

BRAND EQUITY AND FINANCIAL PERFORMANCE: ANALYZING THE CORRELATION BETWEEN BRAND VALUE AND PROFITABILITY AT HYUNDAI MOTORS

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ABSTRACT

Brand equity practically boils down to the word of mouth and purchase behavior of customers. Brand-knowledge structures in the minds of customers are the source or foundation of brand equity. Customer-level brand equity can be captured by five aspects: awareness, associations, attitude, attachment, and activity. In this article, we measure the brand equity of six major mobile phone brands in the Chinese market which include four foreign and two local ones. A total of 100 respondents from one major Company in Beijing were surveyed for data collection. The survey was conducted to obtain insights on how consumers form attitudes towards different mobile phone brands. In the study, we attempt to understand the attributes to which customers give greater focus. Furthermore, we create the brand perceptual map and the ideal line in order to understand the advantages and disadvantages of different brands. The data analysis results show that international brands outperform local brands in terms of customer-based brand equity in the Chinese market. Based on the two studies, we further explore and discuss how local brands should improve their brand equities to compete with international brands.

Brand equity involves both the component value of a brand and brand value. Brand equity enhances the value of a product and creates a positive environment for the company to increase prices.

Brand Equity is defined as the aggregation of two aspects of a product. The first being the component value of a Brand. The second is brand value. It is the increased value of a product due to branding. Branding has been shown to transform the perceived value of a product by making it well known to customers through aggressive promotion and marketing. It has been observed that this transformation infuses a value into the name and consequently increases its price.

I. INTRODUCTION

Definition:

A brand is a logo, symbol, or name associated with a product. The impact that a brand has on consumer purchases or perceptions about a product is known as **brand equity**.

The word equity indicates that an asset has been generated. In brand equity, the asset is intangible and is measured in terms of the value attributed by a consumer or potential consumer to the product or service. Brand equity translates into consumer goodwill and propensity to prefer or buy a branded product or service

1. **Clarify Brand Equity Perspective** Brand equity can be viewed from several different perspectives. The hard-line perspective is that of **financial outcomes** which examine price premium. That is, how much more will a consumer pay for a product or service that is branded over a product or service that is generic? A softer perspective is that of **brand extension** where consideration is given to the value that a brand lends to the introduction of other products, or considers the reverse dynamic of the impact of a new product or service on the existing brand. This following steps address a third perspective - **customer-based**.
2. **Determine Brand Equity Research Goals** Brand equity market research falls into one of three camps: Tracking, exploring change, and/or extending brand power. Market research that focuses on **tracking** makes comparison among competitive brands or products against a benchmark. When **exploring change**

is the research goal, customer brand attitude is tapped regarding branding decisions that might result in repositioning or renaming products or services. A deeper examination of **extending brand power** is carried out when substantive additions to a brand are considered. Each of these research goals requires a different tact.

3. **Understand Customer Brand Attitude** A customer-based perspective in the measurement of brand equity focuses on the experiences that consumers have with a brand. The stronger the brand, the stronger the customer's attitude toward the products or services associated with the brand. When customers experience a product or service, they gauge overall brand quality and tend to infer certain brand attributes. If these **experience measures** are positive and endure over time, brand loyalty typically results. Today, customers can -- and do -- easily communicate the strength of their brand attitude to others.
4. **Identify Brand Equity Components to Measure** Brand awareness, brand reach, and brand image association are aspects of brand equity that may not be closely associated with consumer experience. These measures of brand equity may reflect the impact of traditional advertising campaigns, and the influence of social or interactive media. **Brand awareness** is an indicator of how branding efforts spotlight a product or service. **Brand reach** indicates how far and wide that spotlight shines. And **brand image association** reveals what the brand promises and what it stand for in the eyes of consumers.
5. **Measure Perceived Brand Differentiation** Product differentiation is a lynchpin for **brand loyalty, confidence in a brand,** and the potential for **brand switching.** Customer perceptions about brand differentiation tend to be strongest when actual product or service experience has occurred, but certainly brand differentiation is not immune to the influence of advertising. Differentiation may float on product or brand recommendations in social media rather than any personal experiences with a brand. Because differentiation is so susceptible to social influence, it lends itself to measurement across multiple media channels.
6. **Qualitative and Quantitative Approaches to Brand Equity Data** Ideally, brand equity measurement will include both qualitative and quantitative approaches. Focus groups can provide a good forum for exploring customer perceptions and motivation. Conjoint analysis can reveal key consumer decision-making processes. Effective measurement of brand equity is critical to the development of brand strategy and ultimately supports return-on-investment analysis. Which brings us full circle, back to the financial outcomes perspective on brand equity.

NEED OF THE PROJECT

The study of brand equity is essential for understanding how a brand influences consumer perceptions, purchasing decisions, and business performance. In today's highly competitive marketplace, strong brand equity helps organizations differentiate their products and services from competitors. Companies invest significant resources in building and maintaining their brands to create long-term customer loyalty and sustainable growth.

This project is needed to analyze the factors that contribute to brand equity, such as brand awareness, perceived quality, brand associations, and customer loyalty. It helps organizations evaluate the effectiveness of their branding strategies and identify areas for improvement. Understanding brand equity also enables businesses to develop better marketing campaigns, strengthen customer relationships, and enhance overall brand value.

Furthermore, the project provides insights into consumer behavior and preferences, helping companies make informed decisions regarding product development, pricing, promotion, and market positioning. By measuring and managing brand equity effectively, organizations can achieve a competitive advantage, increase profitability, and ensure long-term success in the market.

SCOPE OF PROJECT

The scope of this project is to study and analyze the concept of brand equity and its impact on consumer behavior and business performance. The project focuses on understanding how factors such as brand awareness, brand loyalty, perceived quality, and brand associations contribute to the overall value of a brand. It examines customers' perceptions and preferences toward a brand and evaluates the effectiveness of branding strategies adopted by organizations.

The study covers the measurement of brand equity and its influence on customer satisfaction, purchase intentions, and repeat buying behavior. It also explores the role of branding in creating a competitive advantage and enhancing market position. The findings of the project can help organizations improve their branding efforts, strengthen customer relationships, and increase brand value in the marketplace.

OBJECTIVES

1. To analyze the impact of brand equity on consumer behavior and organizational performance.
2. To understand the concept and significance of brand equity in marketing.
3. To measure the level of brand awareness among consumers.
4. To evaluate the influence of perceived quality on brand value.
5. To examine the relationship between brand associations and consumer preferences.
6. To assess the role of brand loyalty in enhancing brand equity.
7. To identify the factors that contribute to the development of strong brand equity.
8. To analyze the impact of brand equity on customers' purchasing decisions.
9. To study the effectiveness of branding strategies adopted by organizations.
10. To evaluate customer satisfaction and its influence on brand strength.
11. To provide recommendations for improving brand equity and achieving competitive advantage.

II. RESEARCH METHODOLOGY

Definition:

Research methodology is the specification of the method of acquiring the information needed to the structure or to solve the problem at hand.

It is the pattern of the framework of the project that stipulates what information is to be collected, from which source and by what method.

Primary Source Data:

A questionnaire was prepared helped in gaining an insight view of the factors effecting the customer needs and related issues. The addresses of various customers were given and with the help of the questionnaire prepared, I need to find out the first hand information regarding the share of the **Hyundai Motors India Limited (HMIL)** in every segment in the market and the satisfaction level of each customer. Further I need to find out the future plans of the customer regarding the purchase of the **Hyundai Motors India Limited (HMIL)** products.

Each day I met 5 customers for 4 weeks the sample size of 100 respondents was decided upon. Any problem and issues were noted and were informed to our guide later.

Secondary Data:

Secondary data is the annual report of the company and the official websites, Secondary data is collected through the documents provided by the personnel department. The documents include personnel manuals, books, reports, journal, etc.

SAMPLING

Sampling Procedure:

The sampling technique use here was Quota Sampling, which is one of the most commonly used non-probability sample design.

Sampling Unit:

The target population from which the sample is chosen is owners of all brands of cars.

Sample Size:

The sample of 100 from the target population was chosen.

Analysis Used:

The data collected in form of questionnaires was tabulated and analyzed using basic statistical method percentages.

LIMITATIONS

- The sample size taken is only 100 and as such is very small as compared to the universe, this is due to the constraints of time and effort, and as such may not be enough to generalize to the entire population, however it is presumed that the sample represents the universe.
- Respondents might have responded with the actual feelings of facts while giving responses to the questionnaire.
- Time being a limiting factor was not sufficient to gather opinions from majority of the respondents, who form part of the universal sample.
- While every care as been taken to eliminate perceptual bias from the side of the researcher and the respondents however certain element of bias might have set in to the research inadvertently.
- Since this study concentrated on Brand Equity towards **Hyundai Motors India Limited (HMIL)**, no attempt was made to study other activities of the organization. Such as finance, human resource management etc.,

III. REVIEW OF LITERATURE

The term brand equity is one of the most overused and misused terms in marketing research. It has become a popular marketing "buzz word" to use, yet many people do not truly understand what it means. In fact, many people do not understand the concept of branding either.

What is the Difference between Branding and Brand Equity?

One needs to understand that a brand is not just a logo on a product, but rather the sum total of all that is known, thought, felt and perceived about a particular company, service or product. Branding is therefore the process of making products and companies into a brand. It is the consistent and disciplined way a company communicates the essence of a brand to key stakeholders. Thus, brand equity can be defined as a way to describe a brand and measure its total value. It is therefore the value that a consumer attaches to a certain brand.

Benefits of Brand Equity

There are many benefits associated with brand equity which are listed below:

- Strong market share
- Customer loyalty
- More favourable response to price increases
- Less vulnerability to competitor activity
- Brand extension opportunities
- Consistent communication messages which reach the consumer
- Ensuring that a product is of an enduring nature
- Improved profitability

It is clear that building brand equity in any organisation is essential when the above benefits could be reaped. In order to build brand equity, it needs to be measured so that an organisation can establish how high or low its brand equity is.

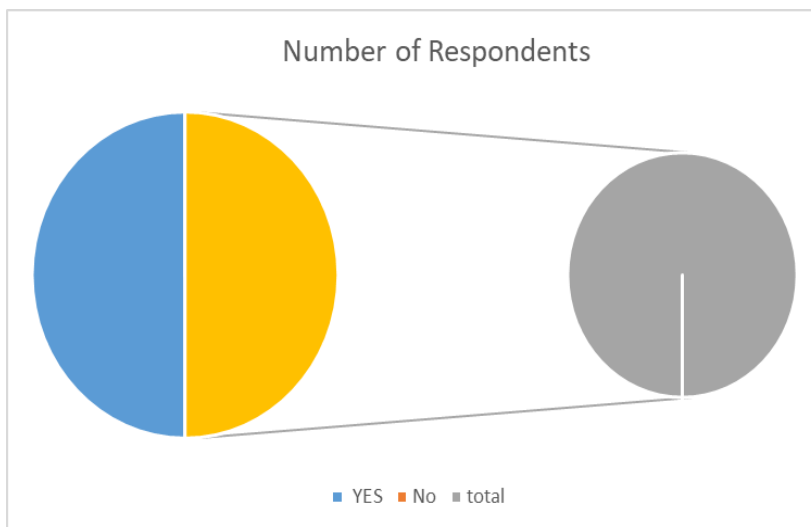
IV. DATA ANALYSIS AND INTERPRETATION
BRAND EQUITY ANALYSIS

The 100 respondents were asked to scale the performance of various brands

You

1. Do you use **Hyundai Motors** services?

Options	Number of Respondents
YES	100
No	0
total	100

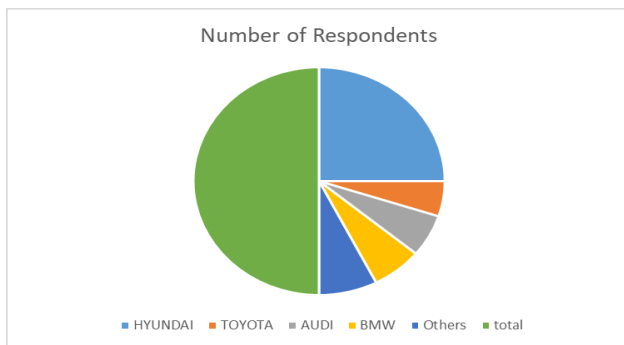


Interpretation:

- From above pie chart it can be stated that 100% people using Hyundai Motors services for their constructions

2. Which **Hyundai Motors** services do you use?

Type of system	Number of Respondents
HYUNDAI	50
TOYOTA	10
AUDI	12
BMW	13
Others	15
total	100

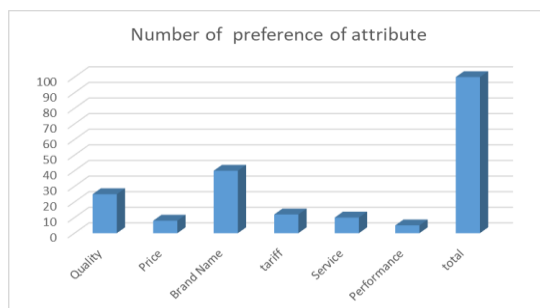


Interpretation:

- From above it can be stated that 50% of people using HYUNDAI
- 10% of people using TOYOTA Motors ,
- 12% of people using AUDI Motors ,
- 13% of people using, BMW Motors
- 15% of people using other brands.

3. What are the valuable attributes you normally look while purchasing a Motors?

Attributes	Number of preference of attribute
Quality	25
Price	8
Brand Name	40
tariff	12
Service	10
Performance	5
total	100



Interpretation:

- From above pie chart it can be stated that people give preference 40% to brand name,
- 25% to quality,
- 8% to price,
- 12% to comfort,
- 10% to service, and
- 5% to performance.

V. FINDINGS

1. The coverage is limited to only urban areas hence effort should be made to increase the coverage in semi urban and rural areas as it increases the number of customers.
2. HYUNDAI Motors should create awareness amongst its customers regarding Brand that are being offered by it by increasing its sales promotion reach.
3. Special promotional schemes to be launched especially to target youth segment who take up the new product by having special packages
4. HYUNDAI Motors try to focus on the after sales customer support as this is perceived to be a weak spot, by the consumes and should have responsive call centres to address the needs of its customers.
5. From the survey I found that most of the people giving preference to brand name of the company then they look for quality and service. And giving least preference to price.
6. From the survey about the people who having HYUNDAI cars, most of the people having **Santo Zing** because it can be used for multi purposes. Then Quails and Corolla. But less people having Camry cars.
7. From the survey I found that most of the people heard about the Toyota through friends (who having HYUNDAI cars) and by ads. The people less heard about the Toyota through telesales, events and consultants

VI. CONCLUSION

The analysis of the data obtained the market research has led to many inferences on the Motor services brands. In course of conducting marketing survey some value and useful information was given by respondent.

Users find HYUNDAI Motor services as one which provides security for Users and reliable and feasible. The overall conclusion of the study is the HYUNDAI Motor services offering better services which make Users feel happy and comfortable.

It must be said however, that putting all these steps into practice, and hiring professional branding experts to manage such a program may still not guarantee that the country will attract investors, nor will the country experience the desired image change. This is because of the existence of other extenuating factors in the environment; these factors may include global economic downturn.

VII. SUGGESTIONS

- The company should maintain their market position and try to increase their customers.
- Enough stock should keep in stockiest place& retailers place
- To enable the customers to get in touch with the service personal more easily, the number of direct phones should be increase or provide the toll free number to give solutions of constructions.
- Periodically, review meetings with the customers in different areas should be convinced, to have a general consensus regarding problems being faced by them.
- The respondents are paying their bills at the company show rooms, and these are also acting as customer care centers for all queries and needs of the consumers.
- The service is also well received by the respondents and they are satisfied with quality and price, moreover it is largely used by people who are offering public cell office facilities.
- The instruments being providing with fixed line service are being well received by the respondents.

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