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## RESEARCH ARTICLE

### FACTOR OF BRAND EQUITY, BRAND RELATIONSHIP & CUSTOMER BUYING DECISION BEHAVIOR IN AUTOMOTIVE INDUSTRIES

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#### ABSTRACT

In the globalization of the savings and the speedy alterations of the life style is becoming a crucial for people to travel from one station to another place that make the important of the automobile for people to move. At this point, automobile players should take advantage on the scenario, but need to realize about the factors of the brand that's particularly important for the customer buying behaviour. In other words, automobile players should take special steps in ensuring their brand being acceptable to the consumers by introducing novel technologies such as hybrid vehicles, improve after sales service and etc. Beside that also the automobile player needs to read on what element of their brand for customers to choose such as brand equity, brand relationship towards the customer buying behaviour and subsequently produce a decision to purchase it.

**Purpose:** The aim is to understand the factor of brand that particularly important for the customer buying decision behaviour in automobile industries.

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#### INTRODUCTION

The automobile industries is one of the elements that contribute to the development of the GDP for the developing countries and has been a major factor in improving individual and workforce mobility since the 1960s (Prieto & Caemmerer, 2013). Whilst the intensive use of cars has created major socioeconomic opportunities, it has also created problems including congestion and pollution, forcing policy makers to adapt public regulations and car manufacturers to invest into the development of more sustainable technologies. In such manner, it shows the important of the automobile as a medium of transportation for people to move. However, the automobile players should look on the brand relationship that can give an impact towards their brand. By having a closed relationship with the customer, it will ensure the automobile players can retained and sustained their comparative advantages in the industries. In addition, with the increasing demand on cars in the automobile market either local and foreign brands have to

compete to get consumers' attention to purchase their cars. Competitive pressures and increasing complexity have led automobile companies to look for an edge wherever they can find it. Improved consumer insight into vehicle shopping and buying behavior can provide that valuable advantage. Thus, it is crucial to find out what factors influencing consumer buying behavior towards the automobiles industries as to identify consumer needs and issues that influence their purchase. During the making the decision, the priority of the customers is viewing on the elements of reliability, safety and price that had a positive co-relationship towards the buying decision (Lee & Govindan, 2014). Later the brand equity components such as brand personality, perceived value, brand orientation, technologies will take parts as an influence factors for the customer buying behavior.

#### Customer Buying Decision Behaviors

The most basic constituents for the consumers before making a decision is what brand that they would like to utilize or buy. The elements that they would like to look is either the brand they want to purchase is relatively having different

characteristics, among other brand in the same categories or either the applied science of the particular brand that made them purchasing the trade name. Particularly in automobile industries play a pivotal role in our daily life, which brings them a matter of pursuit in many academic studies? However, customers make their own choice and opinions based on their own tastes and personal demands. The following challenges facing by the Automobile Industry is the altering needs and wants of consumers. The automotive world today is changing and consumers are shifting. The speed of change is continuing to accelerate. Competitive pressures and increasing complexity have led automotive companies to await for an edge wherever they can get it. Improved consumer insight into vehicle shopping and buying behaviour can offer that valuable advantage.

A numbers of studies has been made as to make understanding the buying behaviours of the customers in purchasing an automobile. Following to this, in actual fact, is it the brand factor becoming a major factor for the customers to get a decision in buying. As per mentioned, a thousand of studies have been made globally, as per table 1.1 to investigate the influence of the determinants of customers in buying behaviours that links up to the brand factors or ingredients in diverse manufactures such as auto, consumer merchandise, retail trade of textile and clothing and etc. Consumer behaviours is evolving and that automotive companies need to anticipate this evolution in order to be part of, or even influence, the changes. As per current situation, the main characteristics consumers weigh in their car purchasing decision include fuel economy, purchase cost, maintenance and reliability, safety, performance and personal or household demands. This all becoming and important components of the automobile players ensure their brand is honest in the optics of the consumers. Table 1.1 summarised the previous research conducted in various industries for a quick view. According to [Tan Wee Lee & Santhi Govindran \(2014\)](#) in their survey about buying behaviour in Malaysian Automotive industries indicates that reliability, safety and price had positive effects on buying decision, while fuel economy has null hypothesis and been accepted that is not significantly influence the consumer purchasing decision in local brand.

The other factor that recently revealed variable in buying decision for the purchasing, such as household demographics; household location characteristics, built environment attributes, household head characteristics, and vehicle attributes affect household vehicle holdings and use. The other one included variables such as income, quality of public transport, and employment in modelling of the number of automobiles per family. It indicates that in buying decision for the stain that the consumer would like to purchase, reported that they will look at all factors mentioned. This is important because they will face difficulties if they wrongly make a conclusion and it will pertain to their commitments at one time the decision has been made. As studies been made by [Alexander Josiassen A. George Assaf Ingo O. Karpen \(2010\)](#) in the consumer product reflected that there are direct influenced that consumer tendencies for ethnocentrism influenced by characteristics of customers. It also played up the effectiveness of the relationship between consumer

ethnocentrism and willingness to buy is influenced by customer characteristics. This been supported by [Prieto Marc Caemmerer Barbara \(2013\)](#) in their studies reported that economic characteristics, household characteristics, individual characteristics and household car fleet characteristics will influence in the buying decision of the particular brand because most of the variables included in the model constructed have an impact on the decision to buy a new or used car, as well the choice of the car segments.

However, [Guohua Wu \(2011\)](#) in his studies mentioning that country's image and collectivism/individualism and brand loyalty will cause a reflected negative relation towards US car makers, but positive relations to purchase or change over to other brands probably Japanese or European alternatives in the perspective of Chines Americans. In general, it has a positive relationship towards the IV of the studies. In the studies of [Rui da Silva Gary davies Pete Naude \(2002\)](#) in the retail trade of textiles and clothing mentioning that cost, work quality, delivery time, responsiveness to request, innovative ability and good design ideas providing a linkages between buyer characteristics and the important that they place on different criteria during decision making with clear correlations exists. This applies the same in the automotive industries that the automobile players must have fully concentrated towards the elements been highlighted that can improved their market shares in the industries. According to [Bedman Narteh Rapheal Odom Mahama Braimah Samuel Buame \(2012\)](#) in their studies for the Ghana automobile industries mentioning that brand awareness, brand images/identity, accessibility, emotional connections, price, product attributes and external influence providing a positive correlations based on multiplicity of factors, with some directly attributed to the brands whiles others are external cues associated to the brand.

Independent variables or factors be used in the study of the factor brand in customer buying decision includes brand relationship and brand equity. This is especially important for us to see about all the brand elements that can sway the consumer in purchasing the vehicles or goods. In real fact, we want to understand on either the brand can influence the client in making decision to purchase. In increase, consumers prefer a brand they recognize, compared to an unfamiliar brand. In specific industries like automotive, brand is the frontrunner in determining a purchase for both imported and domestic automobiles.

In this manner, we make to understand, the brand is considered as a strategic requirement for each company, which helps them to create more value for customers and to provide competitive advantages. The evolution of strong brand in the market basically becoming a principal aim of many societies because of the abundant advantages and enhances customer trust while purchasing products and services and assists them to perceive intangible factors properly. Particularly in Automotive Industries, brand is also playing a vital role for the customer to choose beside the product specification because it's only a technology and technical part for the customer to understand. Specifically, brand will make the customer to make a decision to purchase because it's carry a goodwill's of the product for the company to resale besides the physical products.

## 1.1 Summary of Previous Research on Brand in Customer Buying Decision Behavior

No.	Author	Industry Type	Choice of Respondent	Location	IV	MV	DV	Findings
1.	Tan Wee Lee & Santhi Govindan (2014)	Automobile	Individual potential car buyers in Kuala Lumpur	Malaysia	<ul style="list-style-type: none"> <li>Reliability</li> <li>Safety</li> <li>Fuel Economy</li> <li>Price</li> </ul>		Buying Decision Behavior	Reliability, Safety and Price had positive effects on buying decision, while fuel economy has null hypothesis and been accepted that is not significantly influence the consumer buying decision in national car.
2.	Prieto Marc Caemmerer Barbara (2013)	Automobile	French households who bought a new car or used car within a year.	Europe, France	<ul style="list-style-type: none"> <li>Economic characteristics.</li> <li>Household characteristics.</li> <li>Individual characteristics.</li> <li>Household car fleet characteristics.</li> </ul>	Car Segments such as Small, Compact, Intermediate, Luxury	Buying Decision Behavior <ul style="list-style-type: none"> <li>Purchase vehicle type</li> <li>Vehicle ownership</li> <li>Vehicle Choice</li> </ul>	Most of the variables included in the model constructed have an impact on the decision to buy a new or used car, as well the choice of the car segments.
3.	Guohua Wu (2011)	Automobile	Chinese Americans	America	<ul style="list-style-type: none"> <li>Country image &amp; collectivism/individualism</li> <li>Country image as an extrinsic cue</li> <li>Brand Loyalty</li> </ul>		Buying Decision Behavior	Reflected negative relations towards US car makers but positive relations to purchase or switch to other brands probably Japanese or European alternatives. In general it have positive relationship towards the IV respectively.
4.	Alexander Josiassen A. George Assaf Ingo O. Karpen (2011)	Consumer Product	Consumers shopping in the central shopping precinct in a major capital city i.e. Shopping Mall Customers.	Australia	<ul style="list-style-type: none"> <li>Consumer Income</li> <li>Consumer Gender</li> <li>Consumer Age</li> </ul>		<ul style="list-style-type: none"> <li>Buying Decision Behavior</li> <li>Consumer ethnocentrism</li> <li>Willingness to buy</li> </ul>	There are direct influenced that consumers tendencies for ethnocentrism influenced by characteristics of customers. It also highlighted the strength of the relationship between consumer ethnocentrism and willingness to buy is influenced by customer characteristics.
5.	Tatiana Anisimova Felix T.Mavendo (2010)	Automobile	Senior managers & Sales People	Australia	<ul style="list-style-type: none"> <li>Corporate Associations</li> <li>Corporate Personality</li> <li>Job benefits</li> </ul>		Corporate Brand	Positive relationship between corporate brand perspective between the Salesforce and the company because relates to the car sales and related performance measures such as market share, sales growth and profitability.
6.	Sajjad Ahmad Muhammad Mohsin Butt (2012)	Automobile	Middle Class Background Respondent	Pakistan	<ul style="list-style-type: none"> <li>Brand Awareness</li> <li>Brand Association</li> <li>Product Quality</li> <li>Brand Loyalty</li> <li>After Sales Services</li> </ul>		Brand Equity	After Sales service had given positive impact towards the brand equity components but is a separate dimension of consumer based brand equity in the automobile sector.
7.	Rui da Silva Gary Davies Pete Naude (2002)	Retail Trade of textiles & clothing	UK Retails Buyer	United Kingdom	<ul style="list-style-type: none"> <li>Cost</li> <li>Work quality</li> <li>Delivery Time</li> <li>Responsiveness to request</li> <li>Innovative ability</li> <li>Good design ideas</li> </ul>		Buying Decision Behaviour	There are a largely theoretical ideas of linkages between buyer characteristics and the important that they place on different criteria during the decision making process with clear correlations exist.

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8.	Bedman Narteh Raphael Odoom Mahama Braimah Samuel Buame (2012)	Automobile	A database of registered private cars in Accra within the last 5 years was obtained from the Driver & Vehicle Licensing Authority (DVLA)	Ghana	<ul style="list-style-type: none"> <li>• Awareness</li> <li>• Image/Identity</li> <li>• Accessibility</li> <li>• Emotional connections</li> <li>• Price</li> <li>• Product attributes</li> <li>• External influences</li> </ul>		Buying Decision Behavior Car Brand Choice	There are a positive correlations based on multiplicity of factors, with some directly attributed to the brands while others are external cues associated with the brands.
9.	Marc Fetscherin Adamantios Diamantopoulos Allan Chan Rachael Abbott (2015)	Automobiles	Undergraduate students	America	<ul style="list-style-type: none"> <li>• String Length</li> <li>• Semantic relevance</li> <li>• Language familiarity</li> <li>• Language attitude</li> </ul>	Country of Origin	Brand Name	Results reveal shorter brand names, and those with semantic relevance to English are perceived as more memorable. It was also found that pronounce ability of the brand name does influence brand name preference in terms of their meaningfulness, memorability and likeability.
10.	Sepdah Rafatpanah Baigi (2014)	Banking	Bank Customer of Mellat & Parsian Bank	Iran	<ul style="list-style-type: none"> <li>• Brand Awareness</li> <li>• Perceived Quality</li> <li>• Brand Differentiation</li> <li>• Brand Association</li> <li>• Brand Trust</li> </ul>		Brand Relationship	Indicates that 4 dimensions of brand equity, including brand awareness, brand differentiation, brand association, and brand trust have significantly positive relationship with brand equity and negative relationship between perceived quality and brand relationship.
11.	Munyaradzi W.Nyadzayo (2009)	Franchising	Franchise Operator	Australia	<ul style="list-style-type: none"> <li>• Brand Relationship</li> <li>• Management</li> <li>• Franchisor Competence</li> </ul>		Brand Relationship Quality	It shows a positive relationship between the component of IV whereby brand relationship will relate to the brand citizen behavior
12.	N.Mackay, H.Spies, C.Williams, L.R. Jansen van Rensburg & D.J. Petzer (2010)	Fast Food	Fast Food Customers	South Africa	<ul style="list-style-type: none"> <li>• Brand Awareness</li> <li>• Perceived Quality</li> <li>• Brand Differentiation</li> <li>• Brand Association</li> <li>• Brand Trust</li> </ul>		Brand Relationship	An analysis indicates that 3 brand equity dimensions, namely brand awareness, brand association and brand trust, significantly and positively influence the strength of the relationships that respondents have their favorite fast food brand (with brand trust being the most influential dimension)
13.	Florance Benoit- Moreau Beatrice Parguel (2011)	Furniture & Home Improvement	Corporate web site home page	France	<ul style="list-style-type: none"> <li>• Brand Image</li> <li>• Environmental Communication</li> </ul>		Brand Equity	It giving positive impact of environmental communication on brand equity through its influence on the strength and uniqueness of brand environmental associations.
14.	Yasser Mahfooz (2015)	Automobile	Car Owner of Riyadh & Jeddah Citizen	Riyadh & Jeddah	<ul style="list-style-type: none"> <li>• Brand Awareness</li> <li>• Perceived Quality</li> <li>• Brand Association</li> <li>• Brand Loyalty</li> </ul>		Brand Equity	The findings confirm that all four dimension of brand equity have a significant positive relationship with overall brand equity. Whereby an increase in any of the four (4) items, will lead to an increase in the overall brand equity.

## Brand Relationship

As the topic discussed is on the Automotive Industries, brand relationship is one of the elements that for us to look at the relationship towards the customer buying decision behavior. The concept of the brand relationship can be described as the way in which customer relates to, or identify with, a brand remarks that lucrative brand relationship depends mostly on the establishment of brand meaning in the minds of customer whereby generating brand awareness, brand association, brand trust and brand image. In a study of [Sepdah Rafatpanah Baigi \(2010\)](#) for the banking industries, particularly service industries mentioned that the four (4) dimension of equity, including brand awareness, brand differentiation, brand association, and brand trust have a significant positive relationship with brand equity and negative relationship between perceived quality and brand relationship. It shows that Automobile players should read around the brand relationship will make positive impact towards their brand and by improving the relationship with the customer will improve their brand market share respectively. Another study by [Munyaradzi W. Nyadzayo \(2009\)](#) in the franchising industries mentioning that a positive relationship between the component of brand relationship management and franchisor competence having correlation with the brand relationship and will relate to the brand citizen behavior. In this perspective of the automotive industries, the automotive players must have passion in managing the relationship with the customer because it will relate to the brand loyalty whereby they have positive mindset with the current brand they hold.

This is crucial because the customer also will look at the country of origin of the particular product because their perception basically different because multinational brand will have a closed relationship with the customer compared to the local brand. As studies by [N. Mackay, H. Spies, C. Williams, L.R. Jansen van Rensburg and D.J. Petzer \(2010\)](#) in the fast food industries in South Africa suggests that three (3) brand equity dimensions, namely brand awareness, brand association and brand trust, significantly and positively influence the intensity of the relationships that respondents receive their favorite fast food brand (with brand trust being the most influential dimension). Hence, the fact will be the same with the automotive industries whereby the close brand relationship with the customer will make the brand become more popular as for example in Malaysian perspective, why Perodua brand i.e. Myvi being accepted in the market because of their marketing strategies that having closed with their existing customer. Other factors that particularly important in the brand relationship is that after sales service will be important in the automotive industries whereby it influence the customer buying decision behavior. A study done by [Sajjad Ahmad Muhammad Mohsin Butt \(2012\)](#) in Pakistan shows that after sales service had made positive impact towards the brand equity components, but is a separate dimension of consumer based brand equity in the car sector. This proves that by holding a closed relationship with the customer, it will produce a brand loyalty in the long run because the customer is been taken care toward their needs and wants after the sales has been incurred.

## Brand Equity

Brand equity has become an important concept in the era globalization, as car manufacturers are strategizing to expand client base at a worldwide level. At once an additional variable during price setting exercise, it helps to command a premium price that a customer willing to ante up. In this state of affairs, the establishment of the brand equity is dependent on the perception of consumers towards a brand, which might depend on various factors whereby the most commonly listed variables leading to brand equity are brand awareness, perceived quality, brand association and brand commitment. Therefore, in perspective of the automobile industries, element of the brand equity such as brand awareness, perceived quality, brand association and brand commitment will influence the customer buying decision behavior. As studies by [Yasser Mahfooz \(2015\)](#), in the automobile industries in Riyadh and Jeddah revealed the findings confirm that all four dimension of brand equity have a significant positive relationship with overall brand equity. Whereby an increase in any of the four (4) items, will lead to an increase in the overall brand equity.

Meaning, the brand equity has a strong hypothesis with the customer buying decision behavior that can pursuit customer in purchasing the brand. Other studies done by [Florance Benoit-Moreau Beatrice Parguel \(2011\)](#) shows that it's giving the positive impact of environmental communication on brand equity through its influence on the strength and uniqueness of brand environmental associations. In other words, besides the existing mentioned of the components brand equity, other elements such as brand image and communications will also can influence customer buying decision behavior. Customer knowledge about brand also governs how manufacturers and advertisers market the brand. Brand equity is made through strategic investments in communication channels and market education and appreciates through economic growth in profit margins, market share, prestige value and critical associations. A studies have been constituted on the brand name that also can relate to brand equity by [Marc Fetscherin Adamantios Diamantopoulos Allan Chang Rachael Abbortt \(2015\)](#) in the American automobile industry results reveal shorter brand names, and those with semantic relevance to English are perceived as more memorable. It was also found that pronounce ability of the brand name does influence brand name preference in terms of their meaningfulness, memorability and likeability. Other works performed by [Tatiana Anisimova Felix T. Mavendo \(2010\)](#) also reported a positive relationship between corporate brand perspective between the salesforce and the company because relates to the car sales and associated performance measures such as market share, sales development and lucrativeness. These shows that brand equity has many factors that can be co-relate to it and its influence the customer buying decision behavior accordingly.

## Conclusion

As the market becoming more competitive, all brand in the automobile industries is struggle to maintain their position in the industries. It shows that the important of the brand equity and brand relationship becoming important factors for the customer making decision behavior. It shows that the customer buying behavior is vital for the automobile industries to

understand as it will make easier for them to improvise their product features such as improving technologies and etc. Other studies are required, as to purely understand on what factors that can influence customers in purchasing the particular brand. Besides that, automobile manufacturers also need to really understand about the market situation by attending at the customers need and want and later transform to the demand of the wares. In this perspective, we make to understand that the conjecture between the brand equity and brand relationship are co-relate among others whereby once other factors move to the next step, it will come together with the others factors. The hypothesis need to be understandable because customers buying decision will see at all components of the products such as technologies, image, ruggedness etc. Initiation on the current market globalization the customer can make a move in purchasing the product by serving the internet because the information needed can be delivered fast without walking to the showroom. This situation makes the automobile manufacturing really to improve their products as to ensure the target is being had in the market.

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