IMPACT OF BRAND IMAGE AND BRAND TRUST ON CUSTOMER PERCEPTION: A STUDY AMONG ASHOK LEYLAND COMMERCIAL VEHICLE OWNERS

Dr.S.Selvabaskar*   **R.Brahadeeswaran****

*Associate Professor, School of Management, SASTRA University, Thanjavur, South India

**II Year MBA Student, School of Management, SASTRA University, Thanjavur, South India

ABSTRACT

The main objective of this study is to determine the impact of brand image and brand trust on customer perception with reference to Ashok Leyland commercial vehicles with brand image factors like *Saliency, Reliability, Reputation, Familiarity, Trustworthy, Service Excellency* and brand trust factors like *Transparency in operation*, *Competence, Consistency, Integrity, Dependability, Customer orientation, Likability and Selling orientation* to know which of the above factors contribute more to increase the perception of the customer. This study was conducted between March and April 2016. The study is based on Primary data that was collected from respondents using well-structured questionnaire. Buyers of Heavy Commercial Vehicles were included for this study. Simple Random Sampling method was adopted and 100 respondents were included for this study. Finally, a Regression model was explored to establish the relationship between Brand Image, Brand Trust and Customer perception. The result revealed that the customer perception has a positive impact on the Brand trust factors like *Transparency in operation, Customer orientation and Competence.*

Key words: Brand Image, Brand Trust, Customer perception, B2B Market, Buyer behavior.

INTRODUCTION

The automotive industry has a leading position in emerging economies because of the recent technological developments and significant changes in social life. Automotive industry has an extensive infrastructure and automotive products have relatively high demand for various purposes including transportation, production and defense. The Indian Commercial Vehicle (CV) Industry is the lifeline of the economy. About two-thirds of goods and 87% of the passenger traffic in the country moves via road. Past trends have shown that CV demand is closely correlated with GDP growth rate (more strongly with the Index of Industrial Production,

IIP) of the country and therefore, it is believed that a phase of growth or slowdown in CV demand is a harbinger of an upturn or downturn in the economy respectively.

Vibrant economy, road development programs, evolving distribution models and government regulations have been the key drivers of CV demand in recent times. Fuel cost and freight rates which have a direct bearing on the profitability of the operators too have an impact. Easy availability of vehicle financing, wide product range, extensive distribution & service centre networks and availability of spares are key deciding factors.

STATEMENT OF THE PROBLEM

In automobile industry, commercial vehicle segments have played a very crucial and significant role due to its economy, efficiency and effectiveness. Due to invasion of commercial vehicle, the pace of competition has hiked. This has brought into market, number of Brands and their variants competing with each other. All these factors have resulted in a flux in the minds of the customers as to which brand to go for. In other words, Brand-switching is gaining the momentum. So to position the brand in the minds of the customers the company or dealer should keep track of this shift in preferences. Hence the main purpose of this study is to find out impact of brand image and brand trust among customers of commercial vehicle segment and their perception about Ashok Leyland CVs.

OBJECTIVES OF STUDY

- To understand the Buying behavior of customers with reference to purchase of commercial vehicles

- To find out the factors influencing Brand image and Brand trust of Ashok Leyland CVs.

- To find out satisfaction level of Ashok Leyland commercial vehicle customers across several factors.

- To explore a model to establish relationship between brand image, Brand trust and customer perception.

RESEARCH METHODOLOGY

In order to satisfy the objectives of the research, a descriptive research was conducted to understand which factors influence Brand Image and Brand Trust as well as the customer perception while buying commercial vehicles. A structured questionnaire was prepared in order to record the preferences of the respondents towards the chosen factors. A 5-point Likert Scale was adapted for various attribute testing questions. Effort has been made to study the preferences of vehicle users across various age groups and profile across all categories. The research study adopted simple random sampling design. The respondents of the study comprised of 100 vehicle owners of Ashok Leyland.

REVIEW OF LITERATURE

Dr. Ramesh Kumar miryala (2011) has remarked that perceived quality and customer satisfaction that lead to customer loyalty as brand image. **Devendra joshi(2013)** has analyzed that the basic purchase cycle depends on 4 p's, psychological factors & brand choice and branding influences the psychological factors like motivation, learning, perception, belief & attitude.

Dr. Manish Kumar srivastava (2014) has analyzed that consumer behavior refers to process they use to select, use, dispose of goods or services, needs and wants factors which affect the consumers while they purchase branded potato chips lay's. **Tugba orten (2014)** has examined previous experience with a brand's social media sites plays a key role in increasing consumers' favorable evaluations of the sites. However, it is shown that previous brand purchase experience has no significant effect on consumer social media marketing perceptions.

Yasodha damodaran (2014) has studied about perception of customers on Tata's Nano car also gives an insight on the acceptance level of the respondents towards the Tata's Nano car and finally concluded that attracted and influenced factor influencing the purchase decision of Nano is its price. **Sheena leek (2010)** has researched on B2B branding and it is necessary to determine what level of branding i.e. product or company is useful to buyers in determining their purchase criteria.

Abdullah alhaddad (2015) has found out that perceived quality has a significant influence on both brand image and brand loyalty, on other hand, the rest of relationship between brand loyalty dimensions and brand loyalty is confirmed. **Juntunen j. & Juga j. (2011)** has explored to find out how brand related concepts affect customer loyalty. According to the results loyalty is neither a component of nor an outcome of brand equity.

Stephen l. Sondoh JR (2007) has found that four of brand image benefits: functional, social, experiential, and appearance enhances are positively related to overall satisfaction and results also indicated that overall satisfaction does influence customers' loyalty.

Abdullah sarwar, S.M. Ferdous Azam, 2013) has analyzed how the customers perceive the Chinese products while making the buying decision and suggested that, the Malaysian consumers are very conscious about quality and price of Chinese products.

DATA ANALYSIS AND INTERPRETATION

In the present scenario, Preference among customer for selecting a Heavy Commercial Vehicle is different from one person to other person, so to understand preference of different customer various dimensions like performance, mileage, resale value, down payment, spare parts availability are used in this study.

Table 1 Frequency analysis of demographic variables

Variables	**Category**	**Frequency (%)**
Nature of business	Manufacturing	23
	Service	77
Location of business	Rural	24
	Urban	47
	Semi urban	29
Annual turnover	3lakh-5lakh	32
	5lakh-10lakh	56
	15lakh -20lakh	4
	Above 20lakh	8

| Occupation	Self-employed	66
	Business man	34
Type of business	Sole trader	14
	Partnership	86

Source: primary data

Above table-1 shows that out of 100 respondents most of them (77%) are from service sector; the respondents mostly locate the business in urban area with percentage level of 47% as compared to rural and semi urban areas; annual turnover of the respondents mostly (56%) falls under Rs.5 lakh to Rs.10 lakh with the percentage level.

Table 2 Frequency analysis for Sources of finance

Sources of finance	Frequency	Percent
Bank loan	56	56
Finance from institution	36	36
Down payment	8	8

Source: *primary data collected using SPSS 16.0*

**Chart 1 Frequency analysis for Sources of finance**
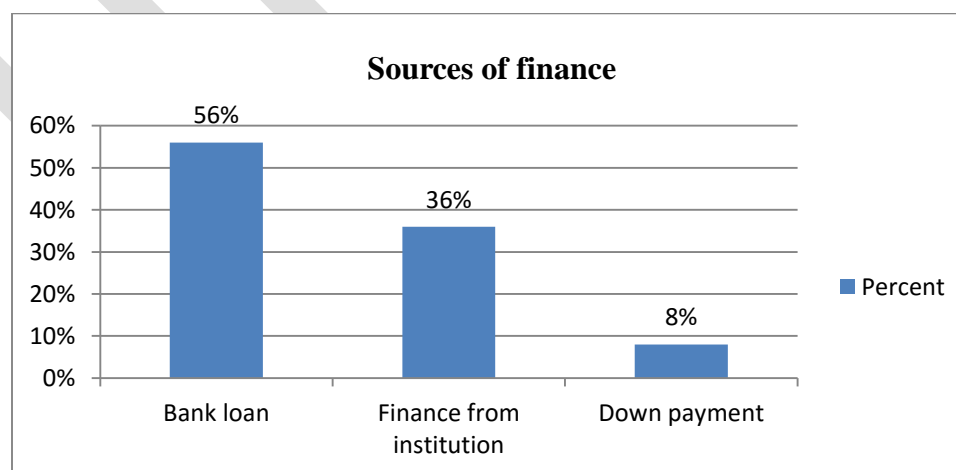
Above table 2 shows that most of the respondents (56%) financing their vehicles with help of bank loan. Because bank doesn't mark up its interest rate and there is no middle man which gives more advantage for them. Thus, the preference for bank loans is found to be high among the respondents than making down-payment.

Table 3 Frequency analysis for Segment of vehicle

Segment of vehicles	Frequency	Percent
Tipper	6	6
Haulage	43	43
Tractor trailer	25	25
Bus	26	26

Source: *primary data collected using SPSS 16.0*

**Chart 2 Frequency analysis for Segment of vehicle**
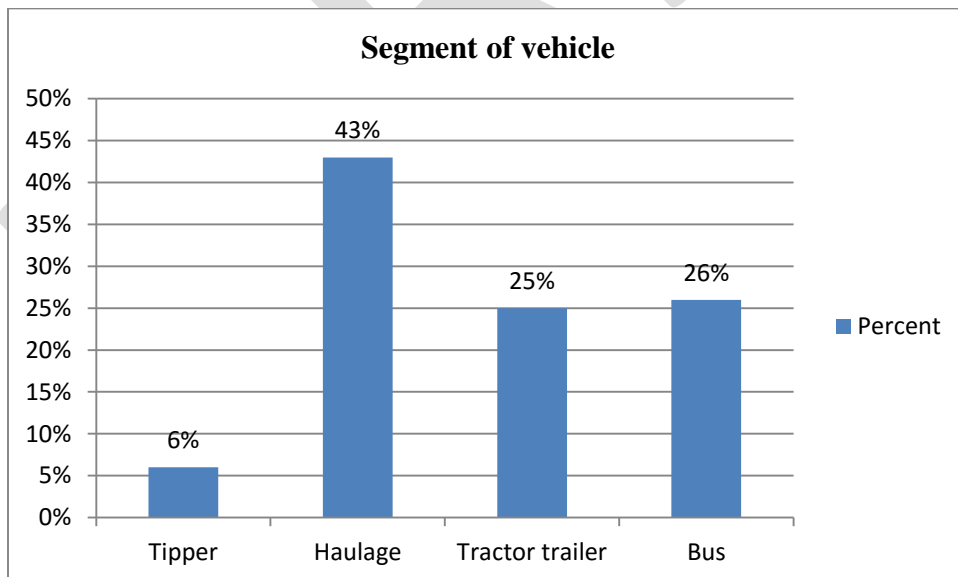
Above table 3 shows that most of the respondents (43%) are having haulage segment vehicle as compared to other segment vehicles because exchange of goods between towns and small villages is made possible only through haulage. Thus, a preference for haulage segment is found to be high among respondents than other types.

Table 4 Analysis for Re-Purchase Frequency

Re-Purchase	Frequency	Percent
After 1 year	13	13
After 3 year	68	68
After 5 year	19	19

Source: *primary data collected using SPSS 16.0*

Chart 3 Analysis for Re-Purchase frequency
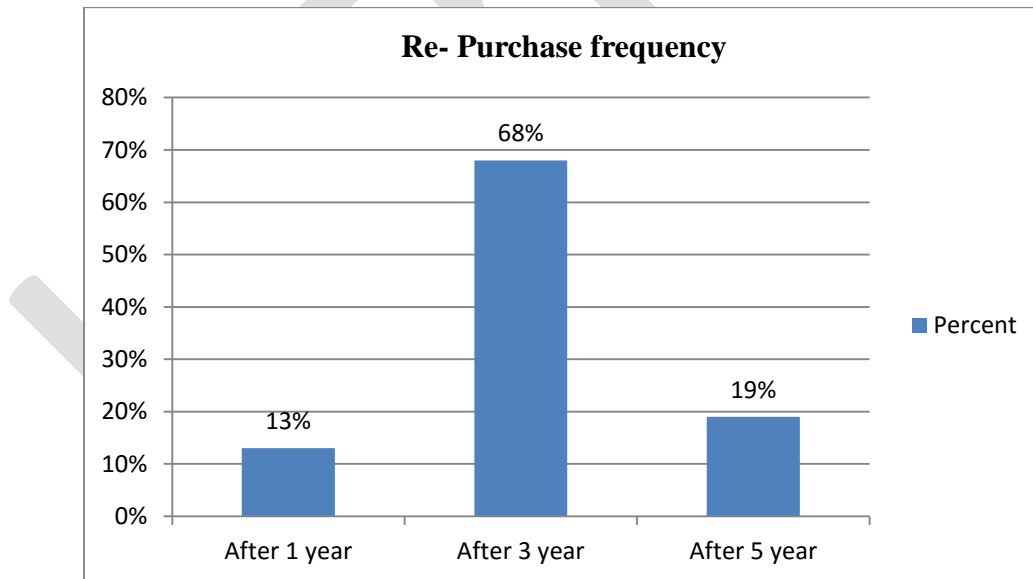
Above table 5 shows that most of the respondents (68%) increases their fleet sizes after three years. Because three years of operation of vehicle will make them to generate considerable income with depreciation in the vehicle performance. So they go for re-purchase after a reasonable gap of three years which is sufficient to generate considerable profitability.

Regression for Brand Image, Brand Trust and overall perception

A regression analysis was performed to find out the extent of influence by the three major factors of brand image on the overall customer perception. These factors are Saliency, Reliability; Service Excellency, which are the predictor variables. The following table displays the results of the regression analysis:

Table 6 Regression for Brand image and overall perception

Model summary				
	r	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.550	0.302	-0.001	0.57771
Predictors: (Constant), Saliency, Reliability, Service Excellency				

Source: *primary data collected using SPSS 16.0*

Above table 6 shows that Correlation value r = .550 states that there is a significant correlation between overall perception and brand image and R square value = .302 which means that the total variation in the dependent variable 'overall perception' is explained by the independent variable brand image by 30.2% which consists of three predictors namely saliency, reliability and service excellency.

Further, another regression analysis was performed to find out the extent of influence by the three major factors of brand trust on the overall customer perception. These factors are Transparency, Customer orientation, Competence, which are the predictor variables. The following table displays the results of the regression analysis:

Table 7 Regression for Brand trust and overall perception

Model summary				
	r	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.714	0.510	0.265	0.49508
Predictors: (Constant), Transparency, Customer orientation, Competence.				

Source: *primary data collected using SPSS 16.0*

Above table 7 shows that Correlation value r = .714 states that there is a high degree of correlation between overall perception and brand trust and R square value = .510 which means that the total variation in the dependent variable 'overall perception' is explained by the independent variable brand trust by 51% which consists of three predictors namely Transparency, Customer orientation, Competence.

IMPLICATIONS FOR THE ORGANISATION

The study reveals that respondents mostly(77%) are from service sector as compared to the manufacturing sector, the respondents mostly(47%) locates the business in urban area as compared to rural and semi urban area, annual turnover of the respondents(56%) mostly falls under Rs.5 lakh to Rs.10 lakh, most of the respondents(56%) financing their vehicles with help of bank loan, most of the respondents(43%) are having haulage segment vehicle as compared to other segment vehicles, most of them(56%) are using vehicle for purpose of goods transport, most of the respondents(68%) increases their fleet sizes after three years. From the Regression analysis it is inferred that dependent variable depends on Brand Trust factors like Transparency, Customer orientation and Competence.

SUGGESTIONS / RECOMMENDATIONS OF THE STUDY

On the basis of the analysis and interpretation, the following suggestions can be made:

- Quick services should be provided and the charges are very high compared to other services center. For most of the vehicles the average service time is one hour. In case of any change

of critical spares, the service is taking longer time. Hence it is recommended that adequate critical spares need to be maintained and accordingly the customer should be informed about the service delays.

- As charges for the vehicle service is perceived by the customer to be on the higher side, the company should communicate and convince the customers by justifying the service charges and pointing out advantages and benefit of servicing their vehicles at show room.

- It is recommended that customer's interest over Ashok Leyland products can be increased by providing offers such as insurance, discount and extended service options.

- The performance of the sales force needs to be constantly maintained as the overall profitability of the organization mainly depends upon the sales force. In order to retain the original performance of the sales person periodic review and training should be provided.

CONCLUSIONS

From the survey it is clear that most of the customers say that post sales services provided by company is neither good nor bad and some of them say bad also. To overcome this company should provide effective services and attending to complaints of customers immediately will satisfy them. Company's Sales Executive should keep in touch with the customers after the delivery of the vehicle so that it helps in identifying the problems faced by customer and the outcomes helps the company to take corrective measures and precautions to solve these problems.

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