STUDY ON CONSUMER PERCEPTION & BRAND LOYALTY TOWARDS HYUNDAI IN VIJAYAWADA

M. Sandeep Kumar*, B. Rajeswari**, D. Prasanna Kumar*** & M. Srinivasa Narayana****

Abstract: *The study aims at analyzing the consumer perception towards brand loyalty towards Hyundai. The objective of the study is to understand the impact of customer perception towards success of brands towards cars. The research is aimed to explore if buying choices are made based on brand loyalty and to analyze whether customers actively seek for new brands or stick to the old brands. A detailed study is conducted from the views of customers & collected by conducting a survey with a sample size of 110 from Vijayawada region with the help of structured questionnaire. The collected data is analyzed using statistical tools and the study reveals that most of the youngsters have good perception towards the branded vehicles & good relationship with the brand. Majority of the respondents said that quality, trustworthyness and brand image are the leading features that differentiate one brand with other brandes in car industry.*

Key Words: *Brand image, Brand loyalty, Status symbol, Customer Perception, Customer behavior, Customer Retention, lifestyle.*

I. INTRODUCTION

Brand awareness means the ability of a consumer to recognize and recall a brand in different situations (Aaker, 1996). Brand awareness consists of brand recall and brand recognition. Brand recall means when consumers see a product category, they can recall a brand name exactly, and brand recognition means consumers has ability to identify a brand when there is a brand cue. That is, consumers can tell a brand correctly if they ever saw or heard it. Moreover, Hoeffler & Keller (2002) indicate that brand awareness can be distinguished from depth and width. Depth means how to make

---

* Research Scholar, K.L. University, Guntur and Assistant Professor, Geethanjali Institute of PG Studies, Nellore

** Research Scholar, Acharya Nagarjuna University, Guntur

*** Associate Professor, K L U Business School, Guntur, Andhra Pradesh, India

**** Professor and Head, Department of Management Studies, Narasaraopet Engineering College, Narasaropet

consumers to recall or identify brand easily, and width expresses infers when consumers purchase a product, a Brand name will come to their minds at once. If a product owns brand depth and band width at the same time, consumers will think of a specific brand when they want to buy a product. That is, the product has higher brand awareness. Moreover, brand name is the most important element in brand awareness (Davis, Golicic& Marquardt, 2008). As a consequence, brand awareness will affect purchase decision through brand association, and when a product owns a positive brand image, it will help in marketing activities (KellerPþ1993). A brand name offers a symbol that can assist consumers to identify service providers and to predict service results (Herbig & Milewicz, 1993; Janiszewski& Van Osselaer, 2000; Turley & Moore, 1995).

Brand awareness plays an important role on purchase intention because consumers tend to buy a familiar and well known product (Keller, 1993; Macdonald & Sharp, 2000). Brand awareness can help consumers to recognize a brand from a product category and make purchase decision (Percy &Rossiter, 1992). Brand awareness has a great influence on selections and can be a prior consideration base in a product category (Hoyer & Brown, 1990). Brand awareness also acts as a critical factor in the consumer purchase intention, and certain brands will accumulate in consumers' mind to influence consumer purchase decision. A product with a high level of brand awareness will receive higher consumer

The review of related literatures has greatly helped Alan S. Dick, Kunal Basu in plotting the entire research design and establishing research objectives. The researcher has intensively gone through all those related scholarly published articles and research papers. Elif A. Ergin *et al.* (2005), carried on a research study with view to determining brand loyalty among Turkish women with respect to skin-care products and enabling cosmetics players to penetrate to the Turkish market and to shape marketing strategies. The results showed that there is a brand loyalty among Turkish women for cosmetic products. Sondoh Jr., Stephen L et al (2007), examined the impact of brand image benefits on satisfaction and loyalty intention for color cosmetic product. Results revealed that brand image benefits viz. functional, social, experiential and appearance enhances are positively related to overall satisfaction and loyalty intention is significantly influenced by functional and appearance enhance.

II. LITERATURE REVIEW

Hamza Salim Khraim (2011) analyzed how factors of brand loyalty towards cosmetic brands influence the consumer buying behavior. The findings of this study disclose that there is positive and significant relationship between factors of brand loyalty namely brand name, product quality, price, design, promotion, service quality and store environment with cosmetics brand loyalty. Yousaf, Usman *et al.* (2012) tried to know the brand loyalty and affirmed that brand credibility, brand awareness, brand association, perceived quality and product knowledge are important to build brand loyalty. Result of this research indicated that there is a positive relation between brand

credibility, brand awareness, brand association, perceived quality, product knowledge (independent variables) and brand loyalty (dependent variables). It has also been concluded that brand awareness has the highest impact on brand loyalty and L'Oreal consumers are more than other brands according to Sushil kumar M. Parmar.

Anjali Sharma *et al.* (2013), made an attempt to investigate the impact of brand loyalty on consumer buying behavior for beauty products and aspects involved while purchasing cosmetic products. Majority of respondents opined that quality is the most important factor at the time of purchasing of the beauty products followed by brand and price. However, small group of women feel packaging is the key factor for decision making. Researchers concluded that these factors are generally responsible for switching to other brands and friends are the most powerful reference group.

K. G. Sankaranarayanan & Nandakumar Mekoth (2014), found significant difference between the usage and attitude of the clusters. This analysis resulted into the formation of three clusters viz. medium self-directed, heavy other-directed & occasional nonbelievers with varying characteristics. In addition, brand preference for body spray was found to vary by cluster and brand preference for face wash, shaving cream and face cream was not varying by cluster. Surprisingly, heavy other directed were reported to be the lowest spenders while occasional non believers were the highest spenders.

III. OBJECTIVES OF THE STUDY

1. To study the brand preferences & brand loyalty of owners of Hyundai automobiles.

2. To identify differences in consumer behavior by various criteria such as brand, age, location etc.

3. To examine the level of satisfaction of consumers from different brands of automobiles.

4. To study the brand preferences & brand loyalty of consumers towards automobiles.

5. To study the modes of advertising for light commercial vehicles (LCV's.)

6. To study the effect of pricing on the purchasing power of the car buyers.

IV. SCOPE OF STUDY

The inferences from the study are based on the responses given by the consumers in a specific area. This study will be helpful in getting an insight into the perception of LCV Buyers at showrooms and some findings may be slightly deviating towards the Brand as we are asking the questions specifically on the Brand itself. It may not fully reflect the mindset of the consumers as they may shy from answering all the questions straight forwardly.

V. RESEARCH METHODOLOGY

5.1. Research design

The study is based on both primary data and secondary data. The primary data was collected through structured questionnaire for which samples of 110 respondents were selected for this study. The collected samples using convenient sampling method was validated and took it for further analysis. Secondary data is also collected from database sites and articles. The collected data were analyzed with the suitable tools like Chi – Square tools with the following assumptions were made on the onset of the project.

5.2. Area of the study

The respondents are randomly selected for this study.

5.3. Research approach

Survey and Questionnaires Method

Survey method is used for collecting data from car buyers and owners from Various retail outlets and brand showrooms at various locations. We requested all respondents to fill in the questionnaire on their own, after explaining the various aspects mentioned in it. It contained both open- and close-ended questions in a structured format which are very easy to understand in the first look itself.

5.4. Sampling Technique

A convenient sample (non – probability sampling method) of 110 car owners & buyers was collected for the current study in which respondents of the study were requested to complete the questionnaire volunteerly.

5.5. Sample Size

The size of the sample taken in this study is 110.

5.6. Data Usage

For analysis and interpretation, only primary data is used. However for conclusion and recommendations both primary and the secondary data along with the verbal knowledge and information although obtained from respondents, though they are outside the parameters of questionnaire were also included. The data collected from these sources were analyzed using various tools like percentage analysis, chi-square test, cross table analysis method.

5.7. Tools

Frequencies and cross tabulation have been calculated for the responses of the respondents. Chi – Square test analysis was conducted on the data of part II in questionnaire.

VI. ANALYSIS AND INTERPRETATION

6.1. General Profile of the Respondents

GENDER	Male	Female		
	74	36		
AGE	20-24	25-29	30-40	>40
	18	43	25	24
EDUCATION	DIPLOMA	GRADUATION	PG	
	19	44	47	
PROFESSION	STUDENT	BUSINESS	IT-EMP	NON-IT-EMP
	12	36	46	16
INCOME	<30,000	30,001-50,000	>50000	
	29	32	49	
HOW MANY BRANDS DO YOU KNOW IN LCV SEGMENT?	THREE	MORE THAN THREE		
	48	62		
WHICH BRAND COMES TO MIND WHEN YOU THINK ABOUT PASSENGER CARS?	MARUTI	RENAULT	HYUNDAI	MAHINDRA
	49	3	15	14
	TATA	FORD	FIAT	VOLKSWAGON
	11	7	4	7

WHAT IS YOUR LEVEL OF FAMILIARITY AND INVOLVEMENT WITH HYUNDAI?	NEVER HEARD OF	HAVE HEARD THE NAME, BUT KNOW NOTHING ABOUT THEIR	KNOW SOMETHING ABOUT THEM, BUT NEVER USED THEIR LCVS	HAVE USED THEIR PRODUCTS, BUT NOT IN THE LAST 2 YEARS
	3	9	14	27
	HAVE USED THEIR PRODUCTS IN THE LAST 5 YEARS	57		
WHICH OF THE FOLLOWING ATTRIBUTES DO YOU ASSOCIATE WITH HYUNDAI CARS?	AFFORDABLE	DEPENDABLE	MODERN&STYLISH	
	45	12	14	
	POPULAR	DON'TKNOW		
	27	12		
WHERE HAVE YOU SEEN ADVERTISEMENTS FOR HYUNDAI LCVS?	BILLBOARDS	FM RADIO	MAGAZINES	TV
	22	4	9	24
	NEWSPAPERS	ONLINE	PUBLIC TRANSPORTATION	I'VE NEVER SEEN ANY OF THEIR ADVERTS
	24	17	7	3
OF YOUR TOTAL FAMILY PURCHASES, HOW MANY WERE HYUNDAI PRODUCTS?	ONE	TWO	THREE	NONE
	57	6	8	39
WHICH BRAND OF PASSENGER CAR DID YOU PURCHASE LAST TIME?	MARUTI	RENAULT	HYUNDAI	MAHINDRA
	49	3	15	14
	TATA	FORD	FIAT	VOLKSWAGON
	11	7	4	7
HOW LONG IT TAKES YOU TO UPGRADE YOUR LCV?	ONE YEAR	TWO YEAR	THREE YEAR	MORE THAN 3 YEARS
	6	15	17	72
WHAT WILL YOU DO IF THE BRAND OF LCV YOU WISH TO PURCHASE IS TAKING MORE TIME FOR DELIVERY?	DELAY PURCHASE TILL THE SAME LCV ARRIVES	PURCHASE OTHER LCVS FROM THE SAME BRAND	PURCHASE A DIFFERENT BRAND LCV	
	52	23	35	

Interpretation: From the above table, we infer that of the total respondents 74 are male and 36 are female. On further classification according to age group, we find that of all the respondents 18 are 20-24 Years old, 43 are of the age group 25-29 Years, 25 of the age group 30-40, 24 are of the age group with more than 40 years. From the responses collected 19 respondents are Diploma holders, 44 are Graduates and 47 are Post-Graduates. On the Monthly Income basis 29 Respondents earn less than 30,000 Rs, 32 of them earn 30,000-50,000 Rs, while the remaining 49 earn more than 40,000 Rs

Table 6.2
Respondents views about LCVs

| PARAMETER	SA	A	NUETRAL	DA	SDA
YOU ARE LIKELY TO SWITCH TO ANOTHER LCV BRAND IN THE NEXT PURCHASE?	25	19	11	23	32
YOU LIKE TO RECOMMEND YOUR LCV BRAND TO SOMEONE ELSE?	31	28	17	13	21
YOU ARE SATISFIED WITH YOUR CURRENT LCV?	29	22	31	9	19
DO YOU AGREE WITH "I RELY ON MY LCV BRAND " ?	23	16	57	2	12
DO YOU AGREE WITH "I TRUST MY LCV BRAND" ?	26	19	46	5	14
DOES BRAND NAME INFLUENCE YOUR DECISON MAKING IN PURCHASING LCV?	33	21	18	16	22
WILL YOU UPGRADE YOUR PRODUCT TO THE LATEST MODEL OF PRESENT LCV?	19	14	68	2	7
WILL SWITCH TO ALTERNATIVE BRAND OF LCVS IF THEY OFFER A SIMILAR BUT CHEAPER LCV?	32	27	41	1	5
YOUR BRAND LCVS ARE AVAILABLE AT AFFORDABLE PRICE?	29	30	18	16	17
DOES YOUR NEARBY SHOWROOM ALWAYS DISPLAY LATEST LCVS?	39	36	16	11	8
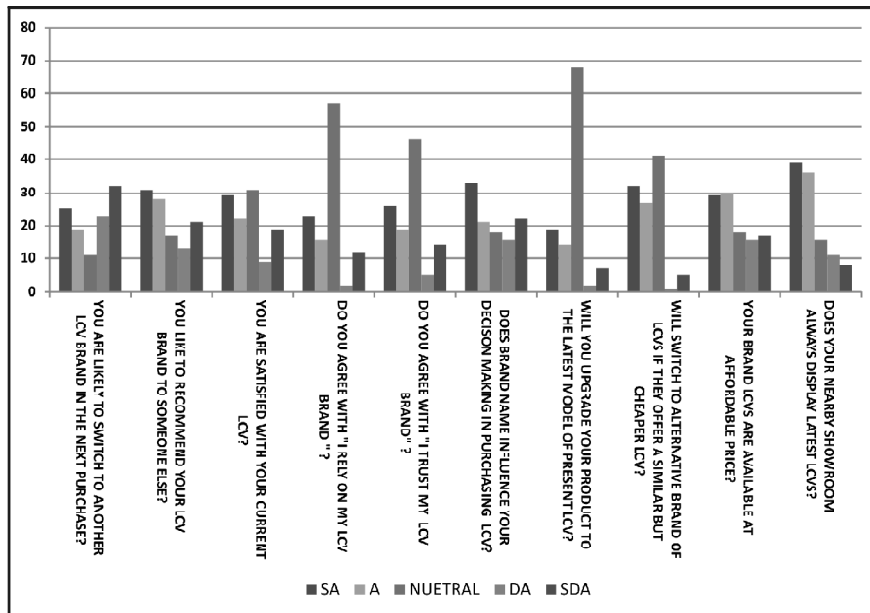
Figure 6.3

6.4. Chi-Square Test

6.4.1. Is there a Relation between education of the respondent and the number of lcv brands known to him?

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
EDUCATION OF RESPONDENTS * NO OF LCV BRANDS KNOWN TO HIM	110	100.0%	0	.0%	110	100.0%

EDUCATION OF RESPONDENTS * NO OF LCV BRANDS KNOWN TO HIM Crosstabulation				
Count				
		NO OF LCV BRANDS KNOWN TO HIM		Total
		THREE	MORE THAN THREE	
EDUCATION OF RESPONDENTS	DIPLOMA	9	10	19
	GRADUATION	20	24	44
	PG	19	28	47
Total		48	62	110

CHI-SQUARE

EDUCATION OF RESPONDENTS			
	Observed N	Expected N	Residual
DIPLOMA	19	36.7	-17.7
GRADUATION	44	36.7	7.3
PG	47	36.7	10.3
Total	110		

NO OF LCV BRANDS KNOWN TO HIM			
	Observed N	Expected N	Residual
THREE	48	55	-7
MORE THAN THREE	62	55	7
Total	110		

Test Statistics		
	EDUCATION OF RESPONDENTS	NO OF LCV BRANDS KNOWN TO HIM
Chi-Square	12.891a	1.782b
df	2	1
Asymp. Sig.	0.002	0.182

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 36.7.
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 55.0.

From the above SPSS calculation we infer that there is a significant relation between education of the respondent and the number of LCV brands known to him.

6.4.2. Is there a relation between age of the respondent and his decision in case of more time for delivery of LCV?

AGE OF RESPONDENT * DO THIS INCASE OF MORE CAR DELIVERY TIME Crosstabulation

Count					
		DO THIS INCASE OF MORE CAR DELIVERY TIME			Total
		DELAY PURCHASE TILL THE SAME LCV ARRIVES	PURCHASE OTHER LCVS FROM THE SAME BRAND	PURCHASE A DIFFERENT BRAND LCV	
AGE OF RESPONDENT	20-24	5	6	7	18
	25-29	25	6	12	43
	30-40	10	6	9	25
	>40	12	5	7	24
Total		52	23	35	110

CHI-SQUARE

AGE OF RESPONDENT

	Observed N	Expected N	Residual
20-24	18	27.5	-9.5
25-29	43	27.5	15.5
30-40	25	27.5	-2.5
>40	24	27.5	-3.5
Total	110		

DO THIS INCASE OF MORE CAR DELIVERY TIME

	Observed N	Expected N	Residual
DELAY PURCHASE TILL THE SAME LCV ARRIVES	52	36.7	15.3
PURCHASE OTHER LCVS FROM THE SAME BRAND	23	36.7	-13.7
PURCHASE A DIFFERENT BRAND LCV	35	36.7	-1.7
Total	110		

Test Statistics

	AGE OF RESPONDENT	DO THIS INCASE OF MORE CAR DELIVERY TIME
Chi-Square	12.691a	11.582b
df	3	2
Asymp. Sig.	0.005	0.003

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.5.
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 36.7.

From the above SPSS calculation we infer that there is no relation between **age of the respondent and his decision in case of more time for delivery of LCV**.

6.4.3. Is there a relation between gender of the respondent and brand name influencing the LCV purchase decision?

GENDER OF RESPONDENT * BRAND NAME INFLUENCES LCV PURCHASE DECISION Crosstabulation

Count							
		BRAND NAME INFLUENCES LCV PURCHASE DECISION					Total
		STRONGLY AGREE	AGREE	NUETRAL	DISAGREE	STRONGLY DISAGREE	
GENDER OF RESPONDENT	Male	23	14	11	10	16	74
	Female	10	7	7	6	6	36
Total		33	21	18	16	22	110

CHI-SQUARE

GENDER OF RESPONDENT

	Observed N	Expected N	Residual
Male	74	55	19
Female	36	55	-19
Total	110		

BRAND NAME INFLUENCES LCV PURCHASE DECISION

	Observed N	Expected N	Residual
STRONGLY AGREE	33	22	11
AGREE	21	22	-1
NUETRAL	18	22	-4
DISAGREE	16	22	-6
STRONGLY DISAGREE	22	22	0
Total	110		

Test Statistics

	GENDER OF RESPONDENT	BRAND NAME INFLUENCES LCV PURCHASE DECISION
Chi-Square	13.127a	7.909b
df	1	4
Asymp. Sig.	0	0.095

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 55.0.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 22.0.

From the above SPSS calculation we infer that there is relation between gender of the respondent and brand name influencing the lcv purchase decision.

6.4.4. Is there a relation between respondents monthly income and feeling that his LCV brand is affordable?

MONTHLY INCOME OF RESPONDENT * HIS LCV BRAND IS AFFORDABLE Crosstabulation

Count

		HIS LCV BRAND IS AFFORDABLE					Total
		STRONGLY AGREE	AGREE	NUETRAL	DISAGREE	STRONGLY DISAGREE	
MONTHLY INCOME OF RESPONDENT	<30,000	6	6	5	5	7	29
	30,001-50,000	9	7	6	5	5	32
	>50000	14	17	7	6	5	49
Total		29	30	18	16	17	110

CHI-SQUARE

MONTHLY INCOME OF RESPONDENT

	Observed N	Expected N	Residual
<30,000	29	36.7	-7.7
30,001-50,000	32	36.7	-4.7
>50000	49	36.7	12.3
Total	110		

HIS LCV BRAND IS AFFORDABLE

	Observed N	Expected N	Residual
STRONGLY AGREE	29	22	7
AGREE	30	22	8
NUETRAL	18	22	-4
DISAGREE	16	22	-6
STRONGLY DISAGREE	17	22	-5
Total	110		

Test Statistics

	MONTHLY INCOME OF RESPONDENT	HIS LCV BRAND IS AFFORDABLE
Chi-Square	6.345a	8.636b
df	2	4
Asymp. Sig.	0.042	0.071

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 36.7.

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 22.0.

From the above SPSS calculation we infer that there is relationship between respondents monthly income and feeling that his lcv brand is affordable.

VII. FINDINGS

1. Most of the respondents are not willing to switch to other brands which indicates that Hyundai has a loyal customer base.

2. 59 of the 110 respondents say that they recommend Hyundai to others which indicates that they are satisfaction toward its products.

3. It is also found that age of the respondent has no effect on his decision making in case of long time for the delivery of LCV

4. Most of the respondents opined that they won't shift to rival brands that offer similar products at lesser price which indicates that service quality is high in Hyundai.

5. Brand name influencing the LCV purchase decision is showing a relation with gender of the respondent.

6. 54 of 110 respondents told that Brand name influences the purchase decision while selecting an LCV.

7. There is a relation between respondents monthly income and his knowledge that the LCV brand is affordable.

8. 59 of the respondents told that Hyundai vehicles have an affordable pricing structure.

9. Endorsement of celebrities like Shah Rukh Khan will increase brand preference and brand image.

10. Brand loyalty is present among respondents, as they agreed that with increase in price their brand peference will not shift.

11. 75 of 110 respondents are able to see the latest Hyundai offerings at their nearest showrooms and this indicates that the company should focus on sending demo cars to all showrooms for increased visibility of their products.

VIII. SUGGESTIONS

People of middle class are showing interest to buy Hyundai cars, so new models with price discrimination should be discovered. Hyundai should continue with same quality assurance to the consumers. Loyal customers should give high value and discounts with more extra care to their products. More and more showrooms and service centers are to be placed in order to be numero uno in the country. Using the brand loyalty of consumers company have opportunity to get more and more customers so that company has to take good responsibility and given extra benefits. Additional discounts and rewards for lady owners.

Bibliography

Olins, W. (1989), Corporate Identity –Making Business Strategy Visible Through Design, London, U.K.: Thames and Hudson.

American Journal of Economics and Business Administration 3 (1): 47-57, 2011;ISSN 1945-5488.

Aaker, D.A., 1991. Managing Brand Equity: Capitalizing on Value of a Brand Name. The Free Press, New York, ISBN: 0-02-900101-3, pp: 299.

Ahmed, Z.U., J.P. Johnson, P.L. Chew and W.F. Tan *et al.*, (2002), Country-of-origin and brand effects on Consumers' evaluations of cruise lines.

AInt. Market. Rev., 19: 279-302. DOI: 10.1108/02651330210430703 Anckar, B. and D. D'Incau, 2002. Value creation in mobile commerce: Findings from a consumer survey. J. Inform. Technol. Theory Appli., 4: 43-64. ISSN: 15324516.

Armstrong, G. and P. Kotler, (2003), Marketing: An Introduction. 6th Edn., Pearson Prentice Hall, NewJersey, ISBN: 0-13-035133-4, pp: 714.

Abdullah, M., A. Al-Nasser, and N. Husain (2000), "Evaluating Functional Relationship between Image, Customer Satisfaction and Customer Loyalty Using General Maximum Entropy." *Total Quality Management,* 11 (4/5&6).

Anderson, James C., Dipak C. Jain, and Pradeep K. Chintagunta (1993), "Customer Value Assessment in Business Markets: A State-of-Practice Study." Journal of Business to Business Marketing, Vol. 1 No.1, pp. 3-30.Back, K. (2001). The Effects of Image Congruence on Customer Satisfaction and Brand Loyaltyin the Lodging Industry.Unpublished Ph.D. Dissertation, The Pennsylvania State University.

Ballester, D.E. and Aleman, M.L. (2001), "Brand trust in context of customer loyalty", *European Journal of Marketing*, Vol. 35 No. 11/12, pp. 1238-1258.

Aaker DA. Building strong brands. New York, NY: Free Press; 1996.

Aaker JL. Dimensions of brand personality. *J Mark Res* 1997; 34(3):347–56

Aron A, Aron EN. Self and self-expansion in relationships. In: Fletcher GJO, Fitness J, editors. Knowledge structures in close relationships: a social psychological approach. Mahwah, NJ: Erlbaum; 1996. p. 325–44.

Baldinger AL, Blair E, Echambadi R. Why brands grow. *J Adolesc Res* 2002; 42(1):7-14.

Baumeister R, Leary MR. The need to belong: desire for interpersonal attachments as a fundamental human motivation. *Psychol Bull* 1996; 117(3):497–529.

Belk RW. Possessions and the extended self. *J Consum Res* 1988; 15(2):139–68.

Biel A. Discovering brand magic: the hardness of the softer side of branding. Int J Addict 1997; 16(3): 199–210.

John P. Maggard. (1971), Negro Mar ket -Fac t or Fi ction .Cal ifornia Management Review.

Joy ce Mat thews. (1978), Consumer Complaint s as Prepur chase Information .The Journal of Consumer Affairs.

Rook, Dennis W. (1987), The Buying Impulse .The journal of consumer research.

David A. Aaker, Managing Brand Equity (New York, NY: The Free Press, 1991). For a summary of findings from the Total Research database research, see David A. Aaker Building Strong Brands, (New York, NY: The Free Press, 1996), Chapter.