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DIRECT MARKETING A WAY TO BUILD BRAND WITH REFRERENCE TO DIFFERENT PASSENGER CARS IN INDIA: A MANAGERIAL VIEW

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ABSTRACT

Brand building has assumed great importance in modern times. This is especially true in case of automobile industry which maintains brands of its various segments. Brand building primarily aims at making the brands of the company stronger by creating positive perceptions for them in customers' mind. It is the way to motivate customers to make an initial purchase of the brand and further ensuring sustained earnings for the company by making repeat purchases of the same. One may not be wrong in assuming that brand building along with customer delight and retention shall be the cornerstone of organizations future strategies in coming days.

Keywords: Automobile Industry, Brand Building.

INTRODUCTION

Gone are the days when the corporate houses relying on the traditional way of building brands, with the advent of technological advancements the brand building become the more important aspect to visualize the brands in the world. With the prevalence of email and other means of directly communicating with the customers helps the companies to strengthen their presence in the virtual world. Direct marketing is the way of doing so.

REVIEW OF LITERATURE

Brown (1992) in his study**, "Breathe New Life into Your Old Brand"** has opined that differentiation is the anchor of brand equity. Without differentiation, a company cannot charge a premium, nor can it sustain a brand. After all how a brand is differentiated is at the core of any persuasive marketing message by a company to urgue customers to buy its

brand. The most prominent reason for any brand failure is its inability to differentiate itself from others competing brands.

Laser, Mittal, and Sharma (1995) in their study**, "Measuring Customer-Based Brand Equity"** have asserted that in the modern day corporate environment, brand equity has become potent weapon in the armoury of organisations to gain competitive advantage. Further, on account of higher brand equity, the firms can charge premium, enhance the demand for the brand, practice the policy of brand extension and make significant improvements in their promotional campaigns.

Thakor and kohli(1996) in their study**, "Brand Origin: Conceptualisation and Review"** have argued that in addition to the traditional concepts identified as brand equity influencers, brand origins must also be considered. They have defined brand origin as "the place, region or country to which the brand is perceived to belong by its customers. Brand origin can be more or less salient for some brands or others, and therefore, the use of origin cues should be subtle and implicit when the brand concept relies more on symbolism, while more explicit when the brand concept relies more on features.

Dyson, Farr, and Hollis (1996) in their study**, "Understanding, Measuring, and Using Brand Equity"** have proposed a consumer driven system of measuring equity. They have argued that economic value is created in transactions which are the source of equity. Therefore, they have developed a model called the "Consumer Value Model" that predicts transactions in order to bridge the gap between the intangible perceptions and the tangible revenues generated by a brand.

Wansik, B (1997) in his study**, "Making Old Brands New"** has asserted that any brand, in spite of its continuous falling sales and market share, must not reduce advertising expenses on it substantially if it wants to keep the same going in the market. The main reason behind this assertion of the author is his thinking that brand awareness is the cornerstone of any brand success and the same, in its turn, is dependent upon the extent to which and the way it is advertised. The author has given more weightage to top of the mind recall over aided recall method as an indicator of brand awareness.

Keller (1999) in his study**, "Managing Brands for the Long Run: Brand Reinforcement and Revitalization Strategies"** has asserted that brand awareness and brand associations have direct impact on brand equity. Other things remaining the same, high customer's awareness of the brand and unique and favourable brand associations lead to a strong brand equity. The starting point for enhancing the brand equity of any brand, thus, should be making customers aware about it and creating ideal associations for it.

Schmitt, Brend H. (1999) in their study**, "Experiential Marketing: How to Get Customers to Sense, Feel, Act and Relate to Your Company and Brands"** has suggested that Experiential marketing concept also adds to the traditional view of the branding concept. It states that how the brand as an identifier has evolved to become a provider of experiences. The experiential marketing approach views brands as an integrated holistic experience, which is possible to create through nurturing sensory, affective and creative relations, as well as associating a lifestyle with the brand.

DevonDelVecchio (2000) in his study**, "Moving beyond Fit: The Role of Brand Portfolio Characteristics in Consumer Evaluations of Brand Reliability"** has opined that brand extension has a great role to play in building the brands in the minds of the customers. It is so because consumers' resorts to their past experience while assessing any new product. Any product that has a linkage with the brand earlier being used by them, thus reduces their perceived risks for the new product. The author has given a suggestion to the corporate that they must not undermine the significance of brand extension in brand building.

Sharyn Rundle-Thiele, Rebekah Bennet (2001) in their study**, "A Brand for All Seasons? A Discussion of Brand Loyalty Approaches and their Applicability for Different Markets"** have opined that brand loyalty towards any brand is significantly influenced by the type of market in which the brand is being built. The authors through their survey have found that same brands have different loyalty levels in different markets. In consumable markets which are characterized by high switching and low involvement customers, behavioural measures have been found to be more appropriate for predicting future brand loyalty levels. However, in stable markets, attitudinal measures are more relevant in predicting future brand loyalty. The authors have cautioned the marketers not to

become complacent for brand loyalty of customers in one market. In other market, a low level of brand loyalty may be in store for them.

A.Belen del Rio, Rodolfo Vazquez, Victor Iglesias (2001) in their study**, "The Role of the Brand Name in Obtaining Different Advantages"** have opined that appropriate brand strategies can do wonders for the companies seeking to gain competitive advantage for their products. Their views are based on a survey conducted with two groups of consumers, one of the group was given the products the brand name of which was not conveyed to its members. The other group, meanwhile, was given the products revealing their brand identity as well. The findings of the survey suggested that the second group (which was revealed the brand identity) was found to got a higher functional and symbolic benefit of the products. Brand identity, thus has an imperative role to play in the product evaluations. This is also going a long way in giving a competitive edge to the companies.

Pascale Quester, Ai Lin Lim (2003) in their study**, "Product Involvement/Brand Loyalty: Is There a Link?"** have tried to explore the link between product involvement and brand loyalty of the customers. The authors, on the basis of a survey conducted on a sample of 253 respondents have found that there is a high degree of positive correlation between product involvement and brand loyalty. The products with which the involvement of the respondents was high were also enjoying a higher brand loyalty from them. They have suggested that involving customers in the products may work wonders for the companies in enhancing their loyalty as well.

Chris A. Myers (2003) in his study**, "Managing Brand Equity: A Look at the Impact of Attributes"** has concluded that customers evaluation of attributes present in a brand has a significant bearing on their loyalty towards that brand. The author has taken 9 national soft drink brands to assess how the various attributes present in the same are being viewed by the customers. Those customers who viewed these attributes positively also had higher loyalty towards the brands. The author has suggested that the corporate should measure the relative importance of different attributes as prevailing in the minds of the customer. Subsequently, they should try to outshine competitors on the said attributes. In return, they can expect a loyal bunch of customers in their kitty.

Janet Hoek, Zane kearns, Kathryn Wilkinson (2003) in their study**, "A New Brand's Behaviour in An established Market"** have suggested the corporate to use panel surveys to monitor the performance of their brands. The authors have virtually rejected the claim of few other researchers that measuring brand performance is a wasteful exercise on account of shortened life cycles of brands. They have argued that the way a new brand is likely to behave can be judged easily by generalising the behavioural patterns of the existing brands. They have concluded that measuring brand performance should be considered as an investment rather than a cost.

EidanApelbaum, Eitan Gerstner, Prasad A. Naik(2003) in their study**, " The Effects of Expert Quality Evaluations Versus Brand Name on Price Premiums"** have investigated the extent to which national brands charge a price premium from customers in comparison to store brands. The authors, on the basis of their survey have found that the price premium being charged by national brands is higher to the extent of 28.7 % to 50.4 % in comparison to that of store brand. This is irrespective of the fact that store brands were found to be of better quality than the national brands. This is the reason for higher returns in case of national brands. The authors have opined that the situation is really ironical and conveys the significance of having national brands in the portfolio of the corporate.

Ghost et al (2003) in their article**, "India's Car is Born"** have observed that brand image of Indian car has improved significantly in the minds of global customers. There was a time when even Indian customers were apprehensive of purchasing India made car. Now, global customers have started recognizing India cars as providing them desired value for money. This is perhaps the reason why export of cars from Indian boundaries is growing leaps and bounds.

Chidambaran et al (2003) in their study**, "Brand Preference of Passenger Cars with Reference to CoimbtoreCity in Tamilnadu"** have tried to assess the awareness level of the people of the city for different brands of passenger cars and various factors that affect their preference from any brand. They have concluded that the respondents in coimbtore city are aware of most of the popular brands of passenger cars. Further they give preference to those brands which are good in fuel efficiency. The authors have opined that brand name in itself conveys product quality, utility, technology and such other attributes present in the product.

OBJECTIVES OF THE STUDY

The study covers the following objectives:

1. To study the existing brand building practices of selected brands of passenger cars in India.

2. To examine the difference in the brand building practices of selected passenger car companies in India.

3. To analyze the effectiveness of brand building practices of selected passenger car companies through customer feedback in India.

1.3 HYPOTHESES

Within the framework of the above objectives, the following hypotheses are verified during the course of analysis.

1. There is no significant difference in the brand building practices adopted by selected passenger car companies.

2. Effective brand building practices do not have a positive bearing on the satisfaction level of customers.

1.4 RESEARCH METHODOLOGY

The present study has been confined to three prominent passenger car companies operating in Indiaviz, **Maruti Suzuki India Limited, Hyundai Motors India Limited,** and **Tata Motors Limited.** For this purposeBrand Managers/Sales Managers/Marketing Managers of the selected car companies have been interviewed and detailed analyses of their views are conducted...

The chosen brands of these two segments are as follows:

- **Segment B:**

    # Maruti Alto

    # Hyundai Santro Xing

    # Tata Indica

- **Segment C:**

    # Maruti Suzuki Swift

    # Hyundai Accent

    # Tata Indigo

DATA COLLECTION

In the present study the use of primary as well as secondary data has been made. In order to achieve the above mentioned objectives the required primary data have been collected with the help of two structured questionnaires addressed to the Brand Managers/Sales Managers/Marketing Managers of the selected companies and their customers. To get managers' insight on brand building practices being adopted by their organisation, 45 Brand/Sales/Marketing managers [15 from each of selected companies] have been approached with a structured questionnaire.In order to see the overall performance of all the selected organizations secondary data have been collected from the various sources such as:

- **Annual reports of the selected companies**

- **Journals :** Journal of Marketing Management, Journal of Marketing, European Journal of Marketing, Journal of Consumer Research, Journal of Strategic Marketing, Journal of Consumer Marketing, Journal of General Management, Journal of Marketing Research, Management Review, Journal of Product and Brand Management, Journal of Advertising Research, California Management Review, Indian Journal of Marketing.

- **Magazines:** Auto Car India, Overdrive, Wheels unplugged, Auto Week, Automobile, New Car test Drive-Car Reviews, Advertising & Marketing.

ANALYTICAL METHODS

This section deals mainly with the analytical tools employed for the analysis of collected data. In this study various statistical techniques like Mean, Standard deviation and Analysis of Variance (ANOVA) have been used with the help of Statistical Packages for Social Sciences (SPSS).

In order to work out the brand building practices of selected brands of passenger cars as well as to analyze the effectiveness of brand building practices of selected car companies through customer feedback the use of arithmetic mean has been made and the formula for calculating the arithmetic mean is as follows:

Arithmetic Mean:

$$\overline{X} = \sum X / N$$

Where   X   =   Sum of Observation

               N   =   Number of Observation

The actual brand rating has been depicted by mean scores which has varied between 1 to 5.

The interpretation of mean scores is as follows:

1 or more but less than 2	Very Poor Perception
2 or more but less than 3	Poor Perception
3	Average Perception
3 or more but less than 4	Good Perception
4 or more but less than 5	Very Good Perception
5	Excellent Perception

ANALYSIS AND INTERPRETATION

BUILDING BRANDS THROUGH DIRECT MARKETING EFFORTS

Direct marketing efforts of the brand not only provide timely updates to the customers but also help the customers in interacting with the brand and enhancing the value of the brand in the mind of the customers. To what extent the various tactics are being employed by the selected companies on this front has been explained with the help of table 1 to 4.

- **Direct Mail**
  Table 1: Direct Mail

Company Name	Mean	N	Std. Deviation	F	Sig.
Maruti Suzuki India Limited	4.2667	15	1.22280		
Hyundai Motors India Limited	3.8667	15	1.30201		
Tata Motors Limited	3.4000	15	1.05560		
Total	3.8444	45	1.22392		
				1.967	**.153**

Historically, direct mail was a popular mode to build brands. The same in its new avtar of e-mail is revitalizing the concept of building brands by mailing to customers. Table 3.23 indicates that the selected auto majors are not averse to using direct mail to get the privilege of the customers/prospects for their brands. Maruti Suzuki India Limited, with a mean score of 4.27, perhaps is more prompt in this regard.

- **Telemarketing**

Table 2: Telemarketing

Company Name	Mean	N	Std. Deviation	F	Sig.
Maruti Suzuki India Limited	4.6667	15	.48795		

	Mean	N	Std. Deviation	F	Sig.
Hyundai Motors India Limited	4.5333	15	.51640		
Tata Motors Limited	3.9333	15	.25820		
Total	4.3778	45	.53466	12.017	.000

Telemarketing has become the order of the day in modern day 'communication' era. The selected auto majors are also, gainfully employing telemarketing to build their brands. Table 3.24 indicates that with 4.5 plus mean scores, Maruti Suzuki India Limited and Hyundai Motors India Limited are heavily relying on this mode to communicate with their key customers. Although the mean score of Tata Motors Limited has not touched four yet, the score of 3.93 is sufficient enough to convey the company's inclination in this regard as well. ANOVA has conveyed significant difference in between the selected organizations on this front.

- **Inserts, such as Leaflets**

  Table 3: Inserts, such as leaflets

Company Name	Mean	N	Std. Deviation	F	Sig.
Maruti Suzuki India Limited	3.8000	15	1.32017		
Hyundai Motors India Limited	3.6667	15	1.29099		
Tata Motors Limited	3.4667	15	.63994		

Total	3.6444	45	1.11101		
				.332	.720

Relatively speaking, the role of inserts in brand building endeavors of selected car majors is not as much as those of other direct marketing tools. The mean scores obtained by selected organizations have varied between 3.47(Tata Motors Limited) to 3.80(Maruti Suzuki India Limited) which conveys that organizations are considering the same as secondary mode of communication. A further investigation revealed that these are more used by dealers of the selected companies.

- **Mail Order Catalogue**

Table 4: Mail Order Catalogue

Company Name	Mean	N	Std. Deviation	F	Sig.
Maruti Suzuki India Limited	3.0667	15	1.33452		
Hyundai Motors India Limited	3.0000	15	1.25357		
Tata Motors Limited	2.9333	15	.79881		
Total	3.0000	45	1.12815		
				.050	.951

Catalogues can be of help to companies in disseminating information about their various brands. The same, however, is not much used by selected car majors to build their brands. Table 3.26 has indicated that Maruti Suzuki India Limited and Hyundai Motors India Limited have barely managed a mean score of 3 while Tata Motors Limited has got even less than that. Clearly, catalogue sent through mails to customers is not in a scheme of

things of these companies. Proximity in the mean scores has ensured that the difference in between the three organizations is not significant.

CONCLUSION

The study reveals that Maruti Suzuki India Limited has been found to be relying more on direct mail to build its brands. The other two companies do not find it a very lucrative propagation. Hyundai Motors India Limited, meanwhile, join hands with Maruti Suzuki India Limited in indulging in telemarketing to get privilege for their brands. Use of communication tools such as leaflets and catalogue etc. have not been favoured by selected companies in their brand building endeavours.
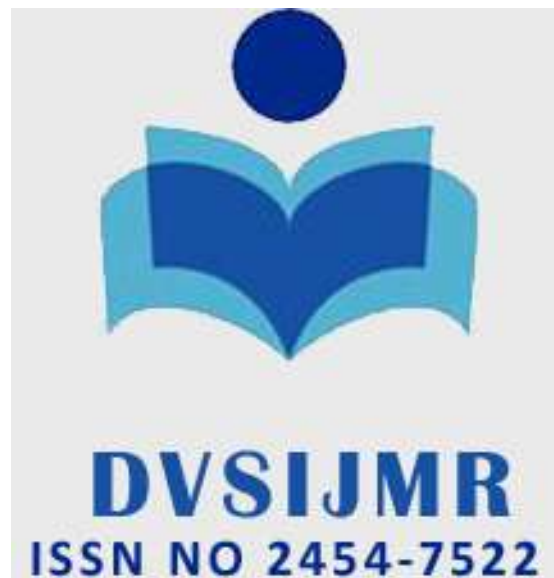
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