

Factor affecting Customer Brand Value towards Customer Brand Preference in the Perspective of Malaysian Car Industry

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To Link this Article: <http://dx.doi.org/10.6007/IJARSS/v12-i10/14578> DOI:10.6007/IJARSS/v12-i10/14578

Published Date: 08 October 2022

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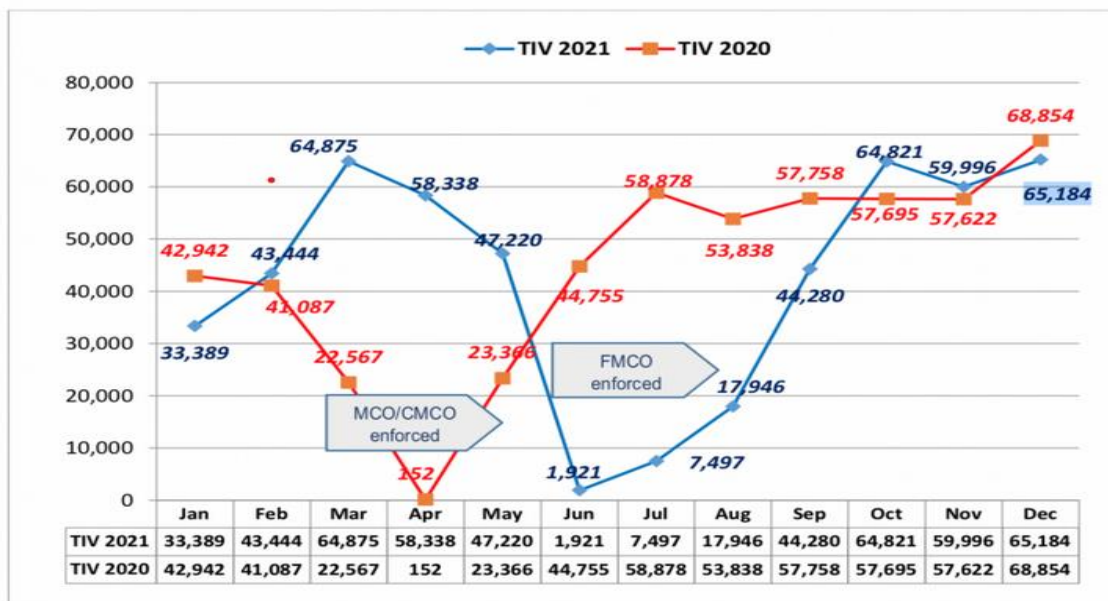
Branding is the process which involved in making unique name and image from product in its customer's mind. It also targets to set a significant and distinguish its presence in the market which could attract and preserve loyal customer. Nonetheless, there is disparity between brand preference and brand loyalty. The first there subsequent involved in the decision making stage of brand loyalty integrate the focal of brand preference. The aim of this study is to understand the relationship between the customer brand value and customer brand preference in the perspective of local car industry. This study manages to distributed 200 questionnaires and 128 received. Five Likert scale were used to conduct this survey to gauge the responses. The finding of this study in hope to help the car industry to determine and enhance customer brand value towards our local car industry.

Keywords: Customer Brand Value, Customer Brand Preference, Brand Advocacy

Introduction

Buying a car is one of the best thing for those who can afford it. Doesn't matter what kind of car as long as it is convenience, and within the budget. Car is classified as a specialty product where according to (Lamb *et al.*, 2019) specialty product refer to the product where customer refuse to received substitute and that particular item customer search extensively towards it. Malaysian current car industry was facing smaller contraction due to difficult year after the pandemic. (Malaysia car sales in 2021 - total industry volume at 508,911, over 20k down vs 2020, 95k less than 2019 - paultan.org, no

CHART 1: TIV TREND 2021 VERSUS 2020, BY MONTH



date) based on the report there are 4% drop in car sales from 2019 to 2021. Figure 1: (Malaysia car sales in 2021 - total industry volume at 508,911, over 20k down vs 2020, 95k less than 2019 - paultan.org, no date), it is important for the automotive industry to know and understand their customer to provide the best services or product which can attract customer to buy it. In order to overcome the decreasing number of sales, it is very important for the provider to understand and learn on the best way to attract customer. The process of customer buying the product does not end till customer purchased the car but, there are other factor that need to be consider by the car seller especially after purchased process that might influence other potential buyer to purchase the car by word of mouth communication.

The main objective of this study is to look at the influence factor that lead to customer buying decision focusing in automotive industry. This study looks at the customer brand preference and factor that lead or influence customer to choose certain brand in their decision of buying a car. Understanding customer decision making in selecting the car brand, will also reflect the effectiveness of marketing strategy that has been done by one company. The issues of which factor that might influence customer in choosing car's ,customer decision making has more to be discussed (Duraismy and Nizam, 2020) there is still the gap that need to be discuss since the factor that influence customer decision making especially in automotive industry are broad.

Having good brand equity on certain product will give benefit to the company and increase the revenue of the company. According to (Lamb *et al.*, 2019)) Brand Equity refers to the value of company and brand names. A brand name that has high awareness, perceived quality, and brand loyalty among customer has high brand equity. Some business needs a brand for their looks and identity. Brand equity is important for a business in order for them to be success, it is because brand equity will define company brand value. Once the brand has place in the mind of customer, it is beneficial to the company because the marketing effort will be more efficient.

For Malaysian automotive customer, one of the element that been considered by the customer in order for them to choose the right car is the brand value of the car product. In order for a customer to decide on which car that they will buy, there are few elements that need to be consider by the customer during customer decision making, since car is consider as a luxury product, there are few preferences that need to be consider. Mahmood *et al* (2021) in his study mention that customer are willing to pay more when it come to the product with their brand preference, he also mention in his study that one of the element that support customer brand preference towards one product is because of the brand image.

Literature Review

Customer Brand Preference

There are few thought of preference has been in contrasting disciplines such as economist, psychologist and sociology. However, amidst these disciplines there is no ordinarily agreed upon definition of preference. Based on (Mahmood *et al.*, 2021) defined as the customer who prefer to choose one product over others competitors product and this behaviour will lead to customer loyalty. Customer preference might be effected based on few factor, which is the brand advocacy, brand quality and other few factor. The brand preferences of customers are based on the positive image of a brand. The positive Image of the brand reflect the tendency.

Brand Advocacy

Brand advocacy is defined as the promotional relationship or the attachment between customer and the promotional effort that lead by the company. Study by (Ahmadi and Ataei, 2022) mention that another element that make strong attachment between the brand advocacy and customer brand preference, are the customer experience, however there are also some argument that mention this relationship might be weaken because of the experience with the brand and price of the brand. Another factor that lead to favourable communication in defending the brand when it is attacked is the brand advocacy (Wilket al., 2019). Khamwon and Masri (2020), in his study mention that the brand advocacy was act as the medium of attachment between the customer and the brand, he also agreed that this attachment can be resolved because of few factor which might also result to long term, where the customer might avoid to use the brand.

Brand Quality

The product quality defined by Zeithaml (1988) "quality can be defined broadly as superiority or excellence" where based on the definition this has been brought in to the attention of (Chen *et al.*, 2019) where in his study he mentions that the quality of the product brand where determent by the quality of purchase proses and the memorable experience received by the customer. Brand quality were very subjective to the customer; some refer to the price of the

product that lead to the perceived quality of the product. Other look at the competitive brand product that resemble the quality of the product. The product quality will change the customer behaviour based on their analysing on the quality of the product and service.

Price of the Brand

The consumer expected at the time of take purchase decision from the selection of car model to meet their quality, brand images, performance, charge appropriate cost, sales & after sales quality criteria at least (Aghdaie & Yousefi, 2011). Mostly consumer prefer only product price. The price of the product has impact on consumer purchasing decision process & also the sales margin (Osman et al., 2012). The price of the product is that which is expected to pay by purchasing of product. There are two types of price of product that prevail in the market. The brand image is the key element of the product when some products have high price in the market. Some products have low brand price which is useful technique by brand & consumer rely on the previous price value for the brand (Swani & Yoo, 2010). Different

Methodology

Variable	No of item	Cronbach Alpha
Brand Advocacy	6	0.924
Quality of brand	8	0.856
Price o brand	6	0.73
Brand preference	7	0.874

The reliability is a testing test for consistency and stability. Consistency indicate how item measuring a concept hang well together as a set. Meanwhile, Cronbach's Alpha is a reliability coefficient which reflect how well together set. According to rule of thumb for Cronbach's Alpha coefficient by sekaran & Bougie (2013) we can analysed that 4.1 as the highest value of 0.924 which means it is very good and the most consistent. Next, for the quality of brand (0.856) and customer brand preference (0.874) will lies under good according to the rule of thumb. Followed by the last one which is the price of brand (0.703) can be considered acceptable.

Model	R	R square	Adjusted square	R	Std.Error of estimate
1	0.656	0.430	o.416		0.53588

The r^2 indicate the percentage variance in the percentage variance in the dependent variable that is explained by the variation made in the independent variables. The $r^2=0.430$ (43%) , thus it means that the variation in customer brand preference is explained by the brand advocacy, quality of brand and lastly price of the brand as much as 43%. 57% of the variance in the customer brand preference is not explained by the independent variable in this study. Thus this indicates there are other independent variable which are not included in this study and could be further strengthen the regression equation in the future.

Correlation

	Brand Advocacy	Quality of brand	Price of brand	Customer brand preference
Pearson correlation	1	.341**	.306**	.612**
Brand sig.(2-tailed)		.000	.000	.000
Advocacy N	128	128	128	128
Pearson correlation	.341**	1	.652**	.428**
Quality of Sig.(2-tailed)	.000		.000	.000
Brand N	128	128	128	128
Pearson correlation	.306**	.652**	1	.350**
Price of Sig.(2-tailed)	.000	.000		.000
brand N	128	128	128	128
Pearson correlation	.612**	.428**	.350**	1
Customer Sig.(2-tailed)	.000	.000	.000	
Brand				
Preference N	128	128	128	128

Based on the correlation strength by Guildford's law explains the above table as there is positively moderate correlation ($p=0.612$) between customer brand preference and brand advocacy and this relationship is significant at the 0.01 level. Followed by quality of brand also has positively moderate correlated ($p=0.428$) or also known to have a substantial relationship with customer brand preference and this relationship is significant at 0.01 level. Thus this shows that among these three variable, brand advocacy influence customer brand preference the most.

Conclusion

Based on the result of this study there is a positive relationship between customer preference and brand advocacy, this relationship between brand advocacy and customer brand preferences are the highest compared to other independent variable. This indicate that customer normally will be influence to purchase based on the brand advocacy, where the brand advocacy is where the review of the product was based from words of mouth communication, which it is one of the element that normally customer do in customer decision making which one of it by getting an opinion from family and friends who used to be familiar with the product. But what happen currently customer does not only rely on the opinion by family member and friend but also from review from website forum and other, as well as the review from the influencer. This is important by the car producer to improve on customer service so that it will develop good image and reflect customer decision making on purchasing the car.

As the conclusion, car manufacturer must not only give an attention on their product only but another element that need to be given attention such as customer service and after sales service. A positive feedback from previous will encourage new customer to buy the product.

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