding

Due to the very competitive world and number of products entering market every day it is easy to understand why brands are more important now than at any time in the past 100 years. To create a brand one needs to study the psychology of consumers. It is a promise mark of company which is different than a trademark.

Products do go through life cycles like any other living things. So products are born and they can go out of market or they die but Brands outlive products. Brands convey a uniform quality, credibility and experience. Brands are more valuable than any product. Many companies put the value of their brand on their balance sheet. In 2014 Google has been valued by Brand ZTM Top 100 Most Valuable Global Brand's ranking, worth \$159 billion.

When Tata Motors of India bought Jaguar and Range Rover from Ford, they not only bought factories raw material but TATA bought Ford brand for \$2.56 billion.

Likewise, Kraft bought Cadbury along with its many brands for \$19.5 billion. Branding is fundamental. Branding is the basic. Branding is very essential. Brand builds incredible value for companies and corporations.

Importance of a brand is significant as it is a promise of a company to deliver the satisfaction about customer's expectations. When customer buys the brand product or service, they rely on the company's promise and have an assurance that their expectations will be fulfilled.

The importance of branding a product lies in the fact that branding means recognition and an identity. Branding is an important marketing function.

Branding thus means the creation of identification and recognition of product/service in the market. Branding process not only means to have a trademark and logo, but it is the process of evolving a product/service to the level of repute in the market. Sometimes a brand becomes a generic identity for the product segment. It can be noted that one of the commonly used office equipment is Xerox machines, In this context an interesting fact is that the office equipment manufacturer that is 'Xerox' is also the a name of a company and the act of photocopying is termed as 'Xeroxing'. Hence the company name itself is an identified brand in the market.

Therefore, the importance of branding lies in the fact that branding means recognition and a separate identity. It is important for individual businesses as it ensures individuality and uniqueness of a product. This process of branding involves more than a trademark and a good name. The primary advantage of branding is that it helps to safeguard the product from unlawful activities of production by other competitors. Branding is also a way of developing a good share in the market. When a business house already owns a famous brand then during the launch of a new product in the market, the said company can use the pre-earned goodwill and reputation for the new launch. In such situation the advantage is that, customers are attracted to purchase the new products either out of curiosity or owing to the loyalty to the now established brand. The importance of branding can be summed up in simple words 'successful branding is a process that generates revenue that cannot be counted, it creates a reputation that is felt not seen, it is an asset that one cannot show on a balance sheet'.

Successful brands are based on the fact that they are desirable, unique and credible in minds of customer's.

Walter Landor, a legend in brand designing and pioneer in branding and renowned consumer researcher once said: "Products are built in the factory, brands are created in the mind." This quote by Walter Landor has established its truth and is significant in today's market.

1.4 Branding Strategy

There are various branding strategies depending on products and the sector. Each strategy has some advantages and disadvantages. It is the most fundamental marketing decision for companies which can affect various decisions from pricing to advertising.

- *Corporate Brand* – This refers to the company itself. In this context the company sells various products –services under one brand only. Hence in this advantages are gained by all the products –services. Here companies offer only one type of benefit to customers for variety of products with one core value. Similar to the advantage aspects there can be disadvantage too as whatever company does it is attributed to the all brands. The disadvantage

may result due the company's strategic marketing plan which can affect the particular product or service. An example of TATA or Reliance can be cited here wherein the Automobiles, FMCG, IT are all products or services under TATA brand similarly Reliance has its presence in telecommunications, Petroleum, retail etc.

- *Distinct or Unique brand* – Some companies have various brands. The benefits of each product are different. Companies such as Proctor & Gamble use different branding for each product. The individual brands are presented to consumers and the parent company name is given little or no prominence. Each product stands alone in market and therefore any failure of any one product don't affect the entire company or other products. In the context of Distinct Brand strategy it is necessary that each product has its own marketing strategy and budget. Success will be directly attributed to the respective company's brand. Proctor & Gamble owns popular brands such as: Ariel, Braun, Crest, Duracell, Gillette, Lenor, Oral-B, Pampers, Pringles, Head & Shoulders, etc and has independent strategies for all of them.
- *Hybrid Brand* – Sometimes the company uses their name or an overall brand in addition to a separate name for the product. This usually works best when the product brand extends the benefits offered by the overall brand and is very common in the automobile industry (ex. Hyundai Verna, Hyundai Santro etc). The advantage of this strategy is that marketing and branding can benefit from overall brand budget and reputation and at the same time care should be taken if any problem or negative publicity arises. In such instances either product or overall brand may be affected. (<http://sazbean.com/2009/03/25/advantages-disadvantages-of-different-branding-strategies/>)
- *Umbrella Brand* – Here the company offers multiple products where each have a distinct benefit, however together the company offer a shared value to the customer. Any product can negatively affect the overall brand and specific benefits may be muddled in the overall shared value. When a company introduces different products with their parent company name then it is called umbrella brand. Examples include Virgin, Kellogg's and Sony. Generally, consumer durables and services brands have used umbrella branding

- *Range Brand or Line Extension Brand* – In this type of branding company uses the mixture of the Corporate brand and Distinct brand. For example, Toyota created the Lexus brand in order to establish a new brand for its luxury car segment. The Toyota brand was already established and has distinct market identity which helped the company in competing in the high-priced luxury market segment.

1.5 Brand Focus

For any brand to be successful it has to have a focus on its potential consumers/buyers. It is well known fact that there is not much difference in the taste of soft drinks viz Coca Cola and Pepsi, The differences cannot be judged easily.

1.6 Brand Message

It is important that the perception of customers towards any brand depends largely on how brand is perceived through the message.

The impression of brand in consumers mind is perceived by the message given by the brand message and it is also directed towards non customers alike.

When one mentions a name of Chanel it surely brings to mind the brilliance of Coco Chanel and her famous No 5 perfume. Similarly for brands like Rolex or Omega the message conveyed is that of the high quality and luxury Swiss watches. Same is the fact for BMW as it brings to mind the Luxury car by German maker.

The perception of brand is the message, however the brand message is not always perceived fully by the consumers regarding what the company is trying to convey and this is a very important motive in establishing a brand. When a brand expands globally the message sometimes has to change in respect to the language and cultural barrier of respective geographical region. It is a well known fact that the Sony's Beta format was clearly a superior product to VHS, however their decision to not enable the format to be standardized created negative impact on distribution and availability of the product, which finally resulted in a product failure.

1.7 Brand Slogan/ Tagline

The taglines or slogans are used to create awareness about the product as well as getting etched on the memory. Slogans such as “Just do it” or “Vicco Turmeric nahi cosmetic”, were remembered as well as liked.. The taglines also need to compliment the brand positioning and the brand.

1.8 Brand Positioning

Once the focus and message of brand is determined then the success of brand is decided by variables i.e. where and how the brand is positioned in the market.

A well-positioned brand is closely aligned to the needs of the target segments, in this context both the current and emerging trends are studied and are taken into consideration. Companies which are able to timely anticipate and figure out the market trends have the best opportunity for the long-term prosperity.

In general for success in business, companies adopt the best ways to predict the future trends and herein companies strive to create the future brands. This helps companies too often position themselves in the best ways which ultimately set and exploit the basis of competition to their advantage.

There are two ways through which a business can gain competitive advantage

- *Consumer centric* – focus is always on the customer. It influences customer’s perceptions, their expectations and the benefits and value which they are prepared to pay for (driving customers towards preferences in which your company has a competitive advantage in delivering against).
- *Competitors centric* – the focus is on comparing product with that of competitors to show differences and benefits. This establishes a new competitive advantage over rivals (present and future).

The Consumer centric way is obviously about shaping the nature of market demand to generate a desired market positioning while Competitors centric has new competitive advantage by using the delivery or supply side of business to establish a market positioning that is usually quite substantial.

Marketing innovation can be used to drive opportunities in both types of positioning.

Any positioning strategy is the key to survival of the company. When Maggi noodles were initially introduced in Indian market, Nestle tried to position the Noodles in the convenience product range targeting the working women. However, the sales of Maggi were not picking up despite heavy advertising. The basic problem the brand faced was the Indian psyche i.e. Indians are conservative about their food habits and hence the product faced major problems. Nestle studied the problem carefully and thus Nestle after research shifted its focus from working women to children. In this context along with children their mothers were targeted through systematic marketing efforts. Thereby Nestle' positioned the noodles as a 'convenience product', for mothers and as a 'fun' product for children. The noodles' tagline, 'Fast to Cook Good to Eat' has seen Maggi capturing the market share of more than 80% of noodle market in India.

A company adopting the positioning of the brand has to appeal to four types of audience with different objectives

1. Customers (present and future) – To focus their minds on the USP – unique selling point- of the company
2. Employees and Its partners – To understand the approach in meeting customer needs and on what basis/ values the company is competing in the market
3. Investors and stake holders – how the company will have advantage and pursue for higher share prices and market share
4. Competitors – Either by creating entry barrier or discouraging the other competitors or at the same time encouraging some business to strengthen your business (if a company is technologically ahead of its competitors it can encourage others to take licence or use their product in others product e.g. Microsoft)

1.9 Brand Ambassador

The term brand ambassador is not new in context of Branding of a product. It is a person employed by the company to promote the company or the product. When a

known face or celebrity endorses a product it creates better recall and awareness. One can trace back the use of Hollywood stars endorsing the cigarettes way back in 1940's. Here in India also many film stars have endorsed various products, the famous brand beings Vimal, Mayur suiting to the latest Ranveer Singh and Maruti model.

The choice of celebrity depends upon the value and ethics of the company or the product. Usually general public associates these values and ethics of the celebrity with the product or the brand. This can be an advantage to the company as seen in case of Shah Rukh Khan promoting Santro passenger car for relatively unknown brand of Hyundai. The popularity of the actor helped the brand to be a success. But one needs to keep in mind that if the celebrity has problems in their personal life or their popularity drops it does have the negative effect on the brand image of the products they are endorsing.

Generally it is observed that the concept of branding plays significant role in every business sector. Hence the researcher was keenly interested to study the branding phenomenon especially related to passenger car industry. The main focus or interest towards passenger car Company's branding exercise was given a thought with a view that during recent years one can observe major transformations in production of various models of passenger cars and also the change in attitude of passenger car customer's. Of course there are different factors which results for notable impact with regard to passenger car market, the growth of various car brand companies, the customer's role and so on.

Hence it was decided to study the strategies adopted by various passenger car companies to gain competitive advantage in present market scenario.

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CHAPTER - II

LITERATURE REVIEW

Today there are more than 18 manufacturing auto companies having their production plants all over India. There are more than sixty brands of cars available offering more than hundred models to customers in India and the list is growing every day.

2.1 Brand

There are many experts who have defined the concept of on Branding.

Matt Haig, (2006) states that, "Brand is everything. Companies live or die on the strength of their brand."

Further brand has also been described by Helen Edwards & Derek Day (2006) while as being, "the simplest structure, characterized by total unity between company (or organization) and the brand as it is perceived by consumers"

In an article the author Benjamin Warsinske (2009) describes brand as, "the persona of a company through unique, distinctive qualities that set it apart from its competitors."

"Branding is a deliberate attempt to create a relationship and to create recognition between a product and a person or between a brand and a crowd" says Martin Goldfarb & Howard Aster (2011)

One of the brand experts, Wally Olins (2008), has defined "a brand is simply an organization, or a product or service with a personality". Very few people seem to understand about the subject. Brand as the subject is confused and confusing. This is partly because branding can encapsulate both big and important and apparently superficial and trivial issue simultaneously". The fundamental idea behind the brand according to Wally Olins is that in everything the organization does, everything it owns and everything it produces it should project a clear idea of what it is and what its aims are. Hence he states that the most significant way in which this can be done is by making everything in and around the organization –its products, environment,

communication and behavior – consistent in purpose and performance and where this is appropriate, in appearance too.” In context of this an example from the passenger car can be cited i.e. “cars are sold in fancy showrooms, advertised abundantly with clever and stylish ads and sold with all manner of service and warranty options. Yet at its heart the automobile – even the personality driven MINI from BMW- remains a product dominates brand.”

Certain companies use the same corporate name for its brand name example Virgin. According to Wally Olins companies adopting such a brand policy are not found to be disturbed by the fact or consequence of having the corporate name is also the name of its brands. On the other hand there are quite a few companies such as – Volkswagen, Ford and Pepsi which go to great extent to separate their corporate name from all their brand names. E.g. Altria owns brands such as Marlboro and Benson & Hedges.”

2.2 Classification / Types of Brand

Considering the market phenomenon or the future of the brand or the impact of the brand during particular period of time, Helen Edwards and Derek day (2006) tends to classify brands as follows

- *Hollow Brands* are the ideologically challenged brands, all froth and personality on the outside but with nothing substantial at the core. For example a brand like McDonald’s can have such a hard time chasing back from criticism over health and obesity issues, the global ad campaign –‘I’m lovin’ it’ – serves to convey the uncertainty of a brand.
- *Question Mark Brands* - Brands in which belief and capability are unmatched become question-mark brands. The question mark instinctively pops up in people’s head when they are presented with attractive beliefs from a company whose credentials don’t seem to fit .Benetton is an example, even if you buy into the ideology so graphically communicated, at some point you must question Benetton’s relevance to it.
- *Blind Brand* is a brand struggling to appeal to people it has lost sight of. For example Marks & Spencer. The company’s brand was highly attractive to

consumers and had capability. However through a kind of isolationism, the brand lost touch with people.

- *Irrelevant brands* - get created when the world changes with passage of time but such changes the brand doesn't notice. They become weak in the market. For example, Kodak's slowness to spot the importance of digital photography, which has cost the company dear over the past few years.
- It is important to observe that the brand strategy, of two companies significantly differs. Pepsi has always taken risks and promoted itself as a youth drink, yet Coca Cola is the world's most recognized brand in spite of an experience of the disastrous introduction and subsequent marketing fiasco of new coke.

With the mention of following example one can judge the importance of the power of a brand. On April 23, 1985 New Coke was launched with fanfare, including prime-time TV ads. Company Chairman Roberto C. Goizueta proclaimed New Coke "smoother, rounder yet bolder," But public reaction was overwhelmingly negative, some people likened the change in Coke to trampling the American flag. On July 11, Coca-Cola yanked New Coke from store shelves. In this context one basic question which the company did not consider was to know the need of customer for the new recipe of coke. In the realm of branding strategies it is regarded as one of the greatest brand failure in the world, yet Coca-Cola leads the market.

- Another example which can be mentioned is that of McDonald's and its success is mainly attributed to the strong brand focus. Though there exists many burger bars, even then McDonald's were successful. This success can be attributed to the brand positioning strategy where the company classified itself as family restaurant. Thus McDonald's prime focus on targeting families was a great success. Even though it is focused on family it does not loses out on attracting teenagers, grownups and singles to its restaurant. Thus it attracts all types of consumers as it has not alienated any group without losing focus on being family restaurant. Here lies the truth why the brand McDonald has gained significant share in today's market scenario.

According to Sicco van Gelder (2008) the brands can be classified as Quality Brand only when it derives the reputation from the appreciation of consumers for their product or service excellence and subsequent consumer loyalty. Moreover it's observed that Quality brands are dedicated to a specific product or service category. A quality brand is not necessarily innovative nor does it rely on a continuous stream of brand extensions for its relevance to consumers. For example Volkswagen as a brand has built on a reputation for quality, durability, reliability and resale value of its cars. On an average Volkswagen apparently lasts for 20 years and during this period may have upto six owners. There is limited pressure on Volkswagen for constant innovation. Most of its models evolve successfully in markets For example; the Volkswagen Golf is in its fourth incarnation since 1974. Volkswagen only needs to demonstrate innovation when entering a new product class, such as with the Lupo mini car (3 liters of fuel for every 100 km) and the Phaeton luxury limousine (built to achieve speed of 300 kph).

Core competencies for quality brands are to consistently convince consumers of quality and competencies of their offering. This is more difficult than it sounds. It is clear that the differences in quality between the products and services of various brands have decreased dramatically over the years. In many categories – at least in developed countries- there are no longer clearly inferior or superior products and services. This means that quality brands are often defending increasingly smaller turf. Those that fail to defend that turf suffer badly.

For many companies Quality brands continue to move ahead in order to preempt the arising difficulties. The Volvo, has reputation for automotive safety, however as it realized the closing gap of its competitors, the company laid more emphasis on the design of the cars. Thus introduction of new special model V70XC for cross-country helped make Volvo in having appealing and prestige for its brand.

In concept of brand there is also a component viz Association Affinity. In this case people wish to be seen identified and let everyone know that they have association affinity for particular brand and that they want to be part of. These are association brands. Association brand is sensitive in nature for a number of consumers in terms of self actualization and self esteem. Such association with a brand is also for the Mercedes- Benz wherein value is towards prestige and achievement and hence reflects for ambition and success of owner of the brand.

Another aspect related to branding is the Navigation Point brand. These brands are well known and thus consumers can easily distinguish a particular brand fairly well than competitor's brand. In today's car market, consumers generally know many brands and also have some idea of what they stand for, example Mercedes is owned by consumers for the brand as reference as a luxury car. It also helps to define elaborate status for senior executives and entrepreneurs. Similarly Volvo defines safety.

- In today's market scenario it is also observed that several companies for the reason of success have strategy in extending their established brand of a product or service rather than creating a new brand for any new product / service ((Kapferer, 1997)

A brand being attached to a product is dependent upon the product lifecycle and is thus doomed to obsolescence. By transcending the actual product, the brand can stay young and pretty while the products disappear. In this context one can observe that this strategy is practiced by most of the washing powder brands. Hence the company strategy is found where brands ticks to the model name, for example the Volkswagen Golf, Renault Laguna and Ford Mondeo.

In today's globalized world the degree of harmonization of a brand across countries has an impact on the ease or difficulty of (simultaneously) introducing a brand extension in multiple countries. The issue is actually not how much of the brand is harmonized, but whether the key brand expression aspects that drive the relationship with extension are similar across countries. Sometimes, the extension's product or service is simply not relevant in all countries where brand is available. Several global passenger car brands strategically restrict sell of particular models in certain markets, such as the Ford Mondeo, which is not sold in the Unites States and the Mercedes A-Class, is similarly absent from US roads. In such cases, the extension simply is not expected to meet consumer's taste or needs.

2.3 Importance of Brand

One certainly agrees that the key to successful branding is creating a bond with consumers. There are some principals in creating a successful brand and certain principals published by Landor Associates in 2010 are

1. *Distinctiveness* – the brand should be able to stand out in the competition, so the brand positioning of the product should be distinctive with clear idea of target consumers.
2. *Able to claim the segment* - brand should be able to capitalize on the differentiation and be able to claim the stake on that. It is a discovery that brand name is generic for its category, E.g. Xerox, Google
3. *Promise* – brand needs to keep the promises it makes to the customers. The loyalty from customers motivates the brand to exceed the expectations. The loyalty can be created by the word of mouth promotion
4. *Emotions* – brands that can create the strong emotional bond with its customers that could be very difficult to break by competition. It is found that a customer gets emotionally attached to a particular brand. Such emotional attachment can be judged for e.g. in the blind test amongst the Pepsi and Coke drinkers it was observed that they could not choose their own brand but when particularly asked for the preference it was found that they still prefer their particular brand.
5. *Employer branding* – the brands that work from inside out, i.e. employers are empowered to carry out brand message. This creates the loyal brand advocates. The aspect of employer branding is becoming ever increasingly important hence many companies accept the fact that their employees are also their brands. This phenomenon is gaining importance in recent years. In the past employees were proud to be working for a particular company, usually they joined the company as young fresher and leaving only at the retirement age. However in present scenario it is not the case anymore. There is a tendency to change company for making advance in one's career. This behavioral pattern has resulted in increased attrition rate. There is no emotional bond found among employees towards company. This scenario means companies have to spend lot of money in hiring and training the employees. That is why many companies have started the inside out branding.
6. *Two way communications* – The creation of two way communication digitally and through social media helps the company to build their brands but also influence customers to make informed decision regarding products and

services. Most of the companies have presence on the social media. They also monitor the buzz and any chats regarding the company or the products. Because in this day and age of technology the 'word of mouth' has more impact.

2.4 Brand Positioning

Brand positioning is one of the strategies companies need to get it right for competitive success in the market.

According to Brad Van Auken (2003) - 'Brand positioning is the way the brand is perceived within a given competitive set in the consumer's mind'. In another words 'Positioning is creating a niche in the minds of target segment consumers.' states S Ramesh Kumar (2002)

According to Subroto Sengupta (2005) – 'Brand positioning revolve around different aspects of the brand such as Who am I? What am I? For Whom am I? Why Me? The answers to these would determine the brand's position in prospect's mind.'

"The competition-based perspective of brand positioning emphasizes distinguishing a brand from competing brands on benefits important to customers. By contrast, the customer-based perspective focuses on how consumption of the brand and the category is relevant to customers' lives." Derrick Daye (2012)

Brands succeed when they are positioned in such a way that they capitalize their uniqueness, largely gives them the competitive advantage." Leslie de Chernatony and Malcolm McDonald (2006)

Straus Roger A. (2010) , puts the onus on companies to position the brand properly. According to him, 'If companies don't position their brand/ product proactively, the market place (each individual within it, including your competitors) will position it themselves.'

Riezebos Rik &, Jaap van der Grinten (2011) states that the Brand positioning approach starts from inside, instead of outside-in approach by analyzing the corporate identity. This helps in better fulfillment of external positioning while ensuring internal support.

Thus brands have a personality and a general demeanor that is consistently recognizable (their positioning) and all potential customers should gather the same perception of the brand that the positioning intends to define. (Dennis Crowley, 2011)

Waheed Riaz & Asif Tanveer (2012) put forward different concept where companies do not require focusing on branding strategies but rather on basic marketing mix. A better product at a better price, promoted in a better and more effective way, with a better placement could be a very successful brand. Brand building is nothing but playing with the 4P's to get a desired response from the customers.

There are eight positioning strategies used by companies. (<http://www.marketing91.com/positioning-strategies>)

- (i) Positioning by product's benefits or attributes – Sometimes a product can be positioned in terms of two or more attributes simultaneously. The price/ quality attribute dimension is commonly used for positioning the products. A common approach is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. E.g. Sensodyne toothpaste is positioned as offering remedy for sensitive teeth while Maruti car is positioned as the fuel efficient.

Today's markets are crowded with many brands which are alike and thereby create confusion in consumers mind. Brand loyalty, which was taken for granted by many successful companies are finding that consumers are changing their minds and brand loyalties more often. If the consistent quality and brand strategies are not maintained then ultimately whole brand may suffer, resulting in decline in sales. A single failure of the product can largely affect the image and the reputation of the company as a whole. Hence sustaining of brand in competitive environment is becoming increasingly difficult for companies.

- (ii) Using Product characteristics or Customer Benefits as a positioning strategy- This strategy basically focuses upon the characteristics of the product or customer benefits. In general it is considered that the imported product characteristics such as durability, economy or reliability etc. However this may not be true for all imported products. The company's manufacturing motorbikes are emphasizing on aspects like fuel economy, power, looks and durability. In

the case of Hero Cycles Ltd, their brand position emphasizes on durability and style for the cycle. Today one can notice that a product is positioned along with two or more product characteristics at the same time. In toothpaste market, most of the products highlight on 'freshness' and 'cavity fighter' as the product characteristics. Now a day's companies are tempted to try to position their brand along with several product characteristics.

- (iii) Pricing as a positioning strategy - Quality Approach or Positioning by Price-Quality – It is generally observed that the perception of the product is based on the price factor. When a customer enters any shopping center he or she surely comes across variety of brand of jeans. However the customer avoids the check the quality of the cloth material as the main focus is towards the price range. In such situations it is found that the perception is related to price tag and hence higher price leads to a perception of high quality.
- (iv) Positioning strategy based on Use or Application – The Nescafe Coffee brand for many years positioned itself as a winter product and had focused advertisements mainly in winter but the introduction of cold coffee has developed a positioning strategy for the summer months also. Basically this type of positioning-by-use represents a second or third position for the brand, such type of positioning is done deliberately to expand the brand's market. In such case companies are introducing new uses of the product that will automatically expand the brand's market.
- (v) Positioning strategy based on Product Process – Another positioning approach is to associate the product with its users or a class of users. Makes of casual clothing like jeans have introduced 'designer labels' to develop a fashion image. In this case the expectation is that the model or personality will influence the product's image by reflecting the characteristics and image of the model or personality communicated as a product user. One should not forget that Johnson and Johnson repositioned its shampoo from one used for babies to one used by people who wash their hair frequently and therefore need of a mild shampoo. This repositioning resulted in increase of their market share.
- (vi) Positioning strategy based on Product Class - In some product class we have to make sure critical positioning decisions, for example, freeze dried coffee needed

to position itself with respect to regular and instant coffee and similarly in case of dried milk makers came out with instant breakfast positioned as a breakfast substitute and virtually identical product positioned as a dietary meal substitute.

- (vii) Positioning strategy based on Cultural Symbols - In today's world many advertisers are using deeply entrenched cultural symbols to differentiate their brands from that of competitors. The essential task is to identify something that is very meaningful to people that other competitors are not using and associate this brand with that symbol. Air India uses maharaja as its logo, by this they are trying to show that we welcome guest and give them royal treatment with lot of respect and it also highlights Indian tradition. Using and popularizing trademarks generally follow this type of positioning.
- (viii) Positioning strategy based on Competitors - In this type of positioning strategies, an implicit or explicit frame of reference is one or more competitors. In some cases, reference competitor(s) can be the dominant aspect of the brand positioning strategies of the company. The company either uses the same or similar brand positioning strategies as used by the competitors or the advertiser uses a new strategy taking the competitors' strategy as the base. A good example of this would be Colgate and Pepsodent. Colgate when entered into the market focused on family protection but when Pepsodent entered into the market it focused on 24 hour protection and basically for kids, in competition thus the Colgate changed its focus from family protection to kid's teeth protection which was a positioning strategy adopted because of competition.

In today's competitive world, the automobile market is dynamic in nature. Hence positioning of brand is an important aspect for a company. The importance of positioning of brand is no doubt crucial but with passage of time and prevailing competition aspect such as repositioning of brand is also essential and this has significance for survival of product. In this context; Subroto Sengupta (2005) states that, "Positioning strategies revolve around different aspects of the brand; which can be expressed as four questions posed on behalf of brand. The four strategy questions are:

Who am I? What am I? For Whom am I? Why Me? The answers to these would determine the brand's position in prospect's mind. With category based

positioning repositioning is indeed possible and may sometime be unavoidable. In this regard Sengupta quotes an example of Maruti Van “The Maruti Van was initially positioned and advertised as a van. It was to compete against Bajaj and Standard Vans. Later it was renamed ‘Omni’ and repositioned as the most spacious car on Indian road.

Further Subroto Sengupta has also mentioned about the positioning of brand through celebrity endorsement. A celebrity’s aura can be so overriding that even the negative traits tend to get ignored. For example, there may be few negatives associated with celebrity like Shah Rukh Khan i.e. self centered personality with heavy smoking habit but his aura ensures that the consumer accept him to be an overall fit for Santro car model. Hence it is observed that powerful celebrities are able to overcome the personality gap with the particular brand.

With regards to brand positioning the Frame of reference is one part and the other three parts are target, benefit and reason to believe. Describing marketing leverage in the frame of reference Mark Shapiro in Kellogg on branding (2006) states that, “Frame of reference is a powerful strategic tool often overlooked by marketers.” For example,” the obvious frame of reference for sports car is, of course sports car. However it is not the only point of reference. Sports car fulfills many different goals and marketers can embrace any of these as frame of reference. BMW did itself successfully, instead of positioning itself against sports cars, BMW compared itself to, a much broader frame of reference. This broad frame let the brand claim and own the powerful benefit of ‘The ultimate driving machine’.

Alice Tybout and Brian Sternthal(2006) define frame of references as a statement of the target’s goal that will be served by consuming the brand. The frame of reference may guide the choice of targets, identify situations in which the brand might be used and define relevant competitors i.e. brands that claim to serve the same goal. The marketing faculty of the world famous Kellogg School of Management Alice M Tybout and Tim Calkins (2005), have discussed about key branding concepts, strategies for building & leveraging brands, implementation and branding insight from senior managers.

It is observed that the success of the company is largely dependent on positioning of brand. In today’s competitive market the brand positioning results for

survival and success of the company. Hence creating of powerful brand is essential. With reference to powerfulness of brand, experts Leslie de Chernatony and Malcolm (2006), mentions about understanding the branding process and state that “Thinking of branding as being ‘to do with naming products’ or ‘about getting right promotion with the name prominently displayed’ or ‘getting the design right’, is too myopic.

Further these experts quote one example of BMW wherein BMW drivers proudly turn the ignition keys for the first time in ‘the ultimate driving machine’, they are not only benefiting from a highly engineered car with excellent performance but also taking ownership of a symbol that signifies the core values of exclusivity, performance, quality and technical innovation. Also Porsche’s competitive advantage is in excellence of product design.

Also is an example of Volkswagen (VW) in 1990, when VW purchased Skoda and thereby this brand had to compete on a price as it was perceived as being akin to poor quality commodity. Following significant investment in Skoda in areas such as product development, production and marketing, managers worked hard to develop a more favorable identity for this brand. An integrated approach building the brand resulted for the car company being able to charge a higher price.

Alike positioning or creating powerful brand also important is the name of the brand that essentially results for the success of a brand, “A brand name is, from consumer’s perspective, a very important piece of information and is often the key piece. It is, therefore, essential that an appropriate brand name is chosen which will reinforce the brand’s desired positioning by associating it with the relevant attributes that influence buying behavior. A brief consideration of some very well known brand names show that rather unusual reasons formed the basis for name selection. However in today’s more competitive environment far more care is necessary in naming a brand. For example the Ford Motor Company was named after its founder, Mercedes because of friend’s daughter.

It is observed that the name of the brand and further its success help a company to face market challenges. However it is also observed that in today’s market scenario because of the increasing need to define markets on global basis, idiosyncratic approaches to naming brands can lead to failure, For example, General Motor’s ‘Nova’ brand failed in Spain because the brand name means ‘doesn’t go,

while Rolls Royce's brand 'Silver Mist' was fortunately halted from market because 'mist' in German means 'dung', which obviously would have elicited different images."

Powerful brands make strong image statements and consumers choose them not just because of their quality, but because of the images they project. Consumers do not just base their choice on rational grounds, such as perceptions of functional capabilities, beliefs about value for money or availability. Instead, they recognize that to make sense of the social circles they move in and to add meaning to their own existence, they look at what different brands symbolize. Consumers interested to know regarding how well a particular brand might fit in with their lifestyle, whether it helps them express their personality and have inclination toward brand that would feel them comfortable using it.

A classic example in this context is the way Volkswagen positioned its new Beetle with '60s retro association. It is observed that in high priced purchases, emotional positioning can be powerful. For example, Mercedes-Benz, in its American press advertising, used analogies to great writers, sports personalities and historical events. One of the press advertisements depicted a photo of Hemingway with the caption 'a writer' and then a photo of their brand as 'a car'. Such understatements certainly help to evoke the benefits of the brand.

Several companies tend to use Branding for competitive advantage. Leslie de Chernatony and Malcolm McDonald (2006) states that, "Brands succeed because they are positioned to capitalized on their unique characteristics, which others find difficult to emulate- their competitive advantage. A brand's competitive advantage gives it a basis for out- performing competitors because of the value that the company is able to create.

Consumers perceive value in brands when:

- It costs less to buy them than competing brands offering similar benefits, that is ' cost-driven brands'
- When they have unique benefits which offset their premium prices that is 'value added brands'.

Car like Mazda 626 GLX Executive is good example of cost driven brand. This car was advertised as having the same standard features at a cheapest cost than that were offered by BMW 735iL and Mercedes 560SEC. Similarly is an example of cost driven brand Daewoo, which is now part of General Motors.

The Value added brand may not always succeed just through functional excellence. On the contrary a strong image can also be beneficial and can be a powerful competitive advantage. For example, both the cars Lotus Elise 111 and Porsche 911 Turbo have similar acceleration from 0-62mph (5.1 and 4.2 seconds, respectively) yet Porsche gained extra mileage which was based on the image, created by years of advertising and the image helped to contribute to the Porsche 'premium over the Lotus.'

The concept of branding consist of two dimensions i.e. functionality and representationality of brand. These two dimensions or the characteristics are independent of each other. Consumers rarely select brands using just one of these dimensions. Instead, they choose between competing brands according to the degree of functionality and representationality expressed by particular brand. For example, Audi cars are perceived as being very effective brands for communicating status and excellence and at the same time the brand also reassure the consumers about car's design and engineering.

According to Sicco van Gelder (2008) emphasizing the unique features of the products and services is a tried and tested way of positioning a brand. Unfortunately, features seldom provide sustainable advantage over the competitive brand, as those features which add value to a brand are often quickly copied and intruded by other competitors especially of lower end. For last few years several luxury car brands have positioned themselves with the aid of safety features such as ABS brakes and airbags. However according to European New Car Assessment Programme (2001), the Renault Laguna II, a mid range family saloon, has been the safest European car, as Renault brand was ahead of car models produced by renowned luxury brands like Mercedes, Volvo, BMW, Saab and Audi.

According to J N Kapferer (2012), Brand identity is the Advertising aspect which writes the history of a brand or company. The brand Volkswagen tightly monitors its marketing aspect, however for brand communication the active role is

delegated to advertising agency. It is observed that Volkswagen cars are launched under the same brand name no matter in which country across the world it may be.

Creating brand implies first drafting the brand's programme, which underlies the brand identity and positioning. It is important that the brand project will have to be transformed into strategic image traits. In the car industry, it is known that Peugeot cannot be defined by simply a few of its features, such as dynamism, reliability and aesthetics. These image traits do help differentiate Peugeot from Volkswagen, which is rather positioned in terms of reliability and comfort. However, each brand reflects its own fundamental automobile project and its own philosophy. As a result, Volkswagen speaks of cars, Peugeot of automobiles.

The preliminary definition of brand identity is not the same company. Certain brands have their own name values. Many companies now a days act as brands for example Audi is one of Volkswagen's brands.

In branding concept the dialogue with customers largely help to establish brand identity. Although most brands claim to put customers' needs first, this does not extend to creating a dialogue with them. Advertising does not count as dialogue. If the customers are managed well, the result may be lasting loyalty. The problem is that they are often not managed well and negative word of mouth can be only means of retribution available to customers who fell ignored or treated with contempt. Indeed, the retailer is not only the brands best ally when things are going well, it can also become its worst enemy when problem arises. It is the enemy of the brand because it is perceived as the enemy of the customers. At such time, the customer should have direct access to the brand itself, the ultimate recourse.

Saturn – the recent car brand created in the United States by GM as a response to Japanese brands – was a pioneer in customer relations. It set an example that, every new car buyer whether large or small should be given the name and telephone number of a brand employee who can if necessary be contacted by the customer in the event of unsolved problems. This is the real one-to-one relationship and is what customers expect above all else when problems occur. The brand cannot delegate crisis management to third party.

2.5 The Effect Of Branding

Martin Lindstrom (2012) states that only young children are aware of the brands but people in adult life also cling to the brands they liked in their childhood. He explains the psychological tricks and traps used by today's marketers and advertisers to obscure the truth and manipulate customers mind in pursuing them to buy the product. In present scenario many kids all over world recognize 'McDonald's' by age of six months. Thus babies are able to form 'mental images' of corporate logos and mascots.

Now a days it is found that larger and larger portions of marketing budgets are being devoted to brand washing the next generation of customers at as young age as possible.

2.6 Perceived Value Of Brand

According to Jagdeep Kapoor (2010) several decades prior to impact of globalization, many companies took for granted the customer loyalty towards their brands. However, there has been a transformation in the globalized Indian market and consumers now are seen to be loyal to "and not necessarily to brands.

The tangible value and intangible perception together make up for the perceived value of any brand in the consumers mind and heart. No doubt price plays an important part in the perceived value loyalty process. Consumers regularly consider the tradeoff between benefits and price.

The Indian market is experiencing intense competition and consumers have wide choice of brands. Hence every Indian consumer today is equipped with "an imaginary remote control. With this, the consumer explores various brands momentarily and evaluates them according to the perceived value he is getting.

Many companies imitate their competition in a blind, herd instinct manner. But it is necessary that marketers focus on consumers and not only on competition. When car brands like Maruti and Santro were growing many other brands entered the same segment, but these two car brands continuously lead the entry level car segment because the branding strategy concentrates on consumers, while the Matiz car brand did not and hence lost out on customers.

It is true that consumers do switch to another brand and therefore the marketers while building the perceived value try to attain brand switch. The intension of brand development is to snatch the market share. Hence the company not only constantly develops the brand but also respond to challenger brand. For example pain reliever product Moov was a challenger brand, to which similar product Iodex accorded a lukewarm reaction and the result was significant growth of the product Moov while the product Iodex remained more or less static in nature.

This is not to say that brand loyalty can no longer exist. However perceived value loyalty will precede brand loyalty. Only after through assessment would a consumer settle for a particular brand.

‘Brand Switch Module’, this component of branding is a unique way to gain, retain and regain consumers. This module recommends strategies to convert, attract, increase, retain and reconvert customers leading to increased sales, market share and profit.

For retaining customers, proactive customer service is the key business strategy. To able to achieve a brand switch, there are certain triggers in the market which can help convert consumers.

One of them is Dissatisfaction i.e. with notice of any dissatisfaction felt by consumers towards a particular brand a challenger brand should immediately target the dissatisfied consumers so that there is brand switching

2.7 Passion Brands

According to Helen Edwards & Derek Day (2006) today several brands are at a crossroads. Hence today’s marketers face flat growth, regulated markets, rapacious retailers and cynical consumers. In such scenario yet some brands rise above the issues to ignite passionate advocacy in consumers and employees. These are the brands which stand with the imagination and rather do not follow the latest consumer whim. Hence the brands with a burning inner fire and the courage to survive on beliefs are not passive brands but are passion brands. Today one can classify Google, Innocent, Camper and Emirates as passion brands. Helen Edwards & Derek Day have listed five main factors which make passion brands different from others.

- Brand has something important to say about modern life.
- Brand act out of deeply held beliefs, not the latest focus-group findings.
- Brands are good at something that's good for people and stick to it.
- Brand has a moral integrity that penetrates every fiber of the business.
- Brands are never sanctimonious, boastful or dull.

A belief in making things better has been a powerful force in the establishment of some of the world's most enduring brands like Lever, Hershey, Carlsberg, Cadbury, Philips, Krupp, Lloyds, John Lewis Kellogg's and Mercedes. Such brands are built on a strong foundational belief.

One of the most attractive characteristics of brand belief, provided it is sufficiently clear, inspiring and particular, is that it fosters a kind of natural exuberance throughout the business, so that all disciplines seek to find ways to give it active expression. It is a tenet of belief – led marketing that everything communicates, starting with the product itself.

Branding is a deliberate attempt to create a relationship and to create recognition between a product and a person. The corporate entity consciously tries to create brands and brands recognition. Branding or effort to create a brand, is global and everywhere. Brands come into existence and may over period of time extinct however efforts are also made by many brands to recreate themselves.

The question and the problem about what lies beyond brands and brandings have been discussed by Martin Goldfarb & Howard Aster (2011). Every Culture is a complex of stories, a multilayered complex of stories. Stories reveal the human values of a culture and hence listening to people is the key to market research. The important aspect of market research is to know human behavior and thereby the value structure of society. The said authors also deals about an aspect i.e. affinity. Affinity is about feelings, about attachments and about bonding.

In general values are the guiding standards and principles of behavior of the society. As values could be the most stable elements in social structures, one must find out what and where they are and tap into them. Hence advertisers are constantly seeking to do the same. Therefore, advertisers are always looking to segments in society, fragments.

Fragmentation is one aspect of the challenge in today's marketplace. The other, obviously, is globalization. Pressures emerging from globalization today are enormous. Moreover the product categories which are global have achieved enormous force and success by attaching themselves to a dominant spirit, namely, the vitality of youth culture and its values. In global scenario the culture of youthfulness is one value, another being Quality. Quality is a discipline that is built into many global products, from SONY to Toyota.

Besides youthfulness and quality the global value today is about frugality. In the present age of environmentalism and with an awareness of spiraling oil costs, everybody has assumed the behavioral mantle of frugality. Thus cars that are gas guzzlers with excessive carbon emissions are viewed skeptically, practically as immoral. In the automobile industry quality and frugality deeply affect purchasing behavior. Therefore even expensive cars must not only have good gas mileage but essentially must be able to deliver frugality and quality.

Branding today is everywhere and some argue that it is everything.

According to David Lester (2011) it is fascinating to learn why some of the products we take for granted actually came about. Just how much was carefully planned and how much happened by pure chance? It's intriguing to wonder how things might have been without some of those twists of fate. And to wonder what might have become of some of your own ideas.

To be an entrepreneur one needs two Qualities i.e passion for the idea and the determination to find a way through no matter what problems are encountered. Age, experience, family background and starting capital are not that important or even the requirement.

- Most importantly, every company was started by one or more individuals who had an idea.
- Every business is successful.
- They are all also a 'household name' in many countries around the world.

Founders motivations often play a significant role in the subsequent success (or failure) of a venture. Specifically, it is very rare for a business to succeed that is founded by someone whose passion is just to make their fortune. In the cases of

Google or Dyson, or simply because the founder loved an area so much that he wanted to work on it, as with Sony or cloudy Bay. Interestingly, in all cases this passion for the product or service was combined with a clear belief that the fledgling business would be able to make enough money to survive, this was not mad-scientist passion with any regard for business reality.

Of the rest, a few were started by people who simply wanted to make a living. Take example of Pizza Hut's beginnings, where its founders simply wanted to pay their way through university. Volvo and Nokia, interestingly both Scandinavian, were founded in order to produce a certain type of product/introduce a particular process to the founder's home country.

To found a successful business in any country is a tremendous achievement. In every case, products were either designed from the beginning for each particular export market or adapted for each country, using local people to feed in that knowledge. The formula for success appears easy, though in most cases implementing it well is very far from easy: research local needs, launch a product tailored to that market, commit proper resources to the launch.

The authors Martin Goldfarb & Howard Aster (2011) states that the first entrant to market has significant advantage, able to build market share and brand loyalty without significant competition. Dyson is perhaps the best example of the first movers becoming complacent and allowing a young upstart business to come from nowhere and take the market- leading position in most countries by delivering a clear product advantage.

2.8 Brand Loyalty

Jagdeep Kapoor (2010) states that both the tangible value and the intangible perception, together, make up the 'perceived value' of any brand in the consumer's mind and heart. Marketers must focus perceived value rather on the competition.

With the increase in the standard of living of Indian consumers naturally look for better offerings through the means of sophisticated advertising, sound positioning heavy media support, availability of technology, growing trend of parity amongst products in form, content and communication. Also consumers rely heavily on the idea of cognitive decision making, past experience, word of mouth, promises fulfilled,

Information processing or family needs. Repeat buying holds enormous significance for the success of consumer products. It is a function of trial purchase and consumption. A trial itself is a function of awareness. The awareness and the trial and repeat buying approach emphasize that awareness of a new brand, and any other mental state it engenders, are not sufficient to guarantee the adoption (repeat purchase) of the advertised brand. Rather, awareness results at best in curiosity and trial. It is only while a brand is being used that evaluations and comparisons are possible. Thus, only when the 'perceived value' of a brand is evaluated by use can repeat buying take place.

Price plays an important part in the 'perceived value' loyalty process. Consumers regularly consider the trade – off between benefits and price. Extra benefits can be in the form of additional attributes.

The concept of 'perceived value' loyalty permeates the elements of the marketing mix. The product has to be of good quality, with a name, packaging and augmentation that will reflect value to the consumer. The distribution and availability of the brand are crucial. A brand may be of a very good quality but the consumer gets irked by irregularity of supply and non – availability.

Consumers buy perceived value. If they do not obtain the intangibles (perception and image) along with the tangibles (value, qualities, price), then they switch brands.

Brands are built into the minds and hearts of consumers like and consumer brands rationally as well as emotionally.

Market segmentation has three objectives namely to improve the competitive position of brands and products, to attain a more effective position for them in the limited market (of unfulfilled needs) that represents new product opportunities and to find new customers for existing products. Different consumer groups must be clearly identified – physically and in terms of their needs, segment must be substantial – the segment should be capable of relevant measurement.

Any brand whose perceived value is lower than its price is an overpriced brand.

Price of one brand is set in such a way as to maximize profits from the entire product range. Customers buy perceived value, not price. “Customer satisfaction begins with employee satisfaction.”

Consumers do not buy products or services, they buy brands. Samsika marketing consultants indicated that, on an average, an Indian consumer consumes 44 brands in one day.

2.9 Brand Management

Brad VanAuken (2003) states that brand management, involves solving complex issues. The brand manager’s main task is to collect relevant timely information hence the complex issue is how to obtain desired information which will allow establishing the brand position in the market.

Considering the concept of brand management the different aspects namely brand equity, brand positioning, brand essence, brand architecture and so on should be well judged as the brand increasingly become the source of differentiation that guides customer purchase choice. The brand’s promise is delivered through its products, services and consumer communication, customer relationship and experience. If the brand is well conceived and consistently delivered through all business process and customer, the company will grow and prosper.

First is *Brand equity* that creates a relationship and a strong bond that grows over time. It is often so strong that it compensates for performance flaws, such as an out-of-stock situation, poor customer service and a product that falls apart. In simple words Brand equity is the commercial values of all associations and expectations (positive and negative) that people have for company and its products and services. Such association and expectation is due to experience, communications and perception of the brand over time. This value can be measured in several ways : as the economic value of the brand asset itself, as the price premium (to the end consumer or the trade) that the brand commands, as the long-term consumer loyalty the brand evokes or as the market share gains it results in, among many others.

Secondly the *Brand positioning* is the way the brand is perceived by the consumer’s mind within a given competition. Relevant differentiation is the most important aspect of brand positioning.

Third is the *Brand Essence* that is the heart and soul of brand's fundamental quality or is the one constant across product categories and throughout the world e.g. Nike: Authentic Athletic Performance, Disney: Fun Family Entertainment

Also is the *Brand Personality* which refers to adjectives that describe the brand such as fun, kind, sexy, safe, sincere, sophisticated, cheerful and old fashioned, reliable, progressive, etc

According to Brad VanAuken (2003), the term Brand Architecture refers to a brand's family tree or its hierarchy. The company organizes various entities within its portfolio and the brand architect states how such entities are related to each other.

- *Corporate Brand* – this brand is bearing the company name. It is always highest in a brand hierarchy. Examples are Ford and General Motors or even Hewlett-Packard, IBM, 3M, and Kodak.
- *Master brand* – This brand is the dominant, highest level brand in hierarchy and typically, it is also the only brand in the system.
- *Parent Brand* – this brand is extended into more than one product category. It may or may not be the same as the corporate brand. Examples are Ford and Honda. Parent brands offer the following advantages i.e. Less expensive new product launches, Trust/assurance and Marketing economies of scale.
- *Sub brand*- A sub brand is a new brand that is combined with a parent or corporate brand in the brand identity system. The sub brand can make the parent brand more vital and relevant to a new consumer segment or within a new product category. Examples are Taurus and Accord.
- *Endorsed Brand* is the primary name that the consumer is intended to use to refer to a product. It is a brand that is endorsed by the parent or corporate brand. The parent brand is also identified with product, however, the endorsed brand is given much greater visual weight than the parent brand. In this situation, the corporate or parent brand lends credibility or assurance to the endorsed brand without overpowering it with its own associations. An example is shoebox, a tiny division of Hallmark.
- *Separate brand* – such a brand refers to stand alone or independent nature.

As rightly stated by H V Verma (2010) A brand constitutes of all kinds of physical signs and symbols. The most ubiquitous of all symbols is the product or service that lies at the centre of the brand and then are the marketing tools like advertising, sales efforts, distribution and sales promotions. The physical perceptiveness associated with these tools of brand building can confuse brand builders and make them trapped in the periphery, pre-empting them to reach and address the fundamentals of the brand. The foundations on which solid brands are built never catch the sight, but the tangential aspects that surround these become the insights for many brand builders.

Powerful branding is not simply confined to the glamorous and exciting product categories like fashion of cars or jewellery. The possibility to powerful brand creation exists in virtually every sphere of consumer buying space. Branding marvels belong to diversified territories like tourism, services and business market commodities and not so liked business such as waste disposal. Brand building is not confined only big for companies. There are numerous small companies which operate in a limited market area but have strong brands. Brands like Ghari and Priya Gold, Shree Leathers, Khadims, Action, Symphony and MDH have evolved from being regional players to national prominence. At the heart of every brand success rests intersection point between the values embedded in the market offering and the customer need spaces. Brands are created when these intersection create values that are unparalleled in the communication. The brand itself is what lies hidden below the tip of the iceberg.

The challenge for brand managers therefore is not to fall victim to the comfort that sight provides. Sight is mechanical. Thus mechanical observation of reality runs common across most of the people who take the mantle of brands have come to assume such an important role in consumers' lives. Brands are valued for de-complicating human life. Brands act as short cuts or light posts that provide ease in negotiation through a complex maze of choices. For marketers, on one hand brand and branding are important because these offer ways of achieving excellent performance while on other hand the branding strategy in this context acts as a liking pin between the values sought by the marketers. The brand essentially germinates as an idea that seeks to uplift its potential prospects from a less desired inferior state to a higher order state and finds expression in the products or services that is often

mistaken as a brand. Brands involve transcendence beyond the functional utility embedded in the product or service component, thereby pushing the delivery to a higher value orbit.

According to S Ramesh Kumar (2002) increased purchasing power, western influences, the information explosion and flow of new technologies are some factors responsible for the products and brand proliferation in the Indian market. The rural market which did not have any significance in yesteryears has opened up new vistas for car company like Mahindra and Mahindra. Brands are vying with one another to obtain a favorable and appropriate perception of consumers. Brands today try to create brand personality entities with which consumers can emotionally associate to themselves.

- **Marketing Inertia**

Marketing inertia is the reluctance of a firm to change its strategies with distinctive changes in the marketing environment. Typically, a firm that has been successful is rigid in changing the elements of the marketing mix –a ‘bunker mentality’ expresses under the premise that strategies of the past will remain successful in future. This rigidity can increase as the company gets out of the reach of its customers, sales force and distributors.

- **Market Drift**

Usually, a gradual but significant shift in consumer preference, competitive behavior or increasing government directives precedes marketing inertia. Such changes in market structure may be termed as ‘market drift.’ The rate of market drift may vary from one product category to another. For example, while vacuum tubes had a graceful exit in the category of wrist watches, there has been a substantial market drift within a short time of ten years-fifty to sixty per cent of the wrist watches produced are quartz. Market drift has affected the bicycle market less drastically than the 150 cc two-wheeler market. Tailors have been experiencing a high degree of market drift in the last two years facing a threat from ready-made designer clothes. The effect of market drift has been less pronounced on the market for cameras. There

are a variety of factors influencing the intensity of market drift and these keep changing in a given 'product-market' situation.

Today, the market drift is so swift that companies are forced to make preemptive changes in their marketing strategies. There are a number of brands which have survived market drifts.

In some cases, the brands have made of factors associated with market drift conditions work for them. Bajaj in scooters is an example of how companies have tackled market drift by using appropriate strategies such as Product-line extension, re-launching and brand extension etc. Bajaj created earlier the brand of motorcycle based on lifestyle positioning (Bajaj in the past was associated only with value for money products). Bajaj has also introduced a number of models in the recent times. Similarly car brand Maruti has introduced about nine models within a year (more than the number it has introduced in the last twelve years).

- **Brands and Consumer Decision Making**

Today Consumer's perception towards brand is to guide them through several stages of their decision making process. Usually a consumer has a list of 'top-of-the-mind' brands especially in product categories like soaps, toothpastes, blades, creams, tea, etc. The conventional model suggests a categorization based on the criteria of familiarity-brands known to the consumers and the ones which are not known to him.

As marketers spend a considerable amount of money on developing the equity of brands, there are certain aspects which may provide some direction on the linkages between brand equity and consumer decision-making. Certain aspects are

- i. How important is brand equity
- ii. The relevance of brand equity
- iii. The time aspect a marketer should develop the equity of brand if it is a new concept/product in the market?
- iv. Also the time period involved in the development of a product as well as its implication on the development of brand equity.

Considering the prevailing competition the core aspect of any marketing strategy is the customer satisfaction. Satisfaction that is the fulfillment of a need is a relative term and may differ from one product to another. A key element in determining customer satisfaction may be a mix of perceptions, expectations and actual experiences. The age-old adage 'under promise and over deliver' no longer works in a marketing situation where there is a proliferation of brands and each of the brand makes use of the 'unique selling proposition' (USP) to the hilt.

With regards to customer's satisfaction there are four area i.e. Product, Peripheral, Ambience and Psychic satisfaction.

Product satisfaction centers on the basic features of the product and can be applied both to consumer durables and consumables for eg. The Lalithaji - Surf which typifies the concept of the product satisfaction wherein the process of satisfaction starts even before the consumer has bought the product. Hence the Perceptions and expectations are shaped before the product is purchased. Similarly Bajaj M-80 television advertising is another example from the crowded two-wheeler product, where brand personality is likely to have a considerable influence on the final purchase decision.

Peripheral satisfaction is concerned with crating product/service different ion when differences between brands are difficult to maintain where product/service categories may not be amenable in creating 'brand-personality'. In airline services, British Airways offers an individual TV screen for every passenger in a particular class.

Ambience satisfaction with regards to car brand is a combination of both tangible and intangible factors which influence the consumer's experiences with regard to a product or service. This area of satisfaction may be readily applied to services for e.g. the décor, layout, furniture, appearance of staff and aroma are some aspects of ambience satisfaction related to showroom of any car segment.

Psychic satisfaction is an area of satisfaction which has almost an infinite scope, limited only by the capabilities of the mind, focused on the 'self-esteem' and 'goal achievement' traits of customers. Educational institutes like NIIT, Brilliant and Datapro may be communicating theme woven around 'life-changing' goals or Insurance companies may be interested in life. Maintaining goals like "Jeevan

Kishore” policies from LIC or assurance of quality and status symbol in society for top end models of cars like Mercedes Benz, BMW and Audi.

2.10 Tagline /Slogans

One of the ways to establish the brand is to have effective advertisement which certainly creates an awareness. However to generate instant recall is to have a unforgettable slogan or a tagline. In today’s market scenario importance of **tagline** cannot be overlooked.

Timothy R V Foster (2001), states that, “A slogan should be memorable. Memorability has to do with the ability the line has to be recalled unaided. A lot of this is based on the brand heritage and how much the line has been used over the years. But if it is a new line, what makes it memorable? The more the line resonates with the big idea, the more memorable it will be.”

According to Charles L Whittier (1958) a slogan should be a statement of such merit about a product or service that it is worthy of continuous repetition in advertising, is worthwhile for the public to remember and is phrased in such a way that the public is likely to remember it.

Steve Cone (2008) argues that creating a strong slogan is a marketer’s most important job but today it is given less importance in marketing plan. He offers four basic guidelines for creating a compelling tagline. He suggests that a good tagline should say why the company or brand is different and not to use common words, it should have real attitude and bypass wishy washy phrases; appear at all customer touch points and ideally be the headline of every marketing promotion.

According to Kohli, Leuthesser & Suri (2007) “New slogans are usually created when a new product is launched or if a company wants to improve its image. The thing that distinguishes slogan from the company name and logo is that slogans can be changed, unlike the company name that cannot easily be changed and the company logo that is often modified if changed at all.”

According to Kare Bjorkstrand (2012) the strength of brand does not influence the attitude towards slogans; it was found that the polysemous rather than simple slogans are more suitable for weak brand.

John Mathes (2008) states that, A good tagline starts with brand positioning statement, that should be well articulated and truly differentiating. He further suggests, A brand position can be expressed verbatim as a tagline (BMW and Ultimate Driving Machine) but tagline is usually not a brand position unless it is a direct lift from the positioning statement.

2.11 Customer Loyalty

The Success of creating a strong brand can be related to product loyalty or customer loyalty. The term product or customer loyalty can be used interchangeably across different industries.

David Aker defines brand loyalty as, “a measure of attachment a customer has to a brand. It reflects how likely a customer will be, to switch to another brand, especially when brand makes a change, either in price or in product features.”

According to Thomas Reynolds and Carol Philips (2005) “Three components define loyalty: beliefs, behavior and the likelihood of these two factors remaining constant in the future.”

Authentic brand promises and customer loyalty go hand in hand. Hence Schultz (2005) states that “loyalty must flow both ways, with the customer being loyal to the brand and the brand is being loyal to the customer.”

According to O’Malley (2004), “Customer satisfaction is more short-term metric of an event while customer loyalty is, in effect, a long-term measurement of an ongoing experience.”

“Brand loyalty is essential for businesses to grow over the medium to long term. Firms with large groups of loyal customers have been seen to grow into having large market share and been able to provide good returns to their investors. Loyal customers are likely to be resistant to the machinations of competitors. (Møller Jensen and Torben Hansen, 2006)

Also the response of the employees in solving the customers’ complaint can influence loyalty. Homburg and Frust (2005) state that, it is a fact that immediately following a complaint, customers’ perception is so dominated by the way their complaint was treated that complaint satisfaction becomes the main driver of loyalty.”

The study on Brand Loyalty by Don Frischmann (2008) reveals that, “There is an unwritten contract today between customers and brands they buy. First, they expect companies to consistently deliver what they advertise. Second, they expect the companies do business to treat them with respect and to be honorable and forthright.”

John Jacoby (1971) defines brand loyalty as simply the repeat purchase activity but clearly points out that this behavior is a function of psychological processes. The repeat purchase is not just an arbitrary response but the result of psychological, emotional or situational factors or other proceeding factors.

Unlike other consumer products with more frequent replacement of cars, auto buyers often don't return to market at least for three or four years...or even longer. Therefore according to Dan Zetu & Lonnie Miller (2010), loyalty needs to be an ongoing focus toward against customer defection. They further state that for a long time, loyalty has been viewed as a “nice to have,” not a critical business need. Today, automakers are starting to realize that loyal customers are their most important strategic asset due to the impact of loyalty on the bottom line.”

According to Møller Jensen and Torben Hansen; (2006), “Brand loyalty is essential for businesses to grow over the medium to long term. Firms with large groups of loyal customers have been seen to grow into having large market share and been able to provide good returns to their investors. Loyal customers are likely to be resistant to the machinations of competitors.”

2.12 Celebrity Endorsement

A celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement / marketing communication,(Grant McCracken's, 1989).

According to Mala Tandon & Sudeep Mehrotra (2005) Celebrity endorsement is associated also with the financial risk. The demand for famous entertainment and sports celebrities for advertising is big and these individuals are sometimes very expensive to use as endorsers. It is important for company to consider if the celebrity endorser is worth the investment. The other related risk involves the situation when the celebrity endorses one product and uses another (one of competitors).

Celebrity endorsement though valuable, may involve risk factor. The risk factor is in context of the career graph or the profile of the celebrity that endorses the product. Hence process of endorsement according to Jurate Banyte, Egle Stonkiene, Žaneta Piligrimiene (2011) should be carefully considered. The first question in this process is the question “why?” that should address the reasons for using the celebrity endorsers. The second question is “how?” and addresses the criteria for selection of celebrity endorsers. In addition, the third question involves the assessment of the risks of using the celebrity endorsers. Only when all these three stages are considered inseparable, one can expect the benefit, celebrity endorsement could bring.

The 19th century origin of the process of branding was developed especially to protect products from failure (Matt Haig 2006). In the 1880s, companies such as Campbell’s, Heinz and Quaker oats were growing ever more concerned about the consumer’s reaction to mass – produced products. Brand identities were designed not only to help these products stand out, but also to reassure a public anxious about the whole concept of factory produced goods.

Since last several decades the failure of mass – produced items that the factory owners had dreaded never happened as the brands had helped them to survive. However in present market scenario due to intense competition, the brands themselves are in trouble. This is mainly because in case a product fails the failure is due to the fault of brand.

If the brand image become tarnished through a media scandal or controversial incident or even a rumors spread via the internet, then the company as a whole may suffer. Yet companies cannot opt out of this situation.

Thereby branding is no longer simply a way of averting failure hence brand is everything for a company as companies may live or die based on the power of their brand. Strong brands do protect products but due to changing economy and fierce competition now a day the roles are reversed that is strong products now help to protect brands.

The literature review taken covers the branding concept and various branding strategies used by companies all over the world.

In various countries extensive work has been done regarding branding exercise of automobile sector, however not much study has been carried out in India in context of branding strategies in Indian automobile sector with reference to passenger cars.



CHAPTER - III

RESEARCH METHODOLOGY

The research undertaken is titled “A critical study of brand strategies adopted by Indian automobile companies for competitive advantage – with special reference to passenger cars”

Considering the theme of the research it is clear that there are several important entities involved in the study namely the Owners of passenger cars, The Head of passenger car company that playing valuable role in planning the company’s brand strategies and the Head of advertising firm as well as Brand Experts involved in brand promotional activities.

Hence the researcher decided to primarily focus on three entities namely

1. The Customers of various brands of passenger cars
2. The company’s Brand Heads / Marketing Heads
3. The Heads of Advertising firms or The Brand Experts

The research was intended to collect the relevant information about the perception of customers on various aspects involved in deciding the ownership of particular brand of passenger car. To interact with company Brand Heads / Marketing Heads to understand the brand strategies of various passenger car companies and also to study the views of Heads of various advertising companies as well as Brand Experts that are involved in various branding activities.

According to the researcher it is known that under any circumstances each entity named above has its own importance in the decision making process. The importance is regarding the customer’s decision making towards certain passenger car brand, the decision of the Brand Heads / Marketing Heads of company in planning and implementing the brand strategies and the decisions of the advertising firms to launch the brand promotional activities and Brand Experts who provide essential knowledge for the brand activities.

The researcher carried out the field survey during the period May 2012 to November 2013. The researcher being based in Pune, one of the fastest developing

metropolitan cities in Maharashtra planned to select Customers in and around Pune city.

With reference to passenger car manufacturers (companies) the researcher is well aware that the head office locations of companies manufacturing the passenger cars are at different places in Maharashtra and in India. However most of the passenger car companies have their well established, market strategy planning offices either in Mumbai or Pune. Similarly the Heads of Advertising firms or the Brand Experts were found to be based in Pune and Mumbai. The researcher was able to contact most of the Heads / Experts in person and in case of some the contact was made through telephone or Skype.

During the last three years it was observed that the Regional Transport Authority (RTO), Pune on an average registered around 20000 to 24000 cars which includes regular passenger cars, SUV's as well as imported cars/vehicles per year. Hence the researcher decided to take into account 30% of customers who had registered their passenger car during last three years. Thus the sample size fixed for the present study is of 2160 passenger car customers.

The interviews of selected customers were carried out during the reported period. Thus the survey involved the interviews of 2160 passenger car Customers.

The researcher could establish personal contacts with almost nine company Brand Heads / Marketing Heads. Thus interview of nine Brand Heads / Marketing Heads has been included in this research. While finalizing the selection of Heads of different companies care was taken to have representation of each segment of car A, B and C.

With regards to the Heads of Advertising firms / Brand Experts four well known advertising agencies dealing with advertisement of passenger cars in Pune and Mumbai were selected and the Heads were interviewed. The exercise also involved the participation of two renowned Brand Experts and hence their interviews were also recorded. Thus present study has interviews of six Heads of advertising firm/ Brand Experts.

3.1 Different Passenger Car Segments

According to the size and length of the car the Society of Indian Automobile Manufacturers (SIAM) which is the apex Industry body representing 44 leading vehicle and vehicular engine manufacturers in India, has classified the cars into segments namely A1 to A6.

Considering different segments put forth by SIAM, the cars available in Indian market are classified as under:

- A1 Segment - Mini – Up to 3400mm
- A2 Segment - Compact – 3401 to 4000mm
- A3 Segment - Midsize – 4001 to 4500mm
- A4 Segment - Executive – 4501 to 4700mm
- A5 Segment - Premium – 4701 to 5000mm
- A6 Segment - Luxury – above 5000mm

Taking into account the focus of the present research it was considered to classify the passenger cars into three segments namely segment A, B and C. This classification is especially with regards to the perception of the Customers towards the passenger car. It is observed that like the two wheeler, the purchase or ownership of the car is not a utmost necessity for an average Indian customer. Hence classification of passenger car into segment A, B and C is based on general perception of customers towards different models of passenger car.

The car Segment A is exclusively the luxury cars like BMW, Audi and Mercedes Benz.

The car segment B are mid size cars that generally preferred by higher middle income group of customers. This segment includes car brands like Hyundai, Honda, Toyota and Volkswagen. Today one can observe various models such as City, Sx4, Dzire, Logan, Accent, Fiesta, Verna, Corolla, Civic, C class, Optra and Octavia.

The car segment C is mostly the entry level/ small size model cars preferred largely by the first time passenger car purchasers. The passenger car companies like Maruti, TATA, Ford and Chevrolet are important players in this segment. The models

like Alto, wagonR, Zen, i10, A-star, Swift, i20, Palio, Indica and Nano are found in this segment.

It is observed that most of the passenger car manufacturers present in the market have presence in two or all car segments. The customers were found to be well aware about the brands and models of the car. The sample sizes of 2160 Customers accounted in the present study is drawn from all the three car segments. Hence selection of respondents largely serves the purpose of the study.

3.2 Designing of Questionnaire

Considering the three entities involved in the research study the researcher designed separate questionnaires for each entity.

Firstly, the questionnaire designed for the Customers covered important factors related to the behavioral aspects of the customers. Hence the questioner designed helped to gather information regarding present ownership of the brand, age of the passenger car, mode of finance in purchasing a particular car brand, awareness about tagline/ slogan of concerned car brand and important steps taken by the customer for arriving at the decision to purchase a particular brand of passenger car.

During the interview, information was specifically collected to know whose decision it was in purchasing the car that is whether it was customer himself taking the decision or was it a family decision or the decision based on the advice from others. Similarly information was gathered to identify important steps which the customer undertakes for his/her decision. Opinion of respondents on various steps taken such as discussions with relatives/ friends, visit to car dealer, customer undertaking the test drive, decision through advertisements or the information obtained through auto magazines / visiting car manufacturer's website and so on was recorded.

In general it is observed that the decision making of the Customers to purchase particular car brand is influenced by several factors. Hence the researcher was keenly interested to know about influencing factors like Name of the brand they own, performance of the car, affordability, previous ownership of same brand, resale value, various sales offers by the passenger car dealer, attraction of the brand ambassador

and lastly the customer's status symbol in the society. Thus respondents during the survey have noted their opinion on the influencing factors.

Apart from studying the influencing factors, another important aspect studied was to know the customer's perception towards various available brands in the market. Hence perception of the customer was noted with reference to different characteristics associated with the car brand such as affordability, a family car, safety, quality, innovativeness and the stylish nature of the passenger car. The aspect of perception was studied for each of the three car segments A, B and C.

Secondly the questionnaire prepared for an interview with the Brand Heads / Marketing Heads of the car companies covered aspects related to the present market share of the company, their views regarding customers and potential customers, importance of branding, effect of offering various schemes to attract the customers, importance of brand loyalty among customers, strategy of the company towards branding and revenue generation and expected scenario of the brand concept in next decade or so.

The third the questionnaire was designed for undertaking interviews of Brand Experts. Besides covering similar aspects that related to interview aspects of Brand Heads / Marketing Heads of car companies, researcher had prime focus to collect information regarding views the Brand Experts had about the present scenario of the passenger car market. In this context the aim was to study the strategies adopted in designing the advertisements and hence the efforts taken by the advertisement firms in promoting the brands.

3.3 Statistical Analysis

The information collected from the Customer respondents was primarily analyzed to compute the percentages. Especially with reference to the data collected regarding perception of the customers towards the car brand, top box analysis was done. Further statistical techniques such as correlation matrix and principal component analysis, were used for analyzing the data. Though different types of correlations like regular, forward and backward could be used here only regular type of multiple correlation was computed for all the variables.

During the survey researcher could clearly judge that the present market circumstances are governed by complex number of variables and hence to have appropriate analysis the technique of Principal Components Analysis was used. This technique helps to extract such variables which are significant for the market circumstances. The percentage variance explained by first principal component is same in all the three segments as well as for all the segments together. Also the plotting of the loadings on the first two components was done and the clusters of variables were identified and analyzed.

With regard to interviews of Brand Heads/ Marketing Heads of passenger car companies and the Heads of Advertising Firms / Brand Experts, the views recorded on various aspects were summarized and thus two separate summary charts were prepared for each entity. The summary chart helped in further interpretation process.

3.4 Limitations

As mentioned earlier the present research comprises of three entities that is the Customers, the Brand Heads/ Marketing Heads of car companies and Brand Experts. Considering each entity the researcher is well aware that passenger car customers are spread throughout the state. However it can appear as a limitation that the customers /respondents included in the present study are almost the residents of Pune city. This limitation has been experienced with reference to the time constraint and cost involved for various logistical aspects in covering the customer respondents outside Pune. No doubt researcher intends to overcome this limitation in near future by broadening the research area with large number of customers on state level.

With regard to personal interviews with the Brand Heads the researcher tried the level best to contact each and every passenger car automobile company. The process of contacting the Brand Heads / Marketing Heads of the company covered large time span of about twelve to thirteen months. During this period, the researcher tried to contact twelve Brand Heads/ Marketing Heads, however total nine Brand Heads/ Marketing Heads who agreed to interact were interviewed. However few of the brand heads did not respond to the several requests for an interview. On one hand not interviewing all the available Brand Heads/ Marketing Heads of the passenger car

companies could be considered as a limitation however researcher has taken due care that all three passenger car segments were represented in the interview process.

In context of the interviews conducted of the Brand Experts it was striking to note that most of the Heads of advertising firms/ Brand Experts were reluctant to quote the name of the car company they are associated with. Similarly the Brand Heads/ Marketing Heads of the companies too had their limitations to disclose regarding the source of their brand expertise. Of course this cannot be considered as a limitation as non disclosure of the source of the companies in making use of the services of the brand experts could be their business strategy. Here the researcher is satisfied that the efforts taken have helped to directly contact the leading Heads of advertisement firms / the renowned Brand Experts.

The following Objectives and Hypothesis were made for the study.

3.5 Objectives

- To study branding exercise with regard to customer's perception.
- To study branding strategies adopted by various passenger car companies.
- To study various factors affecting brand strategies.
- To study future of branding concept.

3.6 Hypothesis

- The prime strategy of the Company's Brand / Marketing Head is to establish the Brand Name.
- The entry of Customers in passenger car segments B and C is based on Affordability.
- The Maruti car brand seems to be well established brand in present market scenario.
- Designing of brand promotional activities has thrust in resulting for customer's status symbol in the society.
- In near future the significant use of digital media for branding is unavoidable.

□□□

CHAPTER - IV

ANALYSIS OF DATA

For the present research work, the requisite data was collected during the period May 2012 to November 2013. The questionnaire prepared for the customers received response from 2160 passenger car owners. Hence sample size of 2160 randomly chosen respondents covered both male and female. The table no 1 indicates that of the total respondents (2160), 89% were male (1922) while only 11% were female (238).

Total Respondents- Gender wise

Gender	No. of Respondents	Percentage
Male	1922	89
Female	238	11
Total	2160	100

Table No. 1

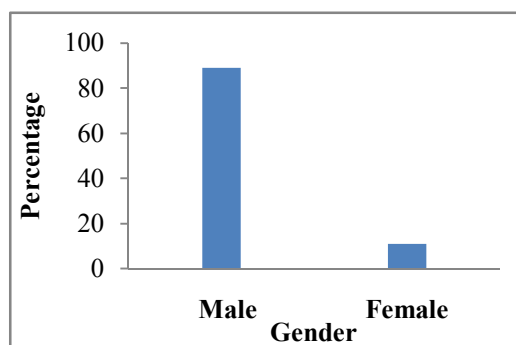


Figure No. 1

Though nowadays one can observe that large number of passenger cars are driven by females, even then there is less number of female respondents. The low percentage of female respondents or owners of passenger car (11%) is mainly because, there happens to be large passenger car registrations in the name of men, The registration of passenger cars largely in the name of male from the family, can surely be related to the male dominated Indian culture.

Total Respondents – Age wise

Age Group (Years)	No. of Respondents	Percentage
Up to 30	626	29
31 to 40	821	38
41 to 50	518	24
>51	195	9
Total	2160	100

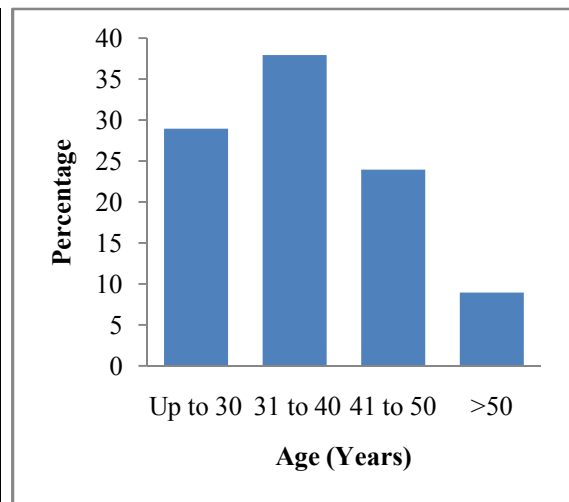


Table No. 2

Figure No. 2

The age aspect was covered in the given questionnaire to the customers. The age aspect was incorporated so as to know the potential age group of passenger car buyers.

During the survey the respondents selected were those who had purchased their passenger cars within the period of last three years. The table no 2 indicates the percentage of respondents that are classified into four age groups. It is observed from the table that the maximum respondents are found in age group of 31 to 40 years (38%) and followed by about one fourth of respondents between age 41 to 50 years (24%).

Overall it can be observed that 67% of the passenger car buyers are upto the age of 40 years. Hence the passenger car companies should have their major marketing focus on customers upto age of 40 years.

Further it can be stated that the higher percentage of passenger car owners in the age of 31 to 40 years is mainly because of the circumstances that in this age group the owners generally have a good family settlement in terms of finance as well as having passenger car is a need of time. Besides this the phenomenon of high percent of owners in this age group appears to be the result of active psychomotor skills with confidence of individual passenger car owners.

Current Passenger Car Ownership - Segment wise

Car Segment	No. of Respondents	Percentage
A	130	6
B	972	45
C	1058	49
Total	2160	100

Table No. 3(a)

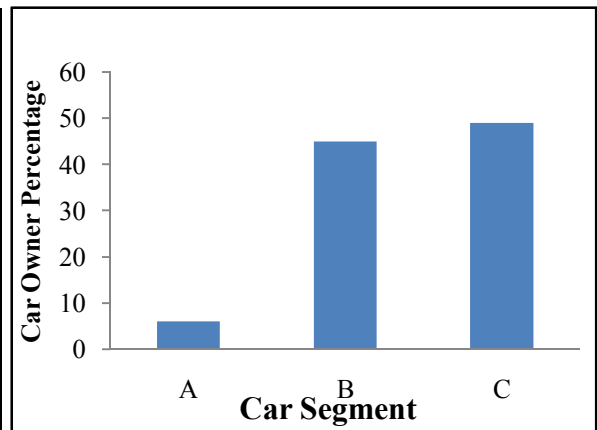


Figure No. 3

The respondents were primarily asked regarding their present ownership of the passenger car. The table no 3(a) and figure no. 3 indicate that of the total respondents only 6% had ownership of luxurious passenger car (Segment A). It is important to observe that there is no substantial difference among the owners of medium size cars (Segment B- 45 %) and the small size entry level passenger cars (Segment C- 49 %).

Thus considering the present trend within passenger car segments, it is found that companies manufacturing the small size cars and medium size cars face keen market competition. The significant low percent i.e. only 6% respondents having ownership of Segment A passenger cars i.e. Luxury cars can be easily related to the high price factor, hence the potential customers from high income group are found to be less in number in the society.

The table no 3 (b) given below shows the total number of respondents in each car segment i.e. A, B and C as well as number of passenger car owners having different brands of cars within each segment. The same is graphically represented in Figures 4, 5 and 6.

Current Brand wise ownership

Car Segment	Car Brands	No. of Respondents	Total Percentage	Segmentwise Percentage
A	Mercedes	50	2	38
	Audi	40	2	31
	BMW	40	2	31
Sub Total		130	6	100
B	Honda	311	14	32
	Hyundai	262	12	27
	Toyota	156	7	16
	Volkswagen	117	6	12
	Skoda	126	6	13
Sub Total		972	45	100
C	Maruti	540	25	51
	TATA	169	8	16
	Ford	85	4	8
	Chevrolet	85	4	8
	Fiat	84	3	6
	Others	95	4	9
Sub Total		1058	49	100
Total		2160	100	100

Table No. 3 (b)

Considering wide range of car brands/ models available in the market it was found that of the total ownership of passenger car approximately 1/4th of the respondents had their choice for Maruti brand of cars. Thus Maruti brand leads in the market share of passenger cars. The second largest (14%) market share belongs to car manufacturer of Honda brand car and is followed by Hyundai brand car manufacturer with 12 % market share. It is important to note that Maruti brand of entry level car leads the prevailing passenger car market and is way ahead of second and third market ranking car brands wherein both Honda and Hyundai together have the market share that alone governed by Maruti brand.

Though there is availability of numerous car models manufactured by several companies with renowned brands, the data collected reveals that none of the other car brands except Maruti, Honda and Hyundai has their market share that accounting to two digits.

Current Brand wise ownership – Segment A

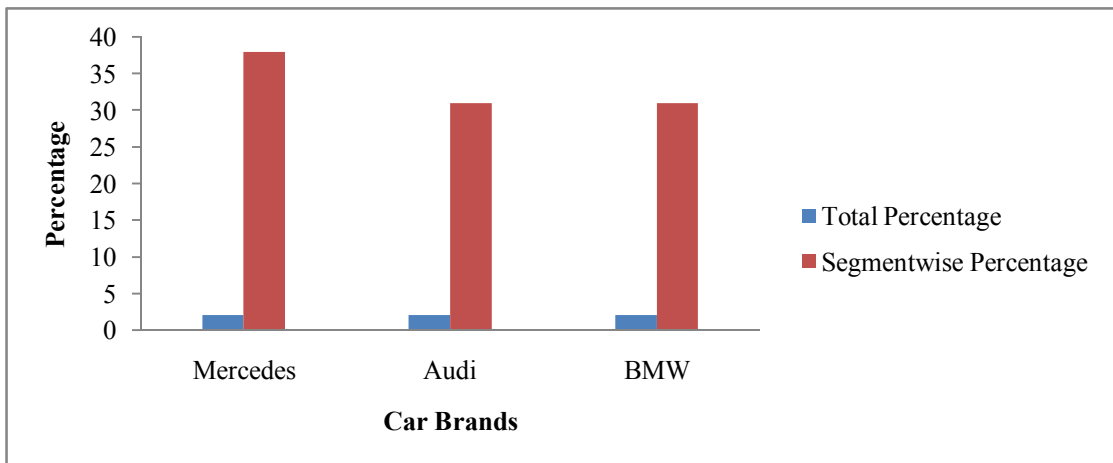


Figure No. 4

Current Brand wise ownership – Segment B

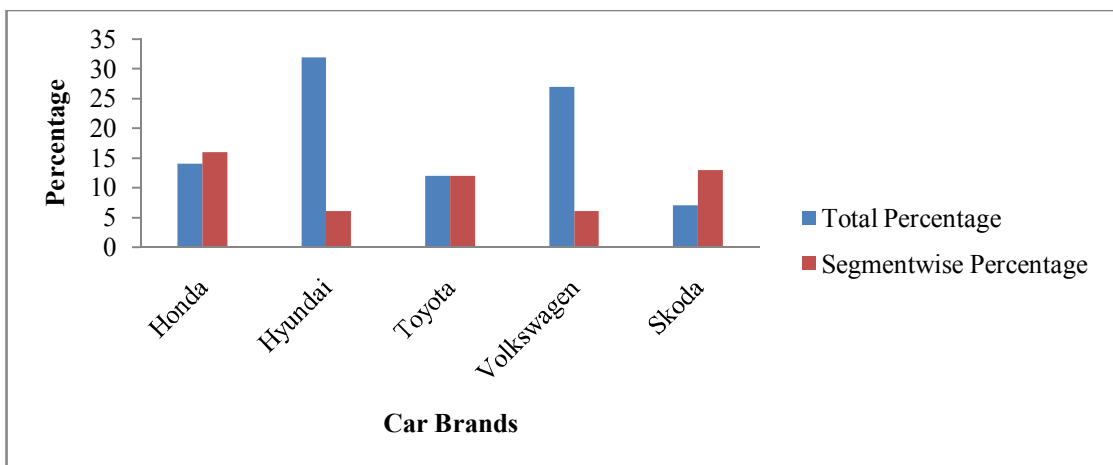


Figure No. 5

Current Brand wise ownership – Segment C

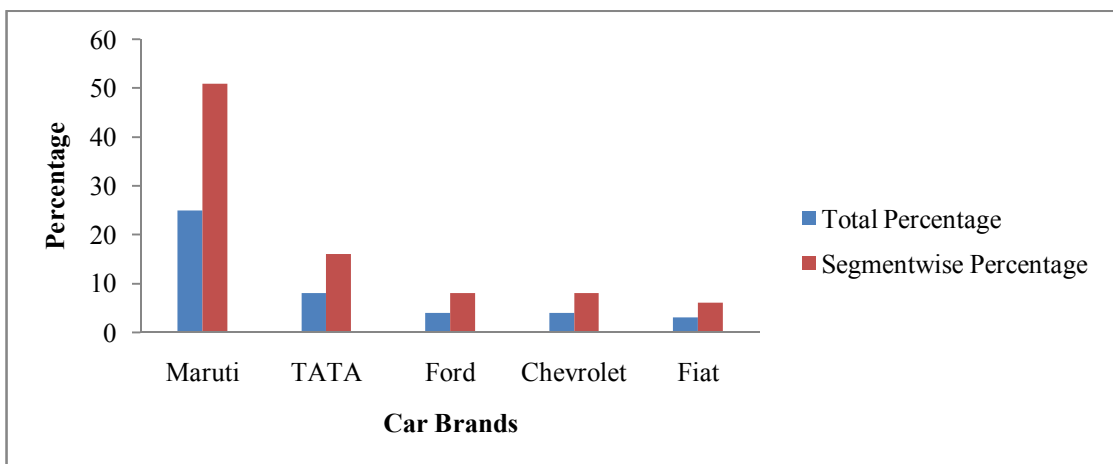


Figure No. 6

As various car models were grouped under three Segments namely A, B and C, the segment wise ownership of passenger car share segment wise can also be seen in the table no 3(a).

As one is aware that the Segment A (refer Fig. 4) includes high status car brands like Mercedes Benz, BMW and Audi and though these three brands have more or less proportionate share in the market, even then it is found that there is more inclination to have ownership of Mercedes Benz brand car which accounts for 38 % share and leads in this segment. Another two brands namely BMW and Audi have equal share of 31% each.

For the car brand in segment B (refer Fig 5), the Honda brand is found to lead the market with 32% share. Unlike segment C this B segment experiences keen competition and thus it is observed that Hyundai brand with 27% share closely follows the Honda brand. Also within this segment it is observed that there is a intense competition between Volkswagen and Skoda brands having market share of 12% and 13% respectively.

For segment C (refer Fig. 6) that is generally the entry level cars it was found that more than 50 of the market share belong to the Maruti brand cars. Though there is keen competition among individual car model and brands, it is a fact that within this segment C, Maruti brand absolutely leads the prevailing market.

Under present market scenario the Maruti brand is followed by TATA brand with 16% market share. Another two brands in this segment C namely Ford and Chevrolet have equal proportion of market share i.e. 8 % each. The importance of Maruti brand in the passenger car market can be judged from the present scenario that Ford and Chevrolet car brands together form the market share of TATA car brand and these three car brands together fall short of the proportion of market share that established by Maruti car Brand (51%). Thus more than 50 % of the customers have their attitude towards leading car brand i.e. Maruti and thereby Maruti brand has very significant presence in the market.

Overall it was found that segmentwise the perception of customers is towards Maruti, Honda and Mercedes Benz car brands in respective segments A, B and C.

Number of cars: Agewise and Segmentwise

Car Segment	Age of car in years				
	<1	1-2	2-3	3-5	Total
A	45	45	35	5	130
	(7)	(6)	(8)	(5)	(6)
B	362	336	191	83	972
	(56)	(42)	(39)	(38)	(45)
C	241	429	262	126	1058
	(37)	(52)	(50)	(57)	(49)
Total	648	810	488	214	2160
	(100)	(100)	(100)	(100)	(100)

Table No. 4 (a)

Figures in bracket are percentage.

The information regarding the age of car owned by the respondents was gathered during the survey with an intension to judge the changing market trend during last three years especially in context of different car Segments A, B and C. The researcher intended to study the customer behavioural pattern in purchase of different car brands. It appears from the available records that in previous decades or so the customer had limited choice with regard to car brands segments. This limitation was mainly because many of the passenger car manufacturers of present day had limited car models and most of the cars were small cars of Segment C. Hence customers had hardly any choice of having ownership of higher version cars except through the mode of imports.

Firstly considering the total number of cars agewise and segmentwise the table no 4 (a) indicates the age of car i.e. less than one year, 1- 2, 2-3 and more than 3 years. Of the total 2160 car owners the respondents (214) having passenger car of three or more years of age hardly account for 9% only, while the number of car owners increased to 488 during last 2-3 years. With passage of time, there has been gradual increase in number of car owners and hence during last 1 to 2 years there were 810 car owners. It is also observed that of the total respondents about one third of them had purchased the passenger cars either in the period of less than one year (648) or during last two years (810). This indicates that the number of passenger cars owners has gradually increased during last three years or so.

Based on table no. 4 (a), the figure 7 shows that there is change in trend of market share that is established by A, B and C car segments. In other words the dominance of entry level/ small car (Segment C) can be observed 3 or more years back when Segment C cars had 57% market share which has gradually decreased to 37% in previous year (age of car less than one year).

It is significant to note that the decreased market share of Segment C car has gradually been captured by Segment B car- mid size cars. Thus customers having made the purchase of mid size car before 3 years accounted for 38% while the customers having made the purchase of total 362 customers having purchased their car a year back accounted for 56% . Hence exactly reverse is the market trend between segment C and B cars.

Also it is observed that during last three years or so there has been gradual increase in owners of luxurious cars in Segment A. The trend of purchase of luxurious car is found to be steady for last two to three years with 6% to 8% per year.

Overall it can be seen that there happens to be inclination of customers towards purchasing of Segment B mid size cars, which ultimately dominates the market today. Hence brands like Honda, Hyundai, Toyota, Volkswagen and Skoda are found to be establishing their market in remarkable way.

Age of car – segment wise

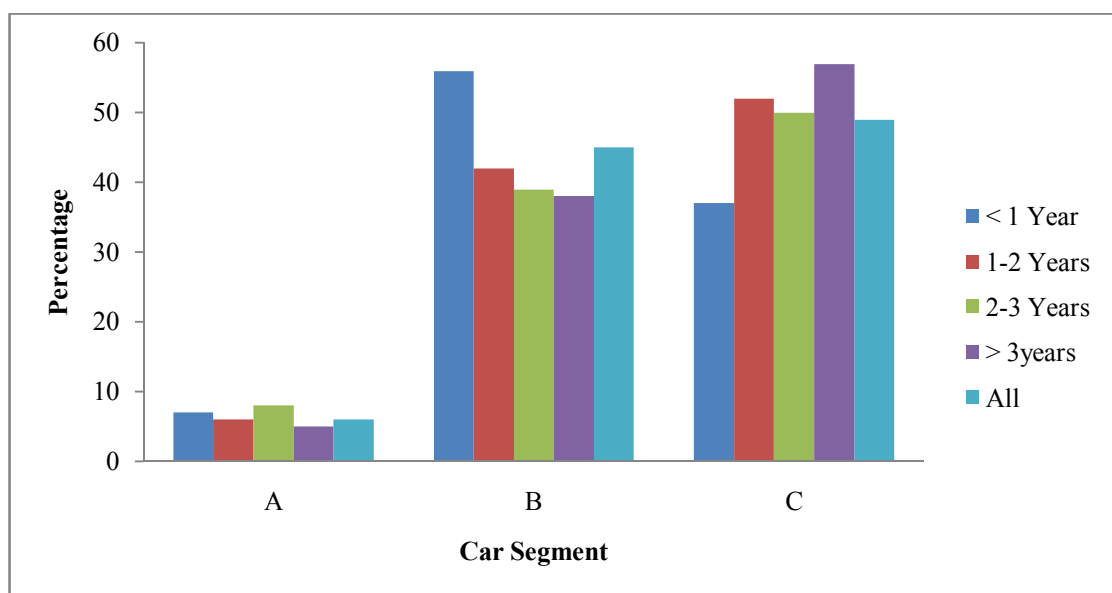


Figure No. 7

Number of cars: Agewise and Brandwise

Car Segment	Brand	Age of the car in years				
		<1	1-2	2-3	3-5	Total
A	Mercedes	15	15	20	5	55
	Audi	20	15	5	-	40
	BMW	10	15	10	-	35
Sub Total		45	45	35	5	130
B	Honda	72	134	46	57	60
	Hyundai	114	78	52	16	50
	Toyota	67	52	31	10	31
	Volkswagen	72	36	10	-	23
	Skoda	36	36	52	-	24
Sub Total		362	336	191	83	972
C	Maruti	115	225	126	63	105
	TATA	42	68	36	21	33
	Ford	31	26	9	21	17
	Chevrolet	31	21	18	16	17
	Fiat	-	31	27	-	12
	Others	21	58	9	5	18
Sub Total		241	429	262	126	1058
Total		648	810	488	214	2160

Table No. 4 (b)

Taking into account the total number of cars agewise and brandwise the table no 4 (b) shows the total respondents with regard to various brands in each segment and the age of their cars. Certain observations from the said table are as follows:

As mentioned earlier, of the total car owners there were hardly 9 % of them having purchased their car before 3 years or so. Considering this period it was found that the cars in segment C dominated the market. The dominance of Segment C cars in the market was largely shared by Maruti brand and other three car brands in this segment namely TATA, Ford and Chevrolet had more or less equal share in the market (3 to 4%). Besides this, in car segment B, the Honda brand had approximately

70 % share and the balance was shared by Hyundai and Toyota brands. During same period of 3 or more years before hardly any presence of luxurious brand except Mercedes Benz could be observed.

In the later period, say 2 to 3 years before all brands in three car segments showed their presence in the market. However even then Maruti brand had significant market share among all other brands. Particularly during this period in car segment C, the TATA brand doubled their sales (from 4 to 8%) as well as Hyundai brand in car segment B was capable to multiple their share from 3 to 11% thus surpassing their brand competitor Honda.

During last year it was found that various car brands from all the three segments have shown their presence in the market except the Fiat car brand.

As the car market is dynamic in nature the changing sales trend of passenger car can be correlated to the behavioral pattern of customers. The customers now have wide choice of various brands in all segments. Also the positive side of purchasing power has resulted in keen competition among various brands in respective segments.

It is clearly observed from the table 4 (b) that the mid size car brands (Segment B) are found to gain the market. Thus Hyundai brand was found to lead this segment in market with one third of share. The other two brands namely Honda and Volkswagen had equal share (14%) and were keenly followed by Toyota brand (13%).

With regard to small or entry level cars, still Maruti brand is found to lead the segment C with approximately 50 % share. However in competitive market it is observed that the establishment of other brands is certainly at the cost of Maruti brand and hence during last three years or so though Maruti brand stands as the leader in passenger car market, its share has gradually decreased. Also over period of time brands like Hyundai, Toyota and Volkswagen are found to have steadily increased their market share.

Buying Decision :

Any purchase of goods involving a minimum couple of lakhs of rupees is based on a certain decision making aspects. Hence one of the question put forth to owners of various brands of passenger cars was regarding the decision maker whether owner themselves had finalized the purchase or was it a family decision. Even in the modern era the Indian culture has maintained its impact, especially family as a unit, which is certainly in contrast to the western world. Hence the behavior tendency of the car owners is depicted in table no. 5 (a) and fig 8. In this context more than 60 % of the respondents stated that the decision to purchase particular brand of car was their family decision.

Buying Decision - All Respondents

Decision Maker	No. of Respondents	Percentage
Family	1318	61
Self	842	39
Total	2160	100

Table No. 5 (a)

Buying Decision - All Respondents

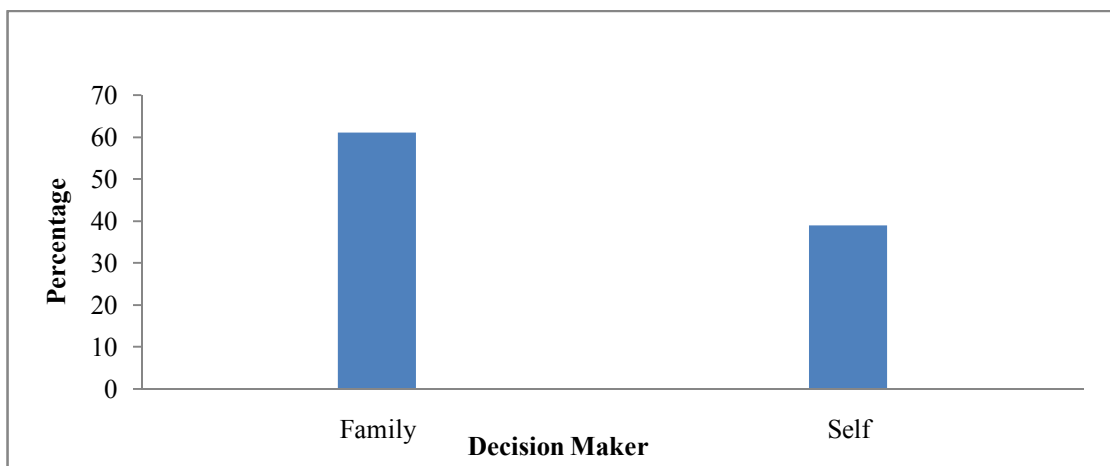


Figure No. 8

Also the buying decision was further studied with reference to age and gender of passenger car owners.

Buying Decision (Agewise) :

The aspect of decision making was further studied with reference to the respondent's age. Hence respondents were classified into four age group namely those upto 30 years, 31 to 40 years, 41 to 50 years and respondents above 50 years of age. When one considers the respondents according to the age group, it is observed that their purchasing behavior is found to reflect.

Buying decision – Agewise Respondents

Decision Maker	No. of Respondents - Age Group (years)			
	Up to 30	31 to 40	41 to 50	>50
Family	349 (56)	454 (54)	291 (70)	116 (75)
Self	274 (44)	356 (46)	228 (30)	91 (25)
Total	100	100	100	100

Table No. 5 (b)

All figures in bracket are percentages

Buying decision – Agewise Respondents

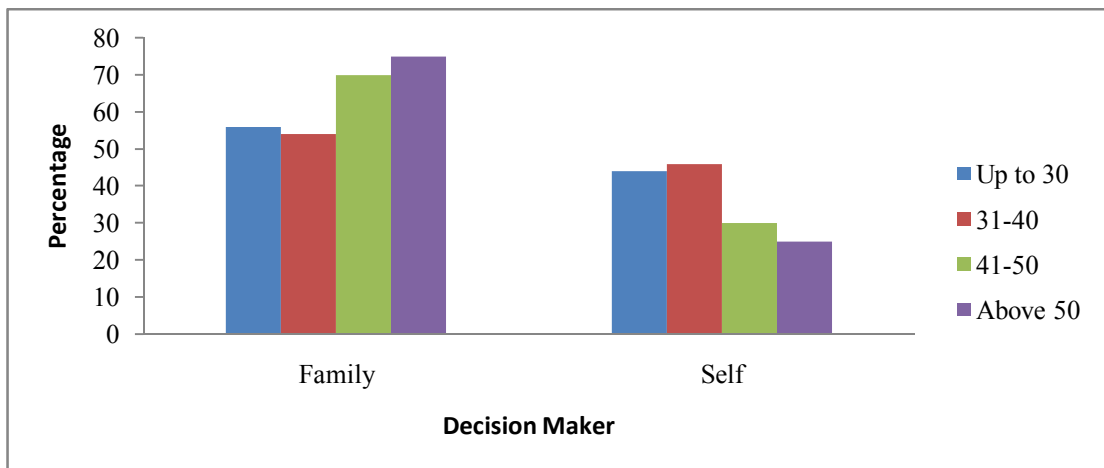


Figure No. 9

Thus the table 5(b) and based on it figure 9 reveals that respondents upto age of 30 years and between 31 to 40 years of age group are more than 50 % of the total

respondents in the respective age group that owned the passenger car wherein the decision regarding the purchase of car was their family decision. With increase in age it can be found that the number of respondents depending on their family opinion is significantly as high as 70 to 75 %. The above finding can be interpreted in terms that with increase in age factor (41 to 50 years and above 50 years) there is more dependency on family and hence the purchase of passenger car of particular brand is the family decision.

Similarly for the respondents in lower age group (less than 30 years or between 31 to 40 years) one can mark the importance given to the family members, that resulting for family decision regarding buying of car.

On the other hand we can also observe that there were respondents stating that the decision regarding the purchase of particular brand of passenger car was their own decision. In this context the respondents also shared that the self decision was mainly because of the absence of elderly members or too young members in their family so as to give any opinion or advice.

Buying Decision (Genderwise) :

Further it was interesting to study the decision making concept based on the gender of the owners of passenger car. As stated earlier of the total 2160 respondents, hardly there were 11% female passenger car owners. The figure 10 shows that, of the total female passenger car owners as high as 80% stated that the decision regarding purchase of a passenger car was their family decision. In case of male passenger car owners there were more than double the number of female respondents, who stated that it was a 'self' decision to purchase the car (44%). Here we can judge the importance of family in decision making wherein around 80 % of female and 56% of male passenger car owners decided along with their family members regarding purchase of the particular brand of car. Thereby impact of family in decision making is important in prevailing market scenario. Thus appeal of the brand must be family focused.

Buying decision - Gender wise

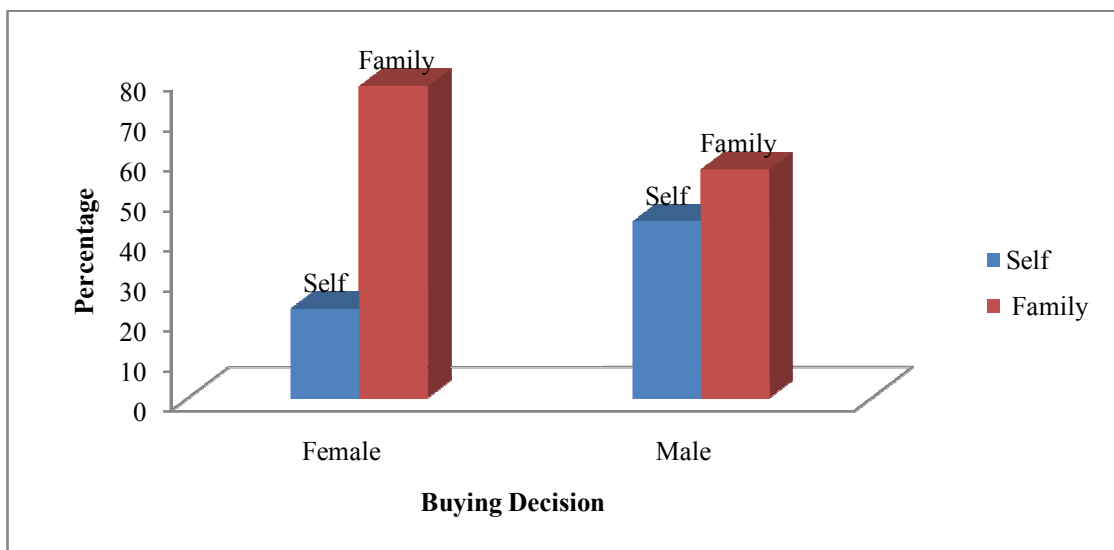


Figure No. 10

Financial Decision :

One of the aspect covered in the survey was to know regarding the availability of mode of finance towards the purchase of car by all the respondents. Thus respondents were asked to mention their financial source in purchase of passenger car i.e. own finance, bank finance or finance from any other source. The data gathered is given in the table no 6 (a) and also is graphically represented in Fig 11.

Mode of Finance –Segment wise

Car Segment	Finance Source		
	Own Finance	Bank Finance	Other source
A	62	38	0
B	30	68	2
C	34	64	2

Table No. 6 (a)

All figures are in percentage

Mode of Finance –Segment wise

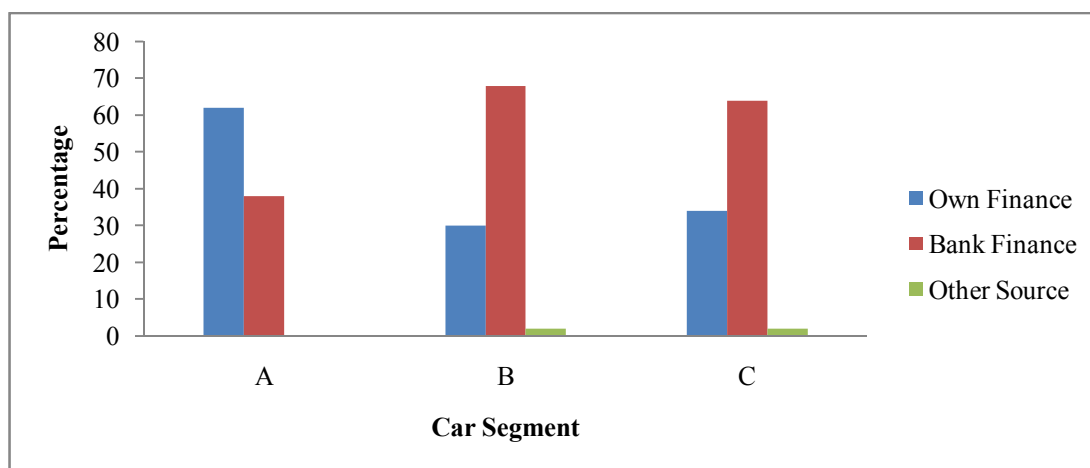


Figure No. 11

The above table and figure reveals that more than 60 % of the respondents from Segment B and C preferred to have bank finance for the purchase of the car. This situation not only indicates the easy availability of bank finance but more over it reflects the purchasing power of the respondents who can afford to repay the loan amount to the bank. Exactly contrast is the situation of the respondents of car segment A where more than 60 % of the respondents stated to have their own finance for

purchasing the luxury car. This indicates that the availability as well as affordability of finance among high income group of people. Also this group of respondents are aware of the gain in their status symbol in the society which naturally results with the ownership of luxury car. In context of availing the other source of finance, the respondents were very few who stated that their source of finance was either friend or relative.

Mode of Finance :

It was further interesting to relate two aspects i.e. mode of finance and decision making for the purchase of the car. The information about these two aspects are shown in table no. 6 (b) and figure. 12. Thus it is observed that 75 % of the respondents who opted for bank finance were that whose decision to purchase a passenger car was their family decision. While it is interesting to note that 50% of respondents who used their own finance to purchase passenger car were those who took the self decision to purchase the car.

Mode of finance – All Respondents

Decision Maker	Finance Source		
	Own Finance	Bank Finance	Other Source
Family	24	75	1
Self	50	47	3

Table 6 (b)

All figures are in percentage

Mode of finance – All Respondents

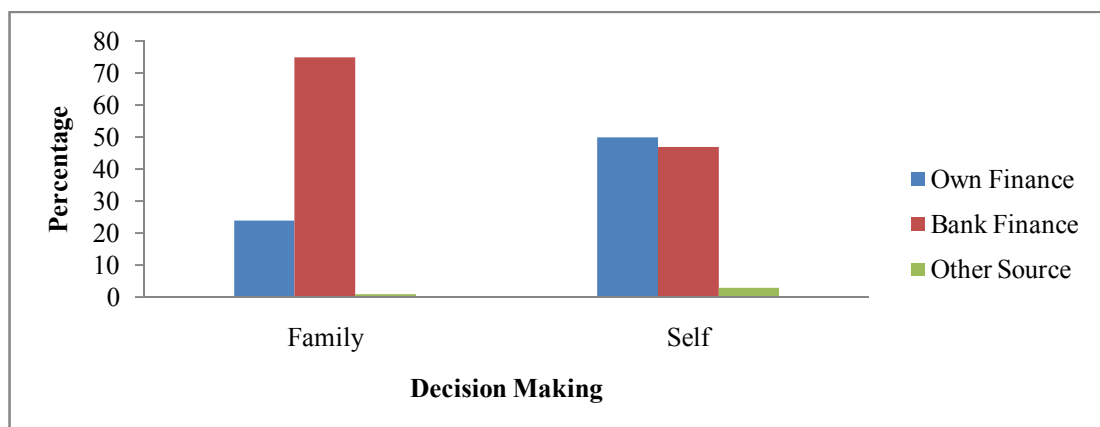


Figure No. 12

Influencing Factors :

Correlation Analysis :

The correlations were derived for all the variables with regard to the data collected for all the customers and the same are shown in Table no 7.

Correlation Analysis – All Respondents

	Brand Name	Performance of car	Affordable price	Previous ownership	Resale Value	Sales Scheme	Brand Ambassador	Status Symbol
Brand Name	1							
Performance of car	.30	1						
Affordable price	.38	.17	1					
Previous ownership	.01	.08	.21	1				
Resale Value	.08	.13	.21	.17	1			
Sales Scheme	.16	.09	.41	.32	.26	1		
Brand Ambassador	-.06	-.07	.06	.25	.17	.39	1	
Status Symbol	.45	.14	.23	.27	.14	.24	.12	1

Table No. 7

Significance level 0.01 $r = 0.062$

Significance level 0.05 $r = 0.081$

Of all the coefficients present in the above table it is important to note that almost 24 coefficients are significant at both 0.01% and 0.05% level of significance. In other words, most of the influencing factors considered, certainly show strong correlation among themselves. It is noted that the variable Brand Name has a negative correlation with Brand Ambassador (- 0.06). Similar negative correlation exists between Performance of the Car and Brand Ambassador (- .07)

It can also be seen that there is no valuable correlation between variables Brand Name and the customer having Previous Ownership of same brand of car as the significance level both at 0.01 and 0.05 is found to be negligible (0.01)

Considering the correlation for all the respondents present in the said table the strong relationship between certain variables observed are as follows:

The variable Brand Name shows strong correlation (0.45) with Status Symbol in the society for customers having ownership of the particular brand of car. Also another two variables, Performance of the Car and Affordable Price go hand in hand with the variable Brand Name wherein the level of significance is more or less the same (0.3).

The strongly correlated variables are the Affordable Price of the car and the Sales Schemes offered by the automobile company (0.41), the variable Affordable Price of the car has similar correlations with Previous Ownership and Resale value of passenger car (0.21). Besides this, there also exists noticeable co-relationship amongst two variables i.e. Sales Scheme and Brand Ambassador (0.39).

Initially the correlation analysis was carried out for entire data. However to have more idea about the influencing variables, further the correlation analysis was also carried out for each segment A, B and C. The correlation obtained for each segment are presented in table 7(a), 7(b) and 7(c) respectively. The segmentwise observations of the correlation tables are given below:-

Correlation Analysis – Car Segment A

	Brand Name	Performance of car	Affordable price	Previous ownership	Resale Value	Sales Scheme	Brand Ambassador	Status Symbol
Brand Name	1							
Performance of car	.58	1						
Affordable price	-.04	.27	1					
Previous ownership	-.34	.09	.34	1				
Resale Value	-.42	-.08	.09	.73	1			
Sales Scheme	-.37	-.12	-.07	.59	.34	1		
Brand Ambassador	-.32	-.02	.01	.33	.72	.41	1	
Status Symbol	.77	.54	.08	.06	.11	-.24	.1	1

Table No. 7 (a)

Significance level 0.01 $r = 0.49$

Significance level 0.05 $r = 0.39$

Car Segment A

Considering the correlation, in table 7 (a) it is observed that the variable, Brand Name is positively correlated with Performance of the Car and Status Symbol, while all the other variables like Affordability, Previous Ownership, Resale Value, Sales Schemes and Brand Ambassador are negatively correlated with variable Brand Name.

In present scenario on one hand it appears that the potential customers give more weightage to the Performance of the Car as well as are thoughtful of their Status Symbol in the society with the ownership of particular brand of car. On the other hand considering attitude of the potential customers, it is observed that the keen market competition has resulted for passenger car companies to concentrate on advanced technologies for better performance of the car. The success of company is related to

Performance of the passenger car and thereby establishing the car's Brand Name. Hence the positive correlation between variable Brand Name with the variables Performance of the Car and Status Symbol can be justified or can certainly be accepted.

Considering the variable Performance of luxurious cars it is found that on one hand there exist strong co-relationship with Status Symbol (0.54) along with variable Affordability and Previous Ownership. However on other hand the variables like Sales Schemes, Resale Value and Brand Ambassador are negatively correlated. Hence ownership of high performance of luxurious car results for Status Symbol in the society and there seems to be no influence of the variables like Sales Scheme and Resale Value.

Nowadays there is a dependency on Brand Ambassador, which makes use of well known personality and this is done mainly to create awareness for the brand and attract the customers. Though use of Brand Ambassador is fruitful for many products and also for some passenger car companies, there seems to be no relationship between Performance of the Car and Brand Ambassador as these two variables are negatively correlated.

Correlation Analysis – Car Segment B

	Brand Name	Performance of car	Affordable price	Previous ownership	Resale Value	Sales Scheme	Brand Ambassador	Status Symbol
Brand Name	1							
Performance of car	.35	1						
Affordable price	.50	.18	1					
Previous ownership	.01	.06	.19	1				
Resale Value	.15	.19	.23	.25	1			
Sales Scheme	.19	.11	.12	.29	.29	1		
Brand Ambassador	.02	.11	.07	.18	.16	.36	1	
Status Symbol	.37	.12	.36	.36	.22	.21	.15	1

Table No. 7 (b)

Significance level 0.01 $r = 0.18$

Significance level 0.05 $r = 0.14$

Car Segment B

The table no 7(b) shows that amongst all the influencing variables, there exists strong co-relationship between Brand Name and Affordability (0.50). Considering that the co-relationship of the variable Status Symbol with other variables it is found that value of correlation coefficient is similar (0.36 ± 0.1) for Brand Name, Affordability and Previous Ownership.

Though there exists positive co-relationship between all the influencing variables, it is found that the correlation coefficient is negligible when one compares Brand Name with Previous Ownership (0.01) and Brand Ambassador (0.02).

Considering the influence of all variables on each other, it is found that the variable Brand Ambassador has least influence than other variables in context of Affordability (0.07), Performance of the Car (0.11) and Resale Value (0.16).

Taking into account the Performance of the Car, it is found that this variable on one side is proportionately influenced by Resale Value and Affordability (0.18) and on other side by variables like Status Symbol (0.12), Sales Scheme and Brand Ambassador (0.11).

Correlation Analysis – Car Segment C

	Brand Name	Performance of car	Affordable price	Previous ownership	Resale Value	Sales Scheme	Brand Ambassador	Status Symbol
Brand Name	1							
Performance of car	.18	1						
Affordable price	.40	.16	1					
Previous ownership	.06	.10	.22	1				
Resale Value	.09	.13	.22	.05	1			
Sales Scheme	.20	.12	.19	.31	.23	1		
Brand Ambassador	-.09	-.04	.09	.30	.08	.42	1	
Status Symbol	.42	.09	.20	.24	.06	.33	.06	1

Table No. 7 (c)

Significance level 0.01 $r = 0.18$

Significance level 0.05 $r = 0.14$

Car Segment C

The observations of table 7 (c) reveals that amongst all the variables, there exists negative co-relationship of the variable Brand Ambassador with both Brand Name (-0.09) and Performance of the Car (-0.04).

Generally it is observed in the car market that the role of Brand Ambassador to attract large number of customers seems to be influential factor. Moreover the customers inclined to have their first passenger car purchase has dependency on the Brand Name with focus on Affordability, these two naturally are most influential variables. This scenario largely results for negative co-relationship between Brand Name and Brand Ambassador.

Of the positively correlated influencing variable coefficient the significant strong co-relationship of variable Brand Name is found with Status Symbol (0.42) and Affordability (0.40).

The significant co-relationship between the above variables rightly represents the present market scenario. In general it is observed that with the purchasing power especially with the availability of finance, there has been gradual increase in the number of passenger car purchases. Most of the first time customers are definitely

aware about the leading Brand Name in the passenger car market. Besides having Affordability, it is certain that the perception of customers is to have Status Symbol in society and hence all these three variables are found to be significantly influenced by one another.

There also exists strong co-relationship between Brand Ambassador and Sales Scheme (0.42)

Especially for entry level cars it is a fact that with passage of time customers from the segment C are bound to move for upward segment i.e. B or A. Hence the influencing variable for the customers purchasing the passenger car have strong impact of the variables such as Brand Ambassador and Sales Scheme. Therefore the perception of the customers is rightly reflected and is observed in table 7 (c). A classic example which can be quoted in this context is that the sale of Hyundai's Santro model was significant with the leading actor been the Brand Ambassador on one hand and the attitude of the customers to avail the Sales Schemes offered by the company.

The Overview of above Correlation Analysis

As seen from above tables 7(a), 7(b), and 7(c) it is found that of all the correlation coefficients only 6 coefficients are found to be significant at both 0.01 and 0.05 percent level of significance for segment A, while for segment B there are maximum 20 correlations coefficients, which are significant at both the level of significance. Though in comparison to segment B the correlation coefficients for segment C are slightly less that is 15 variable coefficients which are significant it is true that these coefficients are more than segment A (6 coefficients)

Considering that these correlation tables 7(a), 7 (b) and 7(c) few important observations are as follows:-

1. Taking into account all the 3 car segments, it is found that among all the influencing variables, the variable Brand Name has strong co-relationship with Status Symbol. In general it is observed that the mindset of passenger car customers is such that having an ownership of the passenger car results for them to have a Status Symbol in their society. This observation holds good in case of customers having ownership of luxurious class (Segment A) and the entry level car (Segment C)

2. Though with regard to customers having ownership of mid- size passenger car (Segment B) there exists positive correlation between variables Brand Name and Status Symbol, however here Brand Name is moreover influenced by variable Affordability and later on Status Symbol. Usually large number of first time passenger car customers tends to purchase an entry level car (Segment C) and during the change of car especially to purchase the passenger car from upward Segment B, the purchasing power i.e. Affordability seems to be most influencing factor.
3. There exists strong correlation between variables Brand Name and Affordability only for segment B and segment C. However in case of customers having luxurious cars (segment A) there is a negative correlation between Brand Name and Affordability (-0.04). This negative correlation may be justified that for a customer inclined to own a luxurious car, the affordability aspect is not an influencing factor as luxurious car owners certainly are from high income group and hence have greater purchasing power.
4. Only for Segment B it is found that there exists positive co-relationship between all influencing variables.
5. Considering the influence of all variables on Brand Name it is commonly observed that the variables Brand Ambassador is negatively correlated for Segment A (-0.32) and Segment C (-0.9).
6. The variable Brand Ambassador also has negative co-relationship with the influencing factor, the Performance of the car wherein the correlation coefficients are -0.04 and -0.02 for car segment C and A respectively.
7. Considering the car Segment B, the variable Affordability is found to have positive co-relationship with all the influencing factors except in case of luxurious car owners (Segment A), it has negative co-relationship with the variable Sales Scheme (-0.07)
8. Taking in to account the variable sales Schemes, all the influencing variables of car segments A, B and C show positive co-relationship except the negatively correlated variable Status Symbol (-0.24) only for Segment A.

9. In general, the information collected reveals that the owners of luxurious cars definitely have a distinct Status Symbol in the society and also most of these car owners have no intension to sale their car, hence the negative correlation is observed between Sales Scheme and Status Symbol. Besides this, the influencing role of Sales Scheme would be largely limited as customers of Segment A car already having Affordability may not be influenced by Sales Schemes which may help them to have Affordability.

Influencing factors - Principal Component Analysis

Any situation that is governed by number of variables/ factors can be further analysed by using technique Principal Components Analysis (PCA). The PCA technique is used to extract a new set of variables explaining significant amount of variations. This technique assumes a closed system where all the variations in variables is explained by variables themselves and also PCA assumes high correlations between all the variables. This technique certainly helps to create some order among the variables which further helps in assigning the variable with distinguishing characteristic.

The first two principal components can be plotted in a two dimensional space and the cluster of identical variables can be picked out by drawing vectors from the centre of the graph to the component loading.

The first principal component explains maximum variation in the data. The explained variance progressively decreases in the subsequent components.

The PCA technique gives a new image in studying the multi variant situation. The principal component is nothing more than Eigen vectors of a correlation matrix. The element of Eigen vector used to complete the score of observations is known as component loading.

Considering the entire data of the influencing variables the technique of the PCA and further plotting of first two principal components was done. (Refer to table no 8 and 8 (a) and figure 13).

This technique was also used with regard to each car segment (A, B and C) and are depicted in tables 9,10 and 11 and in Figures 14, 15 and 16.. The interpretation of the same is given below.

Principal Component Analysis – All Respondents

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Brand Name	2.396	29.944	29.944	2.396	29.944	29.944
Performance of car	1.519	18.992	48.937	1.519	18.992	48.937
Affordable price	.895	11.186	60.123			
Previous Ownership	.838	10.470	70.593			
Resale value	.783	9.781	80.374			
Sale Scheme	.598	7.478	87.852			
Brand Ambassador	.583	7.289	95.141			
Status Symbol	.389	4.859	100.000			

Table No. 8

Component Loadings – All Respondents

Aspects	Component	
	1	2
Brand Name	.607	-.582
Performance of car	.395	-.484
Affordable price	.631	-.304
Previous Ownership	.520	.416
Resale value	.446	.221
Sale Scheme	.586	.462
Brand Ambassador	.378	.635
Status Symbol	.719	-.125
Percentage Trace	29.94	18.99

Table No. 8 (a)

With regard to the PCA for all respondents is indicated in table no 8 and the component loadings of first two principal components is shown in table no. 8(a). The important observations are:

With regard to all the 8 variables, first two components were identified as major components. The first principal component is a component of Brand Name and the second principal component is a component of Performance of the Car.

Component loading of first two Principal components

Component 1 – the first principal component Brand Name traces 29.94 percent of the total variance. This component loads very high on the Status Symbol of the customers in the society (0.72). This component also has high loading on the Affordable Price of the car (0.63).

Component 2- The second principal component, Performance of the Car traces 18.99 percent of the total variance and has weightage on Brand Ambassador (0.63).

The plot of first two Principal components - All Respondents

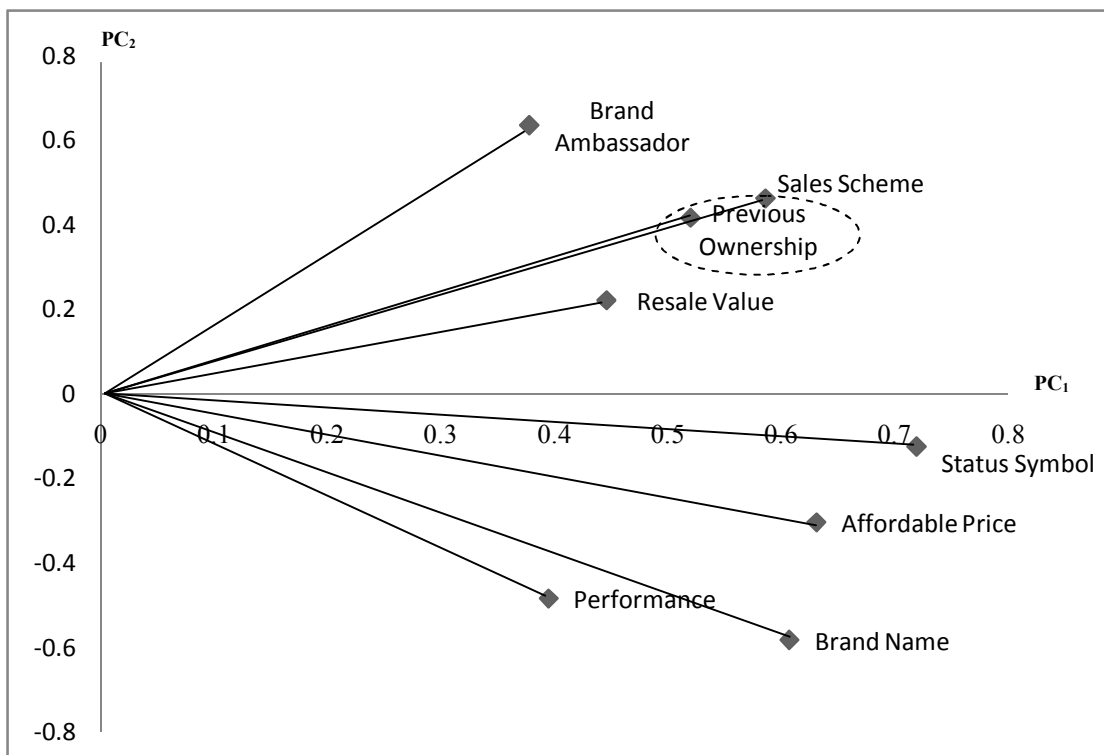


Figure No. 13

The plot of first two Principal components is seen in figure 13. According to the perception of all the customers this figure indicates that most of the influencing variables are found to be scattered. The only distinct association which can be noticed

amongst two variables is between two variables namely Previous Ownership and Sales Schemes.

As stated above the first principal component loads high on Status Symbol while the second principal component loads high on Brand Name. However from the figure 13 it is observed that both the components i.e. Brand Name and Performance of the Car, if considered together are influenced by the variables Previous Ownership and Sales Schemes. Thus it can be revealed that the perception of all the respondents with regards to the Brand Name and the Performance of the Car are certainly influenced with their Previous Ownership of particular car brand as well as the benefits they would get through the company's Sales Schemes.

The PCA and the plotting of first two principal components was carried for each car segment (A, B and C). The inferences drawn are given further.

The PCA and the plotting of first two principal components carried for car segment A can be observed in Table no 9,9 (a) and figure 14 given below.

Principal Component Analysis – Segment A Respondents

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Brand Name	3.222	40.271	40.271	3.222	40.271	40.271
Performance of car	2.092	26.149	66.419	2.092	26.149	66.419
Affordable price	1.083	13.538	79.957	1.083	13.538	79.957
Previous Ownership	.705	8.812	88.770			
Resale value	.479	5.988	94.757			
Sale Scheme	.300	3.753	98.510			
Brand Ambassador	.075	.943	99.454			
Status Symbol	.044	.546	100.000			

Table No. 9

Component Loadings – Segment A

Aspects	Component		
	1	2	3
Brand Name	-.874	.312	-.137
Performance of car	-.686	.565	-.121
Affordable price	-.054	.348	.882
Previous Ownership	.641	.561	.263
Resale value	.650	.664	-.073
Sale Scheme	.710	.017	-.190
Brand Ambassador	.565	.518	-.381
Status Symbol	-.572	.727	-.129
Percentage Trace	40.27	26.15	13.53

Table No. 9 (a)

Considering the perception of all the respondents, the first two major components are Brand Name and Performance of the car. These two components are also found to be major components when one considers the respondents from Segment A i.e. for those customers having ownership of luxurious passenger cars. Besides this, it is observed that one more component namely Affordable Price also plays a significant role. Thus in context of customers having ownership of luxurious passenger car, there happens to be three major components viz. Brand Name, Performance of the Car and Affordable Price.

Component loading of first two Principal Components:

Component 1: The first principal component, Brand Name traces 40.27 percent of the total variance. This component has very high loading on Sales Schemes (0.71) and is further followed by proportionate loadings on Previous Ownership and Resale Value (0.64 and 0.65 respectively).

Component 2: The Performance of the Car being second major component is found to have 26.15 percent of trace of the total variance which generally decreases to 13.53 percent with regard to the third major component, the Affordable Price.

In context of Performance of the Car, this component indicates high loading on Status symbol (0.73), followed by Resale Value (0.66). Hence it can be stated that the customers having ownership of luxurious passenger car brand on one hand are influenced by major variable Performance of the car and on the other hand their perception is also influenced by the Status Symbol in the society they live.

Component 3: The third major component with respect to segment A passenger car is found to be the Affordable Price. Considering the variables which influence the perception of the customers having luxurious passenger car it is found that this component itself is distinct in nature and has less influence of the variable Previous Ownership. However all other components are found to have no influence as aspect of Affordability is of prime importance to have ownership of luxurious brand of car.

The plot of first two Principal components - Segment A Respondents

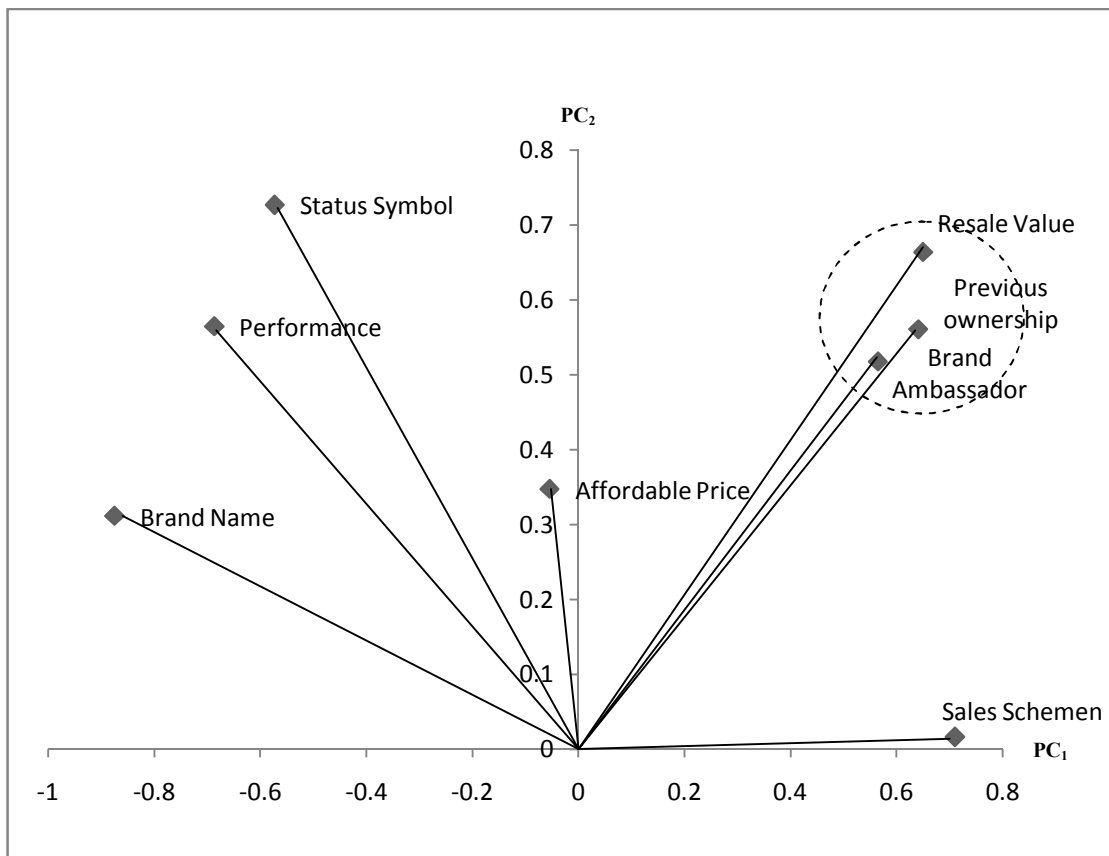


Figure No. 14

Continuing further Figure 14 shows the plot of variables for car segment A. The PC₁ and PC₂ variables namely the Brand Name, Performance of the Car, Affordability and Status Symbol are found in one quadrant, however all these variables are found to be scattered. In this figure it is found that the variables Brand Ambassador, Resale Value and Previous Ownership of the car are closely spaced and thus form one group. Even in this group of three influencing variables, there seems to be close association between Previous Ownership and Brand Ambassador.

The PCA and the plotting of first two principal components carried for car segment B can be observed in Table no 10, 10 (a) and figure 15 given below.

Principal Component Analysis – Segment B Respondents

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Brand Name	2.449	30.609	30.609	2.449	30.609	30.609
Performance of car	1.483	18.534	49.143	1.483	18.534	49.143
Affordable price	.937	11.715	60.858			
Previous Ownership	.874	10.919	71.776			
Resale value	.731	9.141	80.917			
Sale Scheme	.599	7.485	88.403			
Brand Ambassador	.550	6.872	95.274			
Status Symbol	.378	4.726	100.000			

Table No. 10

Component Loadings – Segment B

Aspects	Component	
	1	2
Brand Name	.623	-.553
Performance of car	.407	-.470
Affordable price	.681	-.354
Previous Ownership	.526	.449
Resale value	.523	.206
Sale Scheme	.533	.484
Brand Ambassador	.341	.592
Status Symbol	.693	-.038
Percentage Trace	30.60	18.53

Table No. 10 (a)

Component loading of first two Principal Component

Component 1: Of the total variance, the first principal component Brand Name has traces of about 30 percent. This component loads high on Status Symbol (0.69). Similar high loading is also observed on the influencing variable Affordable Price (0.68). Hence in case of the perception of the mid –size passenger car owners the Brand Name is found to be major influencing variable in association with Status Symbol and Affordable Price. This close association or influential aspect among these three variables has also been traced while studying the correlation of various variables.

Component 2: The second principal component, Performance of the Car traces 18.53 percent of the total variance. This component loads high on the variable, Brand Ambassador (0.59).

In context of segment B that is customers having ownerships of mid size cars, the table 10, shows the two major influencing variables Brand Name and Performance of the Car.

The plot of first two Principal components - Segment B Respondents

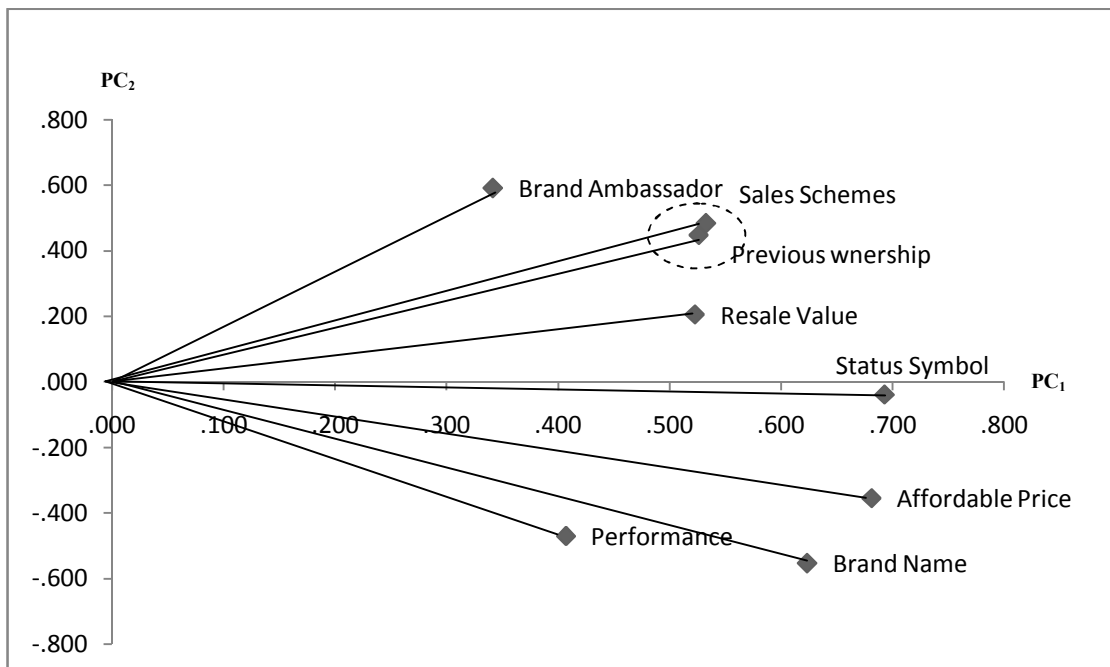


Figure No. 15

Figure 15 indicates that variables like Sales Scheme and Previous Ownership have close relationship while all other variables are found to be scattered in nature.

The PCA and the plotting of first two principal components carried for car segment C can be observed in Table no 11, 11 (a) and figure 16 given below.

Principal Component Analysis – Segment C Respondents

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Brand Name	2.455	30.692	30.692	2.455	30.692	30.692
Performance of car	1.408	17.605	48.297	1.408	17.605	48.297
Affordable price	1.006	12.572	60.869	1.006	12.572	60.869
Previous Ownership	.868	10.856	71.726			
Resale value	.753	9.414	81.140			
Sale Scheme	.607	7.588	88.728			
Brand Ambassador	.489	6.112	94.840			
Status Symbol	.413	5.160	100.000			

Table No. 11

Component Loadings – Segment C

Aspects	Component		
	1	2	3
Brand Name	.638	-.521	-.046
Performance of car	.360	-.332	-.497
Affordable price	.645	-.372	.288
Previous Ownership	.508	.412	-.215
Resale value	.368	-.077	.753
Sale Scheme	.669	.418	-.003
Brand Ambassador	.367	.732	.074
Status Symbol	.725	-.052	-.236
Percentage Trace	30.69	17.60	12.57

Table No. 11 (a)

The table no 11 and 11 (a), deals with influencing variables with regard to customers having ownership of various car brands in the entry level segment C. It is found that the customers decision in purchasing the car is influenced by three major components namely Brand Name, Performance of the Car and Affordable Price. These three components trace more than 60 percent of the total variance.

Component loadings of these three components are as follows:

Component 1: Brand Name the first principal component has high trace of 30.69 percent. This component loads very high on the Status Symbol (0.73). This high loading on Status Symbol seems absolutely true because having ownership of the car naturally gives certain status symbol for a customer in the society they live.

Component 2: Taking into account the second principal component it is observed that of the total variance it has a trace of 17.60 percent. This component – Performance of the Car has high weightage on the variable Brand Ambassador. It is generally observed that the entry level car brands largely show the renowned personality in their advertisement and thus the personality shown acts as the Brand Ambassador to attract the customers. Eg Film personality Shah Rukh Khan and Ranbeer Kapoor acted as Brand Ambassadors for Hyundai and Nissan Brand of car respectively.

Component 3: Of the three major components the third principal component Affordable Price traces 12.57 percent of the total variance. This component loads high on Resale Value (0.75). In general it is found that the customers in initial stage tries to own an entry level passenger car and later on with increase in purchasing power may opt for higher version or move upwards to higher car segment. Thus in the process of the change of the passenger car, there seems to be significant influence of the variable, Resale Value.

The plot of first two Principal components - Segment C Respondents

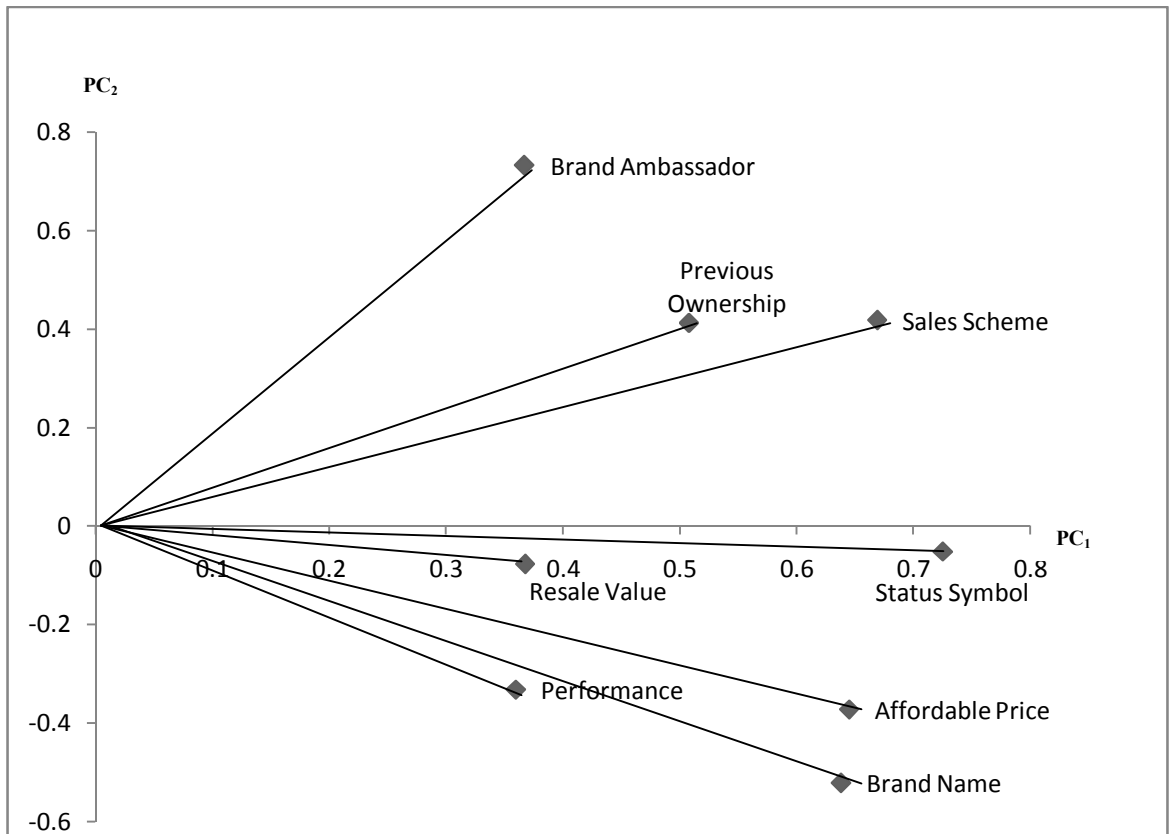


Figure No. 16

The above figure 16 shows the plot of variables in context of the respondents having ownership of entry level cars (segment C). It is observed from the said figure that that most of the variables are found to be scattered.

Awareness of Tagline /Slogan

Car Segment	Awareness		
	Yes	No	Total Percentage
A	38	62	100
B	19	81	100
C	20	80	100
Total	15	95	100

Table No. 12

All Figures are in Percentage

Awareness of Tagline /Slogan

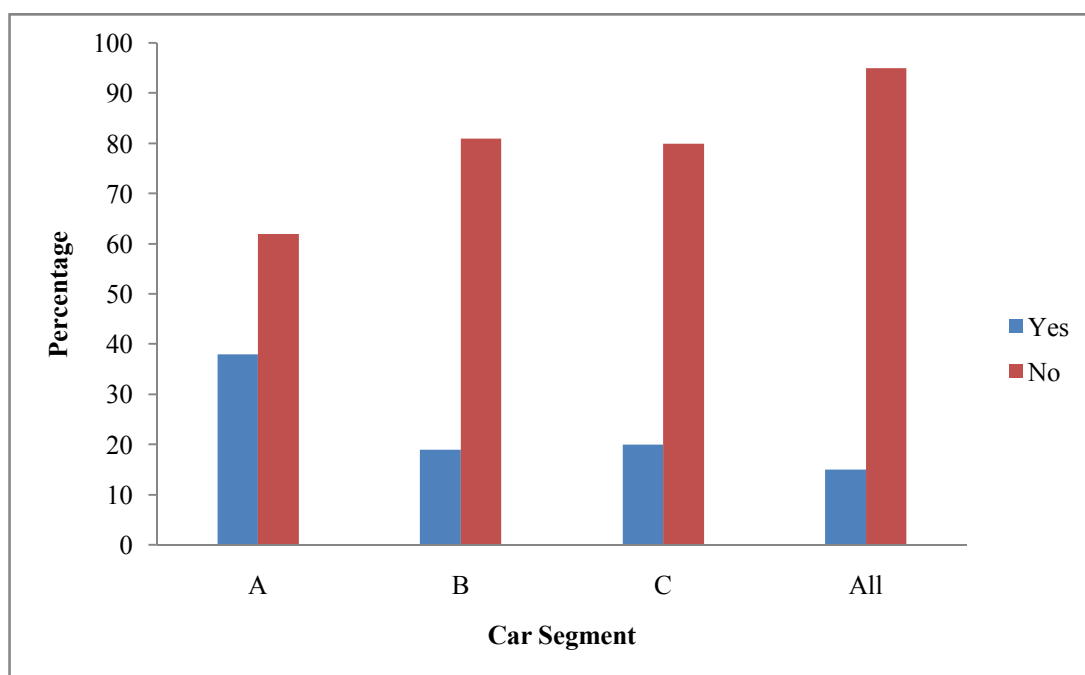


Figure No. 17

It is observed that the advertisement of various products sometimes carry certain tagline or slogan of the concerned brand e.g. the fast food restaurant brand McDonald’s carries a tagline “I’m loving it”, renowned sports brand Nike carries the tagline “Just do it” (Nike). The trend of tagline is similarly noticed in passenger car sector. Thus most of the passenger car advertisements are found to carry a slogan which relates itself to specific car model. Considering the use of taglines/ slogans in

different advertisement of passenger cars, the researcher was interested to study about the awareness of tagline / slogans that customers have regarding various brands of car companies. The table no 12 indicates about the customer's awareness regarding the tagline / slogans that are used amongst the advertisement of various car brands from all the three car segments.

In general it is found that there are several advertisements that are remembered over considerable period of time e.g. lalitaji and surf, Maruti Suzuki and Kitan deti hai campaigns. In this context the use of tagline / slogans can be an added advantage for the company in becoming synonym for the brand that resulting for the particular brand to have significant awareness about it in the minds of customers for very long duration of time.

However the awareness of customers for all the tagline / slogans may not be true. Surely the impressive tagline / slogans can easily be remembered but in context of passenger car sector table no 12 indicates that hardly 15 percent of total respondents seem to have awareness about the brand's tagline / slogans. Though the awareness regarding the tagline / slogans is relatively low, the customers of the car segment A are found to have better awareness (38%) than the customers of car segments B and C. The tagline / slogans awareness among customers of car segments B and C seem to be on the similar lines (app 20%).

Hence it can be presumed that though there exists, a trend for car companies in having particular tagline for different models of passenger cars, it is not essential that customers may depend on the tagline for their perception in dealing with the purchase of particular brand of passenger car.

Brand Perception :

In the present study, the customer's questionnaire covered the aspect of perception towards various characteristics of cars and therein the brand. Hence the researcher had considered few important parameters which ultimately are perceived as characteristics of concerned car brands.

It was noted during interaction with several customers that the perception they have in deciding the purchase of the particular car brand may be related to Affordability. This Affordability parameter is directly associated with the purchasing power of customers and hence particular car brand is known or is characterised as affordable. Similarly there were customers having their view towards other parameters like Status Symbol and Quality. The customers perception towards a renowned car brand is related to Performance of the Car, the technology used for better mileage and so on.

Thus the study considered six important parameters namely Affordability, Status Symbol, Quality, Safety, Stylish and Innovativeness.

For each car segment, various car brands were taken into account and customers from respective car segments were requested to state their response for each car brand listed in concerned car segment. Each customer had to select any one option of the five i.e. Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree as their response indicating the perception they have towards the given parameters. The responses of the customers were analysed and are given in tables 13 (a) to 16 (f).

Brand Perception – Affordability

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	26	13	21	32	8	100
	BMW	25	12	19	31	13	100
	Mercedes	25	18	22	25	10	100
B	Honda	44	41	12	3	0	100
	Hyundai	42	40	10	8	0	100
	Nissan	40	37	17	6	0	100
	Skoda	43	35	12	8	2	100
	Toyota	49	39	8	4	0	100
	Volkswagen	46	38	10	4	2	100
C	Chevrolet	42	46	11	1	0	100
	Fiat	46	46	8	0	0	100
	Ford	41	48	10	1	0	100
	Maruti	59	31	9	1	0	100
	TATA	56	31	8	5	0	100

Table No. 13 (a)

Figures are in percentage

- Affordability-** Beginning with the car segment A, table no 13 (a) shows that only one fourth of the luxurious car owners Strongly Agree for the parameter of Affordability. As such the customers of car segment A, are observed to be from high income group and hence it is observed that large group of customers apart from those who Strongly Agree about affordability accounts for as high as 75%.

With respect to car segment B, the said table indicates that 40% to 49% of the customers Strongly Agree and about 35% to 41% noted their response as Agree' for the parameter Affordability of mid-size car. Thus the affordability is found among 70% to 80% of the customers. In this context it is observed from the table no 13 (a) that large number of customers from the car segment B had mentioned the bank as their source of finance for purchasing the passenger car. The comparison of Bank Finance and Affordability clearly indicates the customer's purchasing ability or the ability to repay the loan. Hence Affordability is one of the important parameter. It is also found that except customers of car brand Skoda (only 2%), there was no response to Strongly Disagree about Affordability.

In the context of entry level car segment C, no customer Strongly Disagree regarding Affordability. Being the entry level passenger car, naturally there is more than 80% of the customers who Strongly Agree or Agree of having the perception about affordability. It is generally observed that the purchase of passenger car is a dream for large number of people especially from the higher middle class. In this context as noted from table no 13 (a) large number of customers stated to have their own financial source for purchase of car.

Thus comparing the perception of the customers from all the three car segments, it is found that the parameter, Affordability is not a major concern for luxurious car owners (segment A). For customers of mid-size car (segment B), Affordability is perceived in context of repaying capacity for the loan borrowed from Banks and lastly for the entry level car customers (segment C) the perception towards affordability is to fulfil their dream of having ownership of passenger car.

Brand Perception – Status Symbol

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	50	27	16	6	1	100
	BMW	53	21	16	7	3	100
	Mercedes	52	25	14	8	1	100
B	Honda	51	38	10	1	0	100
	Hyundai	53	40	6	1	0	100
	Nissan	50	33	10	7	0	100
	Skoda	52	33	11	4	0	100
	Toyota	52	43	4	1	0	100
	Volkswagen	58	37	5	0	0	100
C	Chevrolet	43	47	10	0	0	100
	Fiat	56	38	5	1	0	100
	Ford	36	56	7	1	0	100
	Maruti	45	46	9	0	0	100
	TATA	44	41	11	4	0	100

Table No. 13 (b)

Figures are in percentage

2. Status Symbol- Considering the history of Indian automobile industry, it was observed that for general public till late 1980, having the ownership of Two-wheeler was recognised as luxury. However by end of 20th century two wheelers became necessity. Similar recognition trend is now found in context of passenger cars. The trend of ownership of passenger car is not the real necessity for many but is largely as a Status Symbol for an owner in the society as it reflects ones success.

Taking into account the parameter, Status Symbol the table no 13 (b) indicates the perception of customers from 3 car segments. More than 50% of owners of car segment A strongly believe that the luxurious car ownership helps them to project their image in the society. Also there are one fourth customers that Agree to have gained Status Symbol by having ownership of Audi, BMW or Mercedes Benz. There are less than 10% customers that Disagree to this parameter.

Alike luxurious car customers, there are 50% respondents who Strongly Agree for Status Symbol in society with ownership of mid-size car (segment B). Also from the said table it is found that approximately 33 % to 40% customers Agree for the same parameter. In this car segment there are hardly 7% customers that do not believe in car brand Nissan to lead them for Status symbol in the society. There is not a single strong rejection for the said parameter.

In context of car segment C, it is observed from the table that there are equal number of customers who either Strongly Agree or Agree towards the benefits of the Status Symbol parameter. As high as 56% Fiat car owners and Ford car brand customers Strongly Agree and Agree respectively for the brands characteristics i.e. the ownership of entry level car gives them Status Symbol in the society. Besides this 11% customers were found to remain Neutral while there is not a single denial about the parameter.

Hence comparing all the 3 car segments 50% customers from segment A and B Strongly Agree regarding Status Symbol and with reference to car segment C, the percentage of customers is slightly less. This low percentage of customers largely indicates that nowadays having ownership of entry level car is a need of the hour. However for this entry level car segment none of the customer is found to Disagree that passenger car ownership certainly carries the tag of Status Symbol in the society.

Brand Perception - Safety

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	65	30	5	0	0	100
	BMW	65	29	6	0	0	100
	Mercedes	66	34	0	0	0	100
B	Honda	53	36	9	2	0	100
	Hyundai	45	42	11	2	0	100
	Nissan	47	47	0	6	0	100
	Skoda	50	40	6	4	0	100
	Toyota	54	44	2	0	0	100
	Volkswagen	61	37	2	0	0	100
C	Chevrolet	36	51	12	1	0	100
	Fiat	41	53	3	3	0	100
	Ford	33	53	11	3	0	100
	Maruti	40	40	16	4	0	100
	TATA	42	37	19	2	0	100

Table No. 13 (c)

Figures are in percentage

3. Safety –With advances in automobile technology, customers have perception of more Mileage and Speed. In the context of speed, there should also be the safety aspect. Now many car manufacturers are looking into safety aspect and hence have introduced various safety features such as air bags, anti lock breaking system etc. Also government has enforced the law regarding use of seatbelt for the passenger safety.

Hence with regard to various car brands information on customers perception about the safety features used in car was gathered. The perception of the parameter, safety is depicted in table no 13 (c).

This table shows that approximately 66% of customers from car segment A, Strongly Agree to the safety features that are available in their luxurious car, especially for owners of Mercedes Benz car brand, the remaining 34% are found

to Agree which clearly indicate, that for this particular car brand none of the customers had any doubt regarding car's safety aspect. Though it was nil in terms of Disagreeing for safety in case of car brands BMW and Audi, there were approximately 5% of the car owners who decided to remain neutral.

In the context of car segment B, there were 50% or more customers Strongly Agreeing about safety for their car brands – Honda, Skoda and Toyota. Similar trend can also be observed for car brands Chevrolet, Fiat and Ford in the car segment C.

Comparing the car segments, it is generally known that the safety measures adopted in luxurious car (segment A) are significantly more than for car brands in Segment B, which thereby reduces the percentage of customers who strongly agree about the safety aspect. Further it is observed that the safety measures available in car brand of segment C car are limited and thus only 40% of customers Strongly Agree about the safety. This clearly indicates that for an aspect of safety the customer perception is significantly high with respect to segment A car brands.

Brand Perception - Quality

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	75	25	0	0	0	100
	BMW	68	32	0	0	0	100
	Mercedes	73	27	0	0	0	100
B	Honda	51	44	5	0	0	100
	Hyundai	48	45	7	0	0	100
	Nissan	40	53	7	0	0	100
	Skoda	53	44	3	0	0	100
	Toyota	68	30	2	0	0	100
	Volkswagen	60	40	0	0	0	100
C	Chevrolet	41	45	14	0	0	100
	Fiat	38	57	5	0	0	100
	Ford	28	60	12	0	0	100
	Maruti	42	32	26	0	0	100
	TATA	35	38	27	0	0	100

Table No. 13 (d)

Figures are in percentage

4. Quality – In context of Quality characteristic of the car brand, all the customers in respective segments and for the car brands they own, none of the customers are found to Disagree (Refer table no 13 d). Hence the customers of luxurious car brands are found to have preferred only two options i.e. Strongly Agree (average 72%) and Agree (average 28%). The Audi car brand customers who Strongly Agree (75%) leads the car segment A.

In car segment B as high as 68% customers Strongly Agree for Quality of Toyota car brand. As observed and discussed (refer table no 16 d) it is found that the company's strategic policy towards QDR (Quality, Reliability and Durability) seems to be the right focus and hence is acclaimed by the customers.

In this segment except for Volkswagen brand, all other brand owners recorded the Neutral response ranging from 2% to 7%.

The said table also shows that in car segment C, the maximum customers Agree or Strongly Agree about the Quality of the Ford (60%) and Maruti car brands (42%) respectively. About one fourth customers of Maruti and TATA brand remained Neutral in terms of Quality parameter which certainly is related to the customer's perception in comparison with advanced quality in car segment B.

Brand Perception - Innovation

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	66	29	3	1	1	100
	BMW	62	32	4	0	2	100
	Mercedes	68	30	1	1	0	100
B	Honda	50	39	9	2	0	100
	Hyundai	36	43	15	4	2	100
	Nissan	40	47	6	7	0	100
	Skoda	48	30	17	2	3	100
	Toyota	54	37	9	0	0	100
	Volkswagen	60	40	0	0	0	100
C	Chevrolet	32	41	24	3	0	100
	Fiat	33	44	20	3	0	100
	Ford	29	49	21	1	0	100
	Maruti	32	30	28	8	2	100
	TATA	29	35	27	8	1	100

Table No. 13 (e)

Figures are in percentage

5. Innovation – In context of the parameter, Innovation the researcher has considered and discussed with the customers the likely characteristic features in terms of braking and driving system, parking system, inside features and so on. Alike Mercedes Benz various characteristics features of innovation are found to be adopted by other luxurious car brands. The table no. 13 (e) indicates the perception of customers towards Innovation aspect.

Especially for the car segment A, approximately 65% of customers Strongly Agree regarding the presence of Innovative features in luxurious car, while 60% of customers strongly favour about Innovations in Volkswagen car brand from segment B. This could be due to the fact that Volkswagen brand is owned by the BMW Company.

An average of 35% customers responded strongly in favour of recent innovativeness in car brands from segment C. The low percent of customers from segment C is perhaps do to the limited availability of innovative features in this segment of cars.

Brand Perception - Stylish

Car Segment	Brand	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
A	Audi	92	7	1	0	0	100
	BMW	82	15	3	0	0	100
	Mercedes	83	14	3	0	0	100
B	Honda	58	34	8	0	0	100
	Hyundai	54	36	10	0	0	100
	Nissan	60	30	10	0	0	100
	Skoda	55	40	5	0	0	100
	Toyota	64	26	10	0	0	100
	Volkswagen	70	23	7	0	0	100
C	Chevrolet	51	39	9	1	0	100
	Fiat	41	49	5	5	0	100
	Ford	30	58	11	1	0	100
	Maruti	18	37	31	11	3	100
	TATA	19	40	26	15	0	100

Table No. 13 (f)

Figures are in percentage

6. Stylish – Now with availability of wide range of choice to select the car brands and models, customers could have the perception about the stylish appearance of the passenger car. The information on this parameter was considered in the study on the background that the previous generation had very restricted choice among couple of car models, however today one can observe several car brands having various latest models and attractive colours. Hence the perceptions of customers taken into account are given in table no 13(f).

With regard to car segment A, more than 90% of the customers strongly consider Audi car brand as Stylish while the stylish nature of BMW and Mercedes Benz car is Strongly Agreed by 83% customers. Being the luxurious car segment there seems to be no disagreement of the Stylish characteristic of the car brands.

In terms of mid-size car brands (segment B), 70% of the customers Strongly Agree that Volkswagen car brand to be stylish followed by 60% or more for Toyota and Nissan brands. In this car segment about 5% to 10% customers were found to restrict their perception response and hence remained Neutral. On an average 30% to 35% customers had feeling regarding Stylishness of car brands like Honda and Hyundai.

In car segment C, there are more customers who Strongly Agree only regarding stylish appearance of the Chevrolet car brand while for other car brands most of them noted their view with the response as Agree. It can also be observed from the table that one fourth or slightly more percentage of customers having ownership of Maruti or TATA passenger car remained Neutral in their perception.

Change of Car :

Under the present research study it was necessary to gain knowledge about future potential sales of car. Hence a question was putforth to the customers to know if they had any plan to change their car..

It is interesting to observe from the statistical information and given in table no 14 (a) and also represented in Figure 18, that maximum number of customers who would prefer to change their passenger car are the luxury car owners (35%) followed by entry level car owners (21%). About 19% mid size car owners showed inclination for changing their car.

Potential change of the car within next couple of years

Car Segment	Ownership Count	Yes	No	Don't Know	Total Percentage
A	130	35	62	3	100
B	972	18	75	7	100
C	1058	21	70	9	100
Total	2160	20	72	8	100

Table No. 14 (a)

Figures are in percentage

Owners changing the car within next couple of years

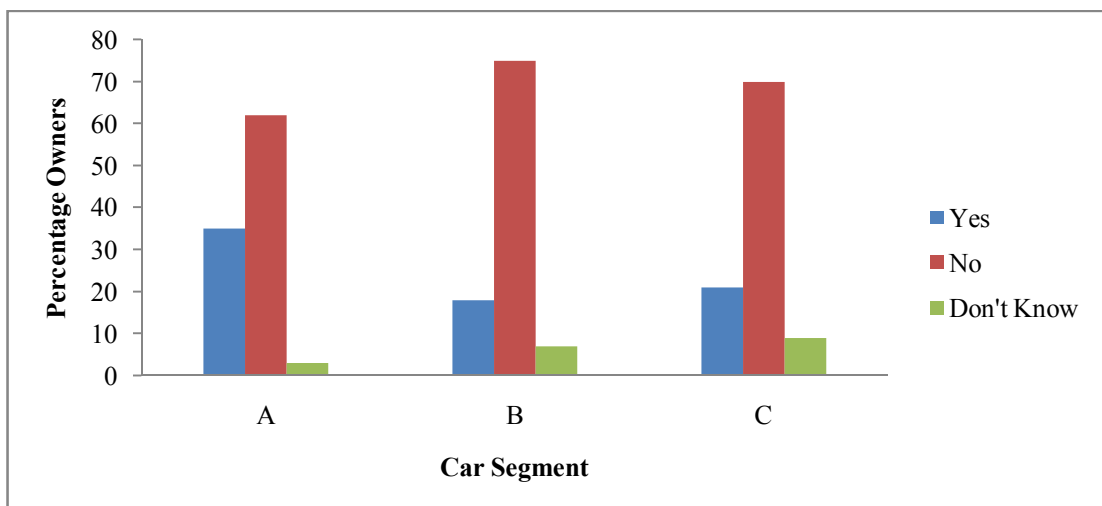


Figure No. 18

Preference about Car Segment :

Considering the potential customer's to change their car, it is clear from the previous table no. 14(a) that the car segment B will have larger market share in near future as 72% customer's are from this segment itself with addition of 20% customers from segment C whose inclination is to move towards upper car segment B. Besides having the knowledge about the potential can owners who would change their car in next couple of years, it was of the interest to further have knowledge regarding the preference the car buyers thought about car segment.

Hence, the said customers were also requested to quote the car segment which they would prefer while selection of car brand. The information gathered in this context is given in table no. 14 (b).

Preference of car segment while changing the car

Current Brand Segment	Same Segment	Higher Segment	Total Percentage
A	100	--	100
B	72	38	100
C	80	20	100

Table No. 14 (b)

All Figures are in percentage

Now considering the potential sales of passenger car in next couple of years, it is important to note that all 100% customers having ownership of luxurious car would be the customers choosing the car from same segment A.

Of the total potential customers from car segment B, it is found that 72% of the customers expressed their preference to purchase new car from same segment. However it is important for the competitive luxurious brands to note that 38% customers are their potential buyers in next few years.

With regard to car segment C there are 80% customers who would like to change their car but in the same car segment. However around 20% of the customers would like to buy car from mid size car that is from segment B.

Pre Purchase Activity :

Prior to the purchase of particular car brand from any of the 3 car segments, researcher was interested to know what activities are carried by the customers before finalising their decision to purchase the passenger car.

Pre Purchase Activities

Activity	Segment A	Segment B	Segment C	Total
Talk to someone who owns the car	62	42	36	40
Visit car dealer	58	33	34	35
Read reports in auto magazines on make/car	42	22	20	23
Take test drive	65	52	42	48
Use blogs/and other websites to obtain further information	31	16	13	16
Visit Car manufacturers website	42	12	12	14
Study advertisements of make /model in newspaper and magazines	46	31	23	28

Table No. 15

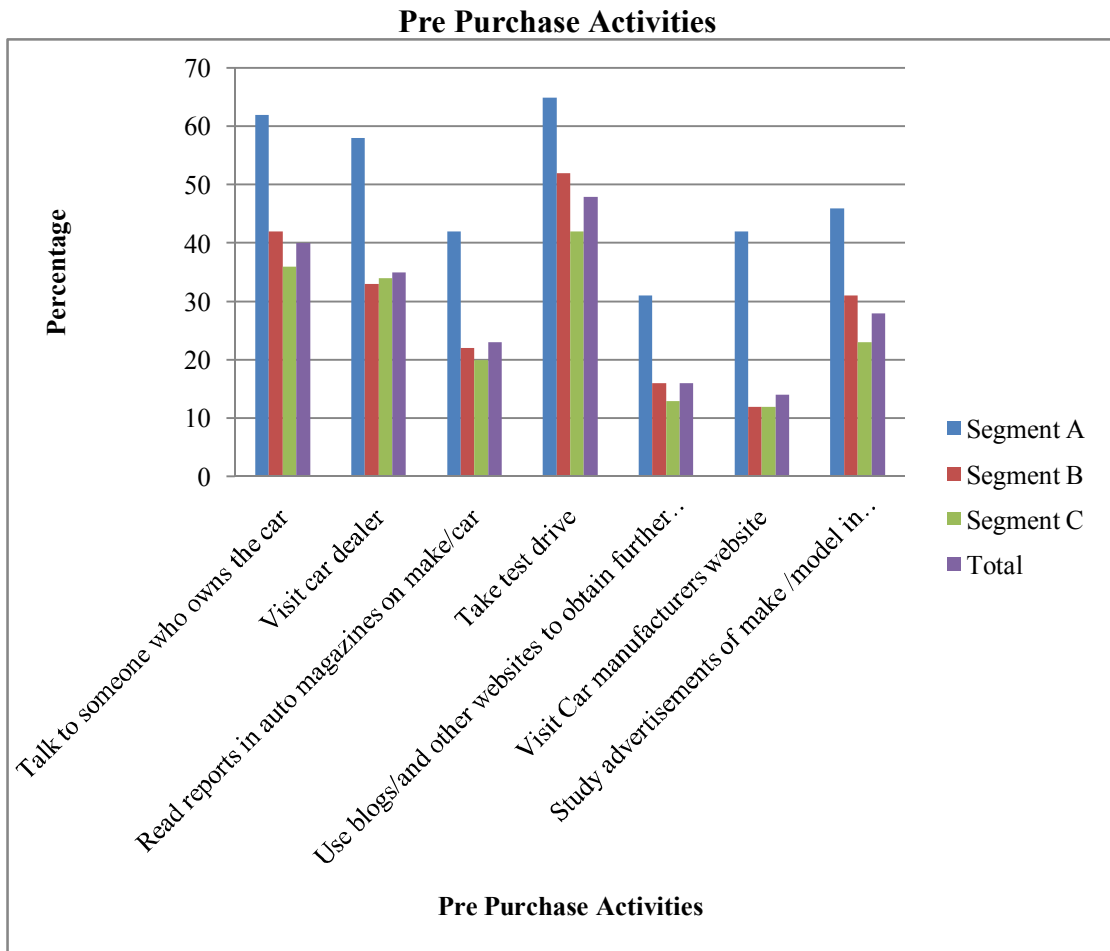


Figure No. 19

Of the various pre purchase activities listed in the table no 15, the customers were requested to quote their preferential steps taken for each activity. The preferential steps in this context refers whether customer perform a particular listed activity or not that listed in above table.

With regard to various pre purchase activities, the table no 15 shows that the 48% customers prefer to take Test Drive prior to the car purchase. The maximum number of customers taking Test Drive are found in car segment A (65%) followed by 52% in car segment B.

Besides the Test Drive activity it can be seen from the said table that the other two important pre purchase activities carried by the customers are 'a talk with owners' of particular brand (40%) and 'visiting the showroom' for gathering more information from the car dealer (35%).

The latest media source to collect car brand information is the car manufacturer's website. It is observed from the table that the potential buyers from car segment A are found to be well versed with the company websites (42%), while only 12% buyers from car segment B and C are found to make use of website source. Besides the visit to car manufacturer's websites, the segment A car buyers are also found to make use of the blogs (31%). In this context the buyers of car segments B and C, hardly account 16% to 13% respectively.

Also the trend of making use of car magazines is more in the customer group of car segment A (42%) than that of segment B (22%) and segment C (20%).

Overall the study indicates that the 'Test Drive' is an important pre-purchase activity largely carried by the customers from all the car segments.

Interview Summary regarding the Role of Brand Heads /Marketing Heads of the car companies.

Options	FIAT	TOYOTA	VOLVO	MERCEDES - BENZ	TATA	MAHINDRA	VOLKSWAGEN	HONDA	MARUTI
Present Brand Scenario	Dependency on print media	Large number of players hence Dilution of brand.	Dependency on electronic media	Traditional media expensive still effective.	Focus on Value for money.	Establishing more dialogue with consumer	Use of different media for Continuous branding	Increased Competition and mediums	Dependency on both print & electronic media
Customer Behavior	Difficulty to convey proper message	Well informed consumer	Smarter due to technology	Affection for brand	Confused behavior	Mouth publicity important	Dynamic society hence changing profile	Difficult to understand due to cultural differences	More inclination towards established brand
Customer loyalty	At present it is not cultivated	Cannot rely 100% on loyalty.	It is diminishing	Yes, we have loyal customers	Loyalty for best price	Less due to more choices of brands	For Price affordability & to gain discounts	Challenging to retain customers	Yes
Management Focus	Importance on sales promotion	Focus on B and C segments	Internal Branding is important	Attracting young customers	Reasonable price & confidence building for brand	Emphasis on R &D & world class technology	Innovations and value driven	Brand value	New technology and high mileage
Revenue Generation	Revenue more imp than branding	Revenue more important	branding more important at this stage	Brand	Both	Both	Both	revenue , target oriented	Both
Impact of resale Value	Sometimes,	Yes in this economy	Not for us	Customers prefer to keep the old car	Resale value Assurance	None	Yes offer incentives	Yes	Resale value Assurance
Future Strategy	Branding essential	Use of latest technology Digital/ mobile platform	More choices of media	360 degree approach for communication & Retain status symbol	To Change brand perception	Changes in marketing strategy	Use of social and digital media	Use of Mobile and digital platform	Retain leadership & Use of Mobile and digital platform
Thrust Area	Creating Brand Value	QDR – Quality, Durability and Reliability	Word of mouth influential.	Emotion plus High quality	Creating new sub /segments	Innovation and importance of rural market	Value for money	Asset for Customers	Increasing market in B segment

Table No. 16

Role of Brand / Marketing Heads :

Of three entities considered in the present research, one of the entity is the Brand Heads /Marketing Heads of different passenger car manufacturing companies and the other two entities being the Customers and Brand Experts / Heads of advertising firms.

The researcher was of the opinion to study the role of the Brand/ Marketing Heads mainly to gain knowledge about how the branding phenomenon is visualized by concerned passenger car companies with regard to various aspects such as present brand scenario, knowledge about the behavior of the customer, customer loyalty towards brand, management focus towards expanding company's market share, importance of revenue generation, the impact of resale value, further strategy and thrust area.

Therefore to study the role of Brand / marketing Heads of companies personal interviews were conducted with nine Brand Heads /Marketing Heads of different passenger car companies namely Fiat, Toyota, Volvo, Mercedes Benz, TATA, Mahindra, Volkswagen, Honda and Maruti. The researcher has taken care that the interviews of different company Head conducted represents, each car segment i.e. A, B and C as well as various car brands.

In this context the outcome of interviews was summarized and is given in table no. 16. The said summary table projects the highlights about the opinions given on various aspects by Brand /Marketing Heads of different passenger car companies. The important observations are as follows:

1. Present Brand Scenario

During the interview the foremost information gathered from the Heads was to know their view regarding the present brand scenario of the passenger car companies in the market. In this context the Heads of Fiat, Mercedes and Maruti had firm opinion that for establishment and survival of their brand, their dependency on print media is significant. However according to Brand Head of Mercedes Benz the print media over the years is becoming expensive but its utilization is unavoidable. The Head of Maruti Brand stated that along with print media now a day's making use of different electronic media is necessary. This seems to be true as also the Head of Volvo car brand agreed about the dependency

on electronic media. Similar opinion was expressed by the Head of Volkswagen Brand wherein for their company the use of different medium is essential to have continuous branding exercise. The use of different media was also mentioned by the Head of Honda brand and according to him there prevails increased media competition among several car brands. In this context the opinion expressed by the Head of Toyota Brand important to note as the Head stated that there seems to be general brand dilution due to the price cutting adopted by many passenger car companies. The Head of Mahindra believes in significant level of establishing the dialogue with potential customers for promoting the brand. The present brand scenario of TATA brand is that the brand is well known name in commercial vehicle sector thus their efforts are towards proving the passenger car brand as value for money.

2. Knowledge about behavior of customers

In planning of marketing strategies, it is essential for every manufacturer/producer of various goods to have proper understanding of the target i.e. the potential customers. Hence, same methodology is applicable in passenger car industry also. Considering the increased number of models of passenger cars and various brands in the market it was necessary to study how the Brand Heads /Marketing Heads of different passenger car companies have their perception towards their potential customers or in simple words the researcher has made an attempt to understand the views of Brand Heads of various passenger car companies that is based on their knowledge about behavior of customers. The table no 16 indicates that the Heads of Toyota and Volvo brands are of the opinion that with various technological advances the customers are remarkably knowledgeable i.e. the Customers are well aware about the developments in passenger car industry as well as the market situation. On similar line the Head of Volkswagen brand stated regarding the dynamic nature of society and thereby changing behavioral profile of the customers. The Head of Fiat and Honda brands were straight forward in stating that it is difficult to understand the behavior of the Indian customers. Especially the Head of Fiat brand stated about experiencing difficulties in conveying the brand message to potential customers. The arising of similar difficulty due to the cultural differentiation in the country and society was

experienced by the Head of Honda brand. With regard to TATA brand it is true that the brand is largely accepted in heavy vehicle sector, therefore the Head of TATA brand expressed regarding prevailing confused behavior of customers. Also the venture of Mahindra brand in passenger car sector is gradually showing its presence in the market and their Head was of the opinion that the behavior of the customers in purchasing of particular car brand is related to the phenomenon of mouth publicity. In other terms the concept of mouth publicity was expressed by the Head of Maruti brand wherein the behavior of the customer, is linked to the customers inclination towards established brand in the market. Lastly, the Head of well renowned luxury passenger car brand Mercedes Benz related the customer's behavior in relationship with affection for brand.

3. Customer loyalty towards brand

It is important to note that in present era very few companies can depend on the concept of loyalty of customers for their brands. In the present situation the question regarding loyalty arises mainly due to the fact that today as there is wide range of choice available for customers in selection of various car brands. This scenario seems to be accepted by all Heads of companies except the few such as Mercedes Benz and Maruti. Most of the Heads of companies either stated the non cultivation of loyalty aspect (Toyota), the diminishing trend of loyalty (Volkswagen), great challenge to retain the loyalty (Honda) and so on. With absence of Fiat from Indian market for long duration it seems to be difficult for the Head to cultivate the presence of Fiat brand. With regard to passenger car brand, Mercedes Benz it is a fact that ownership of their brand is restricted to particular class of customers and in turn such customers are proud to own the world renowned brand, hence the Head of Mercedes Benz firmly believes in the presence of loyalty aspect. Similarly, it is known that since inception the passenger car brand Maruti has well established position in the market and it is reflected through its large share in the present market. Based on this background the Head of Maruti Company poses positive opinion about loyalty factor.

4. Management focus towards expansion of market share

With prevailing strong competition in passenger car market it can be observed from summary table no. 16 that every company Brand Head tries to expand their brand share in the market and hence company strategically has focus to manage the same.

The company's focus of the market's leading passenger car brand Maruti has concentration on introducing new technology as well as to achieve higher mileage performance. Other two brands namely Mahindra and Volkswagen also have their management focus on research and development. Besides research and development the Volkswagen is also found to initiate the aspect of value driven brand for customers. Similarly the Honda brand management strives to develop their image as brand value. The TATA brand has the focus to create the confidence amongst customer regarding passenger car brand along with introducing new technology.

The prime management focus in context of FIAT tends towards the sales promotion activity. It is important to know that the Volvo management feels that the major focus should be internal branding. Of course the factor like internal branding plays crucial role in establishment of the brand. The Head of Toyota Company states that their focus is to increase the share in all segments of passenger cars. The Mercedes Benz Company has focus on creating the brand experience especially for first time buyers for their passenger cars.

5. Importance of revenue generation

Generally both the factors i.e. branding exercise and the revenue generation are equally important for any car brand company. However with changing times one of the factor may gain more importance than the other factor. The importance of one factor is related to the planned strategy of the company. The study of the concept of branding is the central theme of the present research work and hence it was important to verify about the extent of importance given to branding strategies in comparison to the revenue generation.

Amongst the interviews conducted of various Brand Heads /Marketing Heads of passenger car companies most of them stated that the revenue generation as well

as the branding exercise goes hand in hand. No doubt branding exercise is related to the significant expenditure for any company. Here it was noted that the Heads of Mercedes Benz, TATA, Mahindra, Volkswagen and Maruti companies stated that both the aspects i.e. branding exercise and revenue generation generally are of equal importance to the company. It is significant to note the views of Heads of Fiat and Toyota brands wherein the importance is given at present more for revenue generation; similarly the Head of Honda Company stated about the importance given to achieve the set revenue generation targets. The only Head to state the greater importance of branding exercise rather than revenue generation was the Volvo brand and this could be due to the fact that the Volvo brand is recent entrant to Indian passenger car market and have niche market with luxury passenger car.

6. Impact of resale value

It is observed that the second hand/ used passenger car market has been rising steadily. Even it is found that many luxury car manufacturers now have their own second hand car sale facility. Also there happens to be the trend for availing the tax benefit and hence, most of the passenger car owners prefer to change their car with attaining the full depreciation value. Besides business class customers other customers mainly change their car after five to seven years. Hence it is essential to study the factor like resale value.

During the interview schedule the researcher found that there is impact of resale value in the process of purchase and sales of passenger car. Therefore the view of the Heads of passenger car manufacturing companies was taken into account. The view expressed by different company Heads are found to significantly differ (refer table no. 19). The company like Volvo and Mahindra do not give importance to the impact of resale value of the passenger car. However the Heads of companies namely Toyota, TATA, Volkswagen, Honda and Maruti seemed to have opinion that the aspect of resale value does have an important role. Further it was stated by the Heads of TATA and Maruti brands that the strategy of the company is to impress the customer regarding the assured resale returns in resale of passenger car. Thus these two companies have functional policy, wherein an awareness of

resale value is generated among the minds of their customers. The only Head, i.e. of Mercedes Benz expressed that the customers prefer to retain their car rather than selling it because of emotional value of having Mercedes Benz model. Lastly, the impact of resale value may sometimes be experienced was the view of the Head of Fiat brand.

7. Future Strategy

In any business that is governed by the branding concept it is at least essential to maintain the position of the brand in the market. However in keen competitive market scenario every car brand has a strategy to make advancement in building the brand position. The information related to brand building strategy was gathered from the Heads of companies. In this context almost all the Heads expressed their strategy in making use of different mediums/ Medias to promote their brand in the market.

The use of social and digital media technology was the prime concern for most of the Brand Heads/ Marketing Heads and accordingly each one has designed the future strategy. With regard to Maruti brand, the opinion of the Head was that apart from the use of latest technology to promote their brand, there was also the strategy to retain the leadership share in the passenger car market. Similar strategy was expressed by Heads of Mercedes Benz brand which intends to retain their brand as the status symbol in the society.

8. Thrust area

To know the thrust area of the company was also the component of this study. Though the Fiat brand of passenger cars governed the car market in 1980, the entry of Maruti brand of car resulted to control the market in later period. Now under the present circumstances it is observed that the customers have wide choice of car segments as well as car brands. The present brands in respective car segments have to face significant competition and thereby every company has specific thrust area to establish their brand in the market or to enhance the brand position.

As mentioned early regarding the Fiat brand, which has re-entered the market after being absent for several years in Indian market, the Head of Fiat rightly stated that the thrust area of their company was essentially to recreate the brand value.

Another brand TATA has established the brand as the manufacturers of heavy vehicles. With their entry in passenger car sector, the thrust area for the company is to create the new segments as they have done so with TATA Nano, rather than compete in the currently overcrowded car segments. The company also has strategy for creating the aura for the brand.

Similarly is the new entry is that of Mahindra brand. Hence the thrust area for the company is not only to produce the passenger cars but moreover to introduce innovative technology. The Head also stated that the company thrust is to expand their presence in rural market.

The renowned brand in luxury car segment, the Mercedes Benz has thrust to maintain the high quality of the cars. Similarly the Head of Volkswagen stated the thrust to build their brand image as added value for money. Same thrust area is also true for Honda brand which strives to set an example that Honda car would be an asset for the customers.

The leading brand Maruti which controls the “C” car segment has their thrust area to increase their market share in “B” car segment.

Being the recent entrant in the car market, the Head of Volvo was only one who discussed regarding the thrust on publicity i.e. specifically the word of mouth publicity for their brand.

Remarkably it can be observed from the summary table no. 16 that the Head of Toyota company states regarding their continuous thrust on the QDR, i.e. Quality, Durability and Reliability.

Interview Summary of the Heads of Advertising Firms / Brand Experts

Options	Nishit Bhandarkar Associates	Samsika-Jagdeep Kapoor (JK)	AG Krishnamurthy (AGK)	Vivek Kher Associates (VK)	Adived Milind Ghaisas (MG)	Indian Magic Eye (IMG)
Current Brand situation	Lack of vision	Best brands leads to set goals	Branding is fundamental step	Evolving process	Should be Value for money.	Should have more dialogue with consumer
Need of understanding customers	Confused, Presumptuous	General tendency to move upward	Majority young class	High Aspiration and image conscious	Confused.	Younger with more purchasing power
Customer loyalty	Yes, if company delivers on promise	Need to create it	Well aware	Fickle and Experimental	Essential but often neglected	Less due to wider choices
Role of company in brand creation	Lacks creativity	Valuable	Quality Focused	More Imagery driven	Price driven	Expensive so often neglected
Branding V/s Revenue - target	Branding less important than revenue	Customer more important than revenue	Brand identity is the pillar	Revenue	Both	It should be both
Branding in next decade	Consumer oriented	Image of brand a key aspect	Importance of Digital media	Brand fit	Significant Changes in brand perception	Wide scope for utilization of different media
Expectation of company focus	Innovation, fascination & perfection	Creating Brand focus (pull), perceived value	Innovation, quality and elevation of brand	Internal branding , higher technology	Creativity in designing marketing plan & use of latest media	Dependency on digital media

Table No. 17

Opinions of the Heads of Advertising Firms / Brand Experts :

As stated earlier the present research study took into account the third entity i.e. Heads of advertising firms/ Brand Experts. Thus valuable inputs from Heads of advertising firms/ Brand Experts were necessary to know important aspects involved in promoting the passenger car brand and its strategic marketing plans in advertisement field. Hence questioner framed for the interview prominently intended to gather information regarding:

- How the brand experts view the current brand positions of companies,
- To what extent it is the need to understand the customer's behaviour,
- Whether the aspect of customer loyalty really exists
- Is loyalty aspect considered in branding exercise

On one hand, the Brand Experts are involved in promotional activities of car brands and on other hand, Company Brand Heads certainly has the policy to achieve the revenue targets. Hence information was gathered regarding the extent of importance given for revenue generation.

Besides this the opinion of Brand Experts regarding the possibility of survival of the concept of branding in next decade or so was also studied.

Finally the researcher tried to study the brand focus and the thrust areas considered by the Brand Experts.

The summary of outcome from the interviews of Brand Experts is presented in table no. 17. The important opinions expressed by Brand Experts as revealed from the table are as follows:

1. Current Brand Position

With regard to the view about current brand position one of the brand expert AGK states that in present era of knowledge, branding exercise is the fundamental step in establishing the market for any brands. Thus branding exercise never ceases. According to expert VK the branding exercise is the continuous evolving process. Another expert stated that designing of brand and its promotion should be related to aspect of value for money (MG). Thus according to him value for money means

the customer should be satisfied in investing the money in purchase of particular brand of passenger car. Expert from IME was of the opinion that the designs and advertisements of brand should necessarily help in establishing the communication with potential customers. Of course it is observed that the brand which is best in market results for a company to achieve the set sales targets. It can be noted from the said table that only one expert, NB stated that today's branding exercise lacks in vision. According to him, the promotion of brand should relate in conveying the vision of the company, however there is lack of efforts for the same.

2. Need of Understanding Customer

Any manufacturer essentially considers the role of customers in accepting the end product. Hence, it is necessary for Brand Experts to understand the potential customers prior to carrying out the branding exercise or even before designing of any advertisement. Therefore consideration of customers by the brand experts was studied.

The two Brand Experts, NB and MG were of the opinion that there prevails confusion in understanding the customers and hence the branding exercise is based on presumptions of the potential customers.

Other two Brand Experts, JK and VK were found to believe that the Customers have high expectations and are image conscious about the car brand they own and also there seems to be the tendency of customers to move upwards in terms of higher version of car models or the car segment. In simple terms, these experts are of opinion that the customers have certain aspirations for the car brand they select and also the customers prefer to change their passenger car for higher segment or for higher version of car model. In understanding the customers, Brand Expert AGK gives stress on the importance of youth which forms the potential group of customers. Similarly the expert of IME is of the opinion that in present market scenario large number of youths have purchasing power and hence, the Brand Experts essentially should understand the demand/ needs of youth customers properly.

3. Customer Loyalty

Before decade or so, there was less number of passenger car brands. Hence it was observed that the customers receiving satisfactory service from particular car brand would have their loyalty for the same brand. However, today the customers have wide choice not only in selecting different brands but also various passenger car models that too in different passenger car segments. Hence the question arises regarding prevalence of customer loyalty towards the brand. Information on this aspect was gathered from Brand Experts especially to know if customer loyalty is experienced or are any efforts been made to cultivate the same through brand exercises.

The expert from IME stated about diminishing customer loyalty in present scenario. On one side, Brand Expert MG stated that though customer loyalty exists, it seems to be neglected and on the other side, the Brand Expert JK expressed opinion regarding the need in creation of customer loyalty. The creation of customer loyalty depends on the perceived value the customer feels after the fulfilment of all the promises the particular brand makes to its customers.

Further the need to establish strong relationship between customer loyalty and fulfilment of brand promises was stated by the Brand Expert NB.

According to brand expert AGK the present day customers are well aware and hence if the customers are satisfied with a particular brand then and then only the customer loyalty would prevail for that particular brand. Considering customer satisfaction towards a brand, the brand expert VK states that branding exercise is an experimental process.

4. Brand Creation

In present market scenario as there prevails keen competition the role of company's Brand Head in promoting their car brand is important. Every company certainly has the strategy to promote and establish their car brand. It was intended to study this aspect i.e. company's brand strategy from the view point of brand experts to know about the inputs given to advertising firms by respective car companies. Hence the opinion of the brand experts was taken into account. According to JK the input given by company is important in designing of

advertisement, its promotion and finally leading to establishment of the brand in the market. Hence, the role of Brand Head of the company in brand creation is valuable. Exactly opposite was the view expressed by NB wherein he states that there lacks the creativity aspect from the company. VK, one of the brand experts seems to perceive the imaginary driven role of the company. It was noted that some times the role of company is price driven. In this context MG believes that the company is more conscious on the expenses incurred in branding exercises and thus to certain extent the more relevant factor for company is revenue generation. In similar way IME has an opinion that the company considers the branding exercise as expensive component and hence efforts towards same are neglected as the main strategic focus is towards revenue generation.

The branding exercise however has to be in quality way i.e. the companies should focus on the quality of the product and the same should be highlighted. The role of company having quality focus is acceptable for brand expert, AGK.

5. Creating Brand and Company's Revenue Targets

On one hand it is necessary for company to create their brand while on the other side the company has to keep the track of achieving the set revenue targets. Under such circumstances the role of company is important for any brand expert as it will give ideas of thrust / focus of the company.

If the focus is revenue based then there seems to be limitations for brand experts in creating particular brand name in market as it involves reasonable expenditure. However in ideal situation the focus of the company primarily should be to create the brand which may lead towards achieving of targeted revenue generation. In this context the opinions given by brand experts are as follows -

MG and IME are of the opinion that the role of company Head is towards achieving the balance i.e. company is willing to spend on creation of brand and simultaneously has strategic plan for revenue generation. The two brand experts namely VK and NB based on their experience were of the view that the role of the company Head is largely inclined towards reaching the sales target and hence for companies the revenue generation is more important. JK expressed that the companies are inclined to increase the customers by means of branding exercise.

Hence creating the brand awareness is the prime concern than the aspect of revenue generation. AGK stated that the companies have major role in creating the identity of the brand and hence in marketing activities the brand identity takes the form of pillar.

6. Branding in Next Decade

With the impact of globalisation, almost all sectors are found to be dynamic in nature. The branding phenomenon cannot be exception to this dynamism. Hence researcher made an attempt to know the changes if any may occur about branding phenomenon over the period of next decade.

Taking into consideration the rapidly changing ICT (Information Communication Technology) most of the brand experts were of the view to absolutely make use of recent ICT. Brand Experts like NB, IME and AGK stated that the branding exercise intended for connecting with potential customers are dependent on various modes of communication technology and thus the use of digital media is important. Regarding the changes in the perception of branding in next decade, according to MG the perception of the customers would be towards the performance of brand instead of the general establishment of the brand over the period of time.

On similar lines the expression given of JK for the brand's image in the market is largely related to the performance of passenger cars. He further states that the perceived value of the brand will be more important to customers than any other aspect of the brand. Keeping in view the theory of 'Survival of the fittest' by Charles Darwin, the Brand Expert VK is of the view that in coming decade the Survival of such brands will be possible only for the fittest of brands in all respects i.e. quality, performance, mileage, price and so on

7. Expectation of Company Focus

Generally expectations are from both parties i.e. brand heads of companies and brand experts. On one side the expectation of company Heads would be to gain maximum mileage through the design of brand and further the advertisement

campaign. On the other hand the brand experts may certainly expect from company to give valuable inputs in designing of car brand and further its successful establishment through various means of available media. In this context an attempt has been made to study the expectations the brand experts have from the company heads. Hence question was framed regarding their expectations from company so they could undertake the branding exercise.

With fast changing automobile technology, the brand experts namely NB and AGK were of the view that the main focus of the company should be to introduce new technology. Besides this another view of NB was regarding the company to have perfect focus of the brand with the intension in creating fascination for the brand. AGK was of view that focus should also be on elevation of brand through high quality features and hence company's focus should be to utilize the latest technology. The Brand Expert VK has the view that the company should seriously focus on internal branding. According to brand experts JK and MG the focus of company should be to create awareness for the particular car brand and hence freedom should be given to brand experts to make use of various communication mediums that which would result to build a force in attracting large number of customers. Apart from creating a brand pull JK also has an opinion that the strategy of the company leads in creating a perceived value of brand amongst potential customers towards the brand. IME believes that the brand experts have choice to use latest media and thus there would be large scale dependency on digital media, in next decade. Therefore the focus of car company should be in utilising and depending on digital media.

□□□

CHAPTER - V

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

- Large number of male respondents certainly indicates the male dominance of Indian culture.
- Large number of respondents (38%) in the age group of 31 to 40 years can be related to phenomenon of active psychomotor skills with confidence of the passenger car owners.
- Under present circumstances there exists no substantial difference amongst the number of passenger car owners in segment B that of mid size car and in segment C that of entry level car.
- The low percentage (6 %) of owners of luxurious passenger cars like Mercedes Benz, BMW and Audi reflects not only the high price factor but the presence of small proportion of higher income group of people in the society.
- Under the car segments A, B and C the passenger car brands which leads the market are Mercedes Benz, Honda and Maruti respectively.
- In car segment B there exists keen competition between two passenger car brands Honda and Hyundai.
- The car segment C of entry level passenger car is significantly governed by Maruti brand.
- The TATA brand popularly known for commercial vehicles is now found to gradually expanding its market share in passenger car segment C. (16%)
- The gradual increase in the number of owners of passenger cars is related to either to the purchasing power of customers or easy availability of bank loan facility.
- During last three years inclination towards the purchase of mid size cars is found to be increasing. (From 20% to 37%)

- A decade back the car segment C was almost ruled by Maruti car brand however during last three years this brand experiences keen competition from other passenger car players like TATA, Ford, Chevrolet.
- Till last five years Mercedes Benz brand was the only choice for customers of car segment A. However in recent years two newer brands namely BMW and Audi have shown their presence in car market.
- During last five years the Hyundai passenger car owners have increased many folds (from 19% to 31%).
- The Volkswagen and Skoda car brand in segment B is found to be new market player during last three years.
- In present market scenario the ownership of entry level cars of car segment C is more than other two car segments A and B.
- Considering the age of car, recent trend observed is towards higher ownership of mid size cars (segment B).
- The trend of ownership of luxurious cars is found to be stable.
- During last five years or so Segment C experiences significant challenge from car segment B.
- The role of family members making decision regarding purchase of particular car brand is found to be important among 60% of the total respondents.
- The Dependency or responsibility of family was found to be significant among senior respondents (above 50 years of age) wherein the purchase of a particular passenger car is a family decision.
- Considering the buying decision among female passenger car owners, as high as 80% stated that buying particular car brand is their family decision.
- About 60% of the passenger car owners from car segment B and C have their financial dependency on bank finance.
- More than 60% of the owners of luxury passenger car had their own financial sources.

- Family decision and bank finance are found to be closely related for 75% of respondents.
- Self decision and self finance are found to be closely related for 50% of respondents.

5.1.1 Conclusions drawn with regard to correlation analysis - All segments

- Taking in to account all the 3 car segments, it was found that among all the influencing variables, the variable Brand Name has strong co-relationship with Status Symbol.
- Considering all the passenger car respondents it was found that the variable Brand Name and Performance of the Car are negatively correlated with Brand Ambassador.
- In car segment B, there exists positive correlation between variables Brand Name and Status Symbol, however Brand Name is more influenced by variable Affordability.
- Strong correlation between variables Brand Name and Affordability was only observed for car segments B and segment C.
- In case of customers having luxurious cars (segment A) there is a negative correlation between Brand Name and Affordability (-0.04).
- Only for car Segment B, there exists positive co-relationship between all influencing variables.
- Brand Name is negatively correlated with the variables Brand Ambassador for car Segment A (-0.32) and Segment C (-0.9).
- In car segment B, the variable Affordability has negative co-relationship with the variable Sales Scheme (-0.07).
- Also the variable Brand Ambassador has negative co-relationship with the influencing factor, the Performance of the Car wherein the correlation coefficient are -0.04 and -0.02 for car segments C and A respectively.

- For variable Sales Schemes, all the influencing variables of car segments A, B and C show positive co-relationship.

Car Segment A

- Brand Name is positively correlated with Performance of the Car and Status Symbol.
- The variables like Affordability, Previous Ownership, Resale value, Sales Schemes and Brand Ambassador are negatively correlated with variable Brand Name.
- For the luxurious passenger cars there exist strong co-relationship between Performance of the Car and Status Symbol (0.54).
- There exists negligible relationship between variables Brand Ambassador and Performance of Car.

Car Segment B

- There exists strong co-relationship between variables Brand Name and Affordability (0.50).
- Considering that the co-relationship of the variable Status Symbol with other variables Brand Name, Affordability and Previous Ownership the value of correlation coefficient is similar (0.36 ± 0.1).
- The correlation of the Brand Name is negligible with Previous Ownership (0.01) and Brand Ambassador (0.02).
- The variable Brand Ambassador has limited influence by other variables namely Affordability (0.07), Performance of the Car (0.18) and Resale Value (0.16).

Car Segment C

- Brand Name has significantly strong co-relationship with Status Symbol (0.42) and Affordability (0.40).

- There exists negative co-relationship of the variable Brand Ambassador with both Brand Name (-0.09) and Performance of the Car (-0.04).
- There also exists strong co-relationship between Brand Ambassador and Sales Scheme (0.42).

5.1.2 Conclusions drawn with regards to Principal Component Analysis

- The two most influencing variables identified in PCA technique were Brand Name and Performance of Car.
- In PCA for all customers the first principal component Brand Name traces 29.94 percent of the total variance. This component loads very high on the Status Symbol (0.72)
- For car segment A, the Brand Name has very high loading on Sales Schemes (0.71)
- For car segment B, the Brand Name has very high loading on Status Symbol (0.69)
- Similarly in car segment B, Brand Name also has high loading on influencing variable Affordable Price (0.68).
- For car segment C, the Brand Name has very high loading on Status Symbol (0.73)
- For car segment C, the second component Performance of the Car has high weightage on the variable Brand Ambassador (0.73)
- Among all the respondents very low awareness of car brand tagline/ slogans was found.

5.1.3 Conclusions drawn with regard to perception of customers based on characteristic parameters of car brand

- As high as 75% of the luxurious car owners do not consider the parameter Affordability, as influencing parameter.

- There are more than 80% of the customers from car segments B and C who Strongly Agree or Agree regarding their perception about Affordability. For customers in segment B it is the purchasing power while for segment C customer it is fulfilling dream of ownership of car.
- In car segment A more than 50% of the owners strongly believe that the luxurious car brand helps to project their image in the society.
- Comparing all the 3 car segments, 50% customers from segment A and B Strongly Agree regarding Status Symbol while the percentage of customers is slightly less for car segment C.
- Approximately 65% of customers from car segment A Strongly Agree regarding the availability of Safety features in their luxurious car.
- Safety features are less available for car brands in segment C.
- In car segment B as high as 68% customers Strongly Agree for Quality of Toyota car Brand and hence the company's strategic policy towards QDR (Quality, Reliability and Durability) seems to be the right focus.
- Regarding Quality parameter about one fourth customers of car brands Maruti and TATA brand were found to remain Neutral.
- About 65% customers of car segment A, Strongly Agree regarding Innovative features in luxurious cars.
- About one fourth customers of car segment C remained neutral regarding Innovation parameter in entry level cars.
- Considering the Stylish appearance of car brands, Audi, Volkswagen and Chevrolet tops in their respective car segments.
- The potential customers who want to change their car within next couple of years were more in car segment A.
- With more number of potential customers in near future, there is large market potential for segment B brands.
- Test Drive is the most important pre purchase activity undertaken by prospective buyers of all passenger car segments.

- Opinion of someone who already owns the same brand/ model of car seems to be important for the prospective buyers of passenger car
- The prospective buyers making use of digital media for having information about the car brands / models are higher in segment A of luxurious cars than prospective buyers of cars in segments B and C.
- Use of digital media in terms of website visits is negligible among prospective buyers of passenger car in segment C.

5.1.4 Important Views of the Brand/ Marketing Heads of car companies :

- Though the use of print media is expensive its present and future use seems to be unavoidable.
- Along with print media, dependency on electronic, digital and mobile media is increasing.
- The study of customer behaviour seems to be difficult due to regional and cultural differences.
- Behavior of the prospective customers is linked not only to the mouth publicity but towards the inclination the customers have for well established car brands in present market.
- With availability of wide range of passenger car brands there is diminishing trend of customer loyalty.
- Most of the company's focus to introduce new technologies and thereby to improve the performance of car in terms of mileage.
- Internal branding exercise will be important in near future.
- Less importance is given for branding exercise and thus Brand Heads of Fiat, Toyota and Honda expressed their strategic plan devoted towards more revenue generation.
- Most of the Brand Heads, accepted the impact of resale value.
- The Mahindra car brand has the thrust to expand its share in rural market.

- Almost all the Brand Heads have the strategy in promoting as well as positioning their brand in the market especially by using various mediums.
- The thrust area of Fiat car brand is to recreate their brand value.
- The TATA car brand strives to create an aura for their brand.

5.1.5 Important Views of the Head of Advertising Firms / Brand Experts

- According to Brand Experts, Branding exercise is a continuous process.
- There seems to be lack of company vision in today's branding exercises. (NB)
- Almost all passenger car customers are found to have Aspirations to own higher version of car brand.
- Considering the potential purchasing power in younger generation, the branding exercise should have focus to understand the needs / aspirations of the youths.
- IME expert feels that customer loyalty towards particular brand is diminishing due to availability of wider choice of car brands/ models.
- For proper establishment of brand, Heads of company can play significant role in promotional activities.
- Most of the Brand Experts were of the opinion that the revenue generation takes front seat in today's branding exercise.
- Many Brand Experts stated the need of branding exercise to focus on establishing connection with the potential customers.
- In comparison of the two aspects, the branding exercise and revenue generation, it is largely observed that branding exercise takes the back seat.
- The survival of the brand in next decade will largely depend on the performance of the car.
- Brand Experts mainly expect the company Heads to focus on quality.
- Though expensive, it seems essential in branding exercise to make the use of various social media and technology.

- The concept of internal branding seems to be important for Brand Experts as well as Head of Volvo Company.
- In branding exercise there is increase in use and dependency on digital media and mobile platform.

5.2 Hypothesis Testing

1. **The prime strategy of the Company's Brand / Marketing Head is to establish the Brand Name.**

- Considering several factors which influence the decision making of the customers to purchase particular car brand, one of the most significant factor found was the Brand Name of the car company. Firstly the study reveals that the mindset of the customers is not only to own a car but also to have status symbol in the society. Secondly the purchase of car is related to affordability as well as knowledge the customers have about performance of the car.

Taking into account the factors mentioned above, correlation analysis largely helped in identifying the relationships between these factors. Hence it is found that for all the customers Brand Name has strong correlation with Status Symbol and especially for the customers having car from segment B and C, the Affordability and Brand Name go hand in hand.

Besides this, the Principal Component Analysis technique used shows that in every situation the first principal component identified is Brand Name. Which traces 30 to 40% of the total variance. Thus the impact of Brand Name can be judged.

Also the interaction with Brand Head of the Company/Advertising firms and Brand Experts revealed that significant efforts are made in promoting the brand by using various medias in competitive market. The Heads expressed their prime focus on establishing the brand name for survival in market.

Therefore the hypothesis stand True.

2. The entry of Customers in passenger car segments B and C is based on Affordability.

- Of the total car owners involved in present study, nearly 50% of them own the car brand from segment C and another 45% have ownership of car brand from segment B. In context of all these car owners, the availability of the requisite finance necessary for them to purchase the car is found to be by means of bank loan. The bank finance is certainly extended for those customers having the repaying capacity. The repayment of loan in simple term refers to customer's affordability to own a car. Hence customers especially purchasing the car for first time i.e. their entry either in segment B or C certainly depends on the affordability aspect.

Also, the correlation analysis of various influencing factors reveal that Affordability is most influencing factor wherein there exists strong correlation between Brand Name and Affordability.

Therefore the Hypothesis with reference to entry of customer in car sector based on Affordability is True.

3. The Maruti car brand seems to be well established brand in present market scenario.

- In context of the total number of car owners it is found that nearly 50% have ownership of segment C small size/entry level cars. The study further reveals that among the wide range of car brands available in the market, 1/4th of the total car owners have Maruti brand car as their choice. Thus Maruti brand leads the total market share.

Besides this, it is also observed in Car segment C that more than 50% of the market share is captured by Maruti brand. The Maruti brand is followed by only two digit market share of TATA brand (16%) and further by Ford and Chevrolet with market share of 8% each. Thus these three brands together account for 32% market share which is significantly behind the Maruti brand having 51% market share. Hence Maruti company is found to have well established brand in present market scenario.

Therefore hypothesis stating Maruti brand to be well established in the present market scenario is correct.

4. Designing of brand promotional activities has thrust in resulting for customer's status symbol in the society.

- The overall observation of the present study is that almost all customers of passenger cars are well aware regarding various car brands available in the market. Considering various factors influencing the customer's decision towards purchasing of particular car brand, the most influential factor is Brand Name. Hence the significant focus of both, the Heads of car companies and the Heads of Advertising firms is to promote the car brand in prevailing competitive market scenario.

The study of correlations of various factors reveal that Brand Name is strongly associated with Status symbol. The customers are found to state that ownership of the car results for them to have the status symbol in the society.

Thus the thrust in designing the brand promotional activities is largely to attract customers with an aim to inculcate an image that respective car brand will result for enhancing one's status in the society having association with concerned car brand. Hence the promotional activities designed have significant thrust which results for customers to have status symbol in the society and thereby the hypothesis statement is Correct.

5. In near future the significant use of digital media for branding is unavoidable

- For significant duration of time i.e. for last couple of decades the branding exercise has been largely dependent on print media. However in recent times the rapidly changing Information – Communication –Technology (ICT) has marked an impact on brand promotional activities. Thus new advertisement media now available are in digital /mobile forms. Several brand experts were found to have opinion in favour of the use of latest media. Thus in near future there would be large scale dependency on digital media. Also the Brand Heads

of various car companies stated that in today's competitive market scenario every car brand frames the strategy to make advancement in building the brand position. Thereby car companies have focus in making use of latest media to reach large number of potential customers and for this digital media is of significant importance. Thus the hypothesis statement "In near future the significant use of digital media in branding is unavoidable" seems to be the scenario in coming years .

5.3 Recommendations

1. The brand promotional activities should especially focus on potential customers upto the age of 40 years.
2. The branding exercise essentially should succeed in communiting with the customers about car brands latest technology / quality features.
3. The brand promotional activities designed must reflect the vision of Car Company in context of innovations, safety features and performance of car.
4. The promises / assurances the car brand makes to the customers must be fulfilled so as to cultivate brand loyalty.
5. With changing time and technology, branding exercise should focus on the large scale use of digital media.
6. Success in understanding the behaviour of customers in terms of Affordability aspect will result for Car Company to govern significant market share.

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APPENDIX

QUESTIONNAIRE

Dear Sir/Madam,

You are kindly requested to extend your cooperation in filling this questionnaire which will help me in carrying out my research for Ph.D. Degree. All information given will be kept confidential and will not be used for any other purpose than what it perpetrates.

Thank You

Gender	CODE	Marital status	CODE	Car Ownership	CODE	Type of Ownership	CODE
Male	1	Married	1	Yes	1	First Owner	1
Female	2	Unmarried	2	No	2	Second Hand	2

1. The Present Brand of Car you own?

Options	Code	Options	Code
Maruti	1	Ford	8
Hyundai	2	Fiat	9
TATA	3	Chevrolet	10
Skoda	4	Audi	11
Toyota	5	BMW	12
Volkswagen	6	Mercedes	13
Honda	7	Others (Specify)	14

Model _____

2. When did you buy the car?

Options	Code
Less than One year	1
1 to 2 years	2
2 to 3 years	3
3 to 5 years	4

3. Who made the decision regarding the car brand /model?

Options	Code
Myself	1
Family	2
Advice from others	3
Other (Specify)	4

4. What was the mode of finance at the time of purchasing the car?

Options	Code
Own Finance	1
Bank Finance	2
Other (Specify)	3

5. What influenced you most while choosing particular brand of car? Rate according to your preference where 10 is most influential factor and 1 is least influential factor

Options	Rating									
Brand Name – I can associate with it	1	2	3	4	5	6	7	8	9	10
Performance of car – mileage,	1	2	3	4	5	6	7	8	9	10
Affordable price	1	2	3	4	5	6	7	8	9	10
Owned same brand of car before	1	2	3	4	5	6	7	8	9	10
Resale Value	1	2	3	4	5	6	7	8	9	10
Sales Schemes offered by dealer	1	2	3	4	5	6	7	8	9	10
Brand Ambassador	1	2	3	4	5	6	7	8	9	10
Gives me Status Symbol in the society	1	2	3	4	5	6	7	8	9	10

6. Are you aware of the slogan of the car brand you own?

Options	Code
Yes	1
No	2

7. Please tick your perception towards car brand by you from segments A, B and C.

A : Audi BMW Mercedes

Options	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Affordable					
Status Symbol					
Safety					
Quality					
Innovative					
Stylish					

B : Skoda Toyota Honda Volkswagen Volvo Nissan

Options	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Affordable					
Status Symbol					
Safety					
Quality					
Innovative					
Stylish					

C : Ford Fiat Hyundai Maruti TATA Chevrolet

Options	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Affordable					
Status Symbol					
Safety					
Quality					
Innovative					
Stylish					

8. Are you planning to change your car within next one/ two years?

Options	Code
Yes	1
No	2

9. If yes, please indicate the car segment you will choose?

Options	Code
Same Segment	1
Higher Segment	2

10. What activities do you undertake before you make the purchase decision?

Options	Code
Talk to someone who owns the car	1
Visit car dealer	2
Read reports in auto magazines on make/car	3
Do test drive	4
Use blogs/and other websites to obtain further information	5
Visit Car manufacturers website	6
Study advertisements of make /model in newspaper and magazines	7
Other	8

Name of respondent: _____

Address: _____

Contact no: _____

E-mail id:

Gender: Male : 01

Female : 02

Age: _____ years



Questionnaire for the Interview of Brand / Marketing Heads of Car Company

During the interviews of the Brand / Marketing Heads of passenger car companies, the focus of the interview was mainly to gain knowledge regarding the views/insight, the Heads of companies have in context of various aspects like : Current Brand Position, Understanding the Behaviour of customers, Existence of Loyalty concept, importance about revenue generation and branding exercise, management focus/thrust area etc. Hence questions framed were as follow :

1. What are your views regarding the present brand position of your company in the market.
2. How essential is the need to understand customer's behaviour in shaping the marketing policy of the company.
3. Does the loyalty aspect of the customer's for particular car brand exists in the market or is there the need to cultivate the same.
4. Comment regarding the Management focus towards branding exercise.
5. State about the strategic importance the company have in comparison to revenue generation and branding.
6. Is resale value the influencing factor in decision making of customer's.
7. Considering the competitive market, what is your future strategy.

- Name of Company Brand Head :
- Name of Car Company :
- Designation
- Contact Details : (o)

(mob)

Email Id :



Questionnaire for the Interview of Head of the Advertising Firms/Brand Experts

The main intention of the researcher to have interaction with the Heads of Advertising firms or Brand Experts was to study their perception regarding various aspects that they may be considering in designing the advertisement for car companies. The aspects considered were Current Brand Positions, Need of Understanding the behaviour of Customers, Customers loyalty towards car brands, Company Policy towards creation of brand name, impact of company policy towards branding as well as revenue generation, visualizing the concept of branding in next decade, expectations from company Heads etc. :

1. Your comments regarding various car brand position in present market.
2. How essential in the need to understand customers behavior in the process of advertisement designing?
3. Does ...
4. Your perception about the role of the Head of Company in creating the brand name.
5. Your view regarding the impact of company strategy with reference to revenue generation and expenses towards branding.
6. How you visualize the brand concept in next decade?
7. Your overall expectation in context of Company's focus / thrust areas.
 - Name of Advertising Firms/Brand Experts :
 - Name of Car Company :
 - Designation
 - Contact Details : (o)

(mob)

Email Id :

