Effect of Demographic Factors on Brand Preference

Dr. Anita Kshetri

Abstract— **Consumers tend to appreciate various brand, however when it comes to selecting a brand over the other in a product category, they show preference to a specific brand. How people choose a product or a brand and which all factors affect the purchase decision has been one of the key question for all marketing researchers and marketing professionals. In this paper consumers rated their brand preference for five top leading passenger cars in India. The data was analyzed with their demographic details to check if the demographics have effect on brand preference or not. Income, as the only demographic factor had effect on the brand preference. The paper provides insights to automobile manufacturers and marketers for key important decision on positioning their car for different income segments in Indian market.**

Index Terms— **Brand, Brand preference, Demographics**

I. INTRODUCTION

Consumer decision making in selecting a particular brand has been considered as a complex choice process and when it comes to a high involvement and conspicuous product like cars (Kressman, 2006), it becomes more complex. To add further complexity, the manufacturers are continuously introducing new variants, models and also there is constant splurge of new brands in the market. Conventionally consumer behaviour derives from an economic and mathematic position and focuses on consumers' optimization of decision outcomes (Engel, Blackwell, and Miniard 1986, p.35). Consumers use purchase and consumption as vehicles for self-expression (Jamal and Goode, 2001). In today's highly competitive information landscape, marketers attempt to establish images for their products, symbolized by the brand in order to garner a position unique from the competitive choices (Park, 2005) and also consumption is given meanings by the consumers' perceptions of important experience and feelings through social interaction (Holt 1995). Various studies have been done to understand the consumer behaviour and the effect of attitude, perception, user imagery, brand personality and personality (Kshetri, 2017) on purchase intention, brand preference. As Aaker *et al*. (2001) noted, although the utilitarian attributes of commercial brands tend to exhibit limited variability in meaning or importance across cultures, the symbolic or value-expressive functions associated with a brand tend to vary to some degree because of the variation of individuals' needs and self-views and socialization.

India has been one of the few markets worldwide, which saw growing passenger car sales during the liquidity crisis and recessionary phase witnessed during financial year-2009. Buoyant economic growth, rising disposable income levels, favourable demographics, strong growth from tier II/III cities and rural India, together with improving availability of vehicle financing at competitive interest rates have been the key factors fuelling growth in the Indian passenger vehicle market. The growth has also been supported by OEM led initiatives like whole host of new model offerings from both from existing companies as well as new entrants in the market. According to Levy (1959), the products a consumer buys have personal and social meaning and they reinforce the way the consumer thinks about himself. Brands act as social signals with congruity between brand and user self-image, which is regarded as a key motivational factor in consumer choice (Belk, 1988; Sirgy, 1982). The demographic profile of the consumer is likely to influence the purchase decision and the brand preference.

II. LITERATURE REVIEW

The appearance, behavior, attitudes and beliefs are included in the literature about the 'Big Five' human personality dimensions, but the trait theory used in the human personality dimensions does not include basic demographic characteristics, such as age, gender and social class (Kshetri,2017). A reason for this might be that the basic human demographic characteristics are visible or relatively easily inferred. Ben-Akiva et al.. (1999) define preferences as "comparative judgments between entities." This means brand preference as a comparative judgment between a set of brands which leads to a more favorable attitude toward one or more of the brands. As marketers are trying to create a brand preference, awareness of target market is a precursor to this activity. Understanding of the demographics of the target audience will enable better brand positioning and brand preference.

Brand preference is typically viewed as an attitude in which the consumer has a predisposition toward one or more brands. Ben-Akiva et al.. (1999) define preferences as "comparative judgments between entities." This means brand preference as a comparative judgment between a set of brands which leads to a more favorable attitude toward one or more of the brands. Brand preference has been conceptualized in different ways in the marketing literature. Few studies have equated brand preference with brand loyalty (e.g., Rundle-Thiele and Mackay 2001) and few have evaluated it as a precursor to brand loyalty (e.g., Odin et al.. 2001). In terms of brand loyalty, brand preference can be defined as the degree in which a consumer prefers one brand over competitive offerings. Singh et al.. (2008) suggests brand preference as a hierarchical prioritization of the brand and an outcome of patronage and cognitive comprehension of the brand.

Brand preference occurs when consumers prefer one brand over competing brands. Brand preference might be considered "the holy grail" of branding because it is the result of consumers' knowing a specific brand, understanding what is unique about the brand, connecting emotionally with the brand, making a decision that the brand is superior to others for some reason or combination of reasons, and choosing it over competing brands (Dolak, 2001).

As per Getbrandwise.com (2018), demographics refers to selected population characteristics as used in government, marketing or opinion research. Commonly-used demographics include race, age, income, disabilities, educational attainment, home ownership, employment status, and even location.

Based on the literature review following hypothesis are proposed

Hypothesis: There is significant effect of demographics on brand preference

H_1 : There is significant relation between gender of the consumer and brand preference

H_2 : There is significant relation between Age of the consumer and brand preference

H_3 : There is significant relation between marital status of the consumer and brand preference

H_4: There is significant relation between education of the consumer and brand preference

H_5: There is significant relation between occupation of the consumer and brand preference

H_6 : There is significant relation between geographic region of the consumer and brand preference

H_7: There is significant relation between family size of the consumer and brand preference

H_8 : There is significant relation between income of the consumer and brand preference

III. METHODOLOGY:

A structured questionnaire was self- administered for the research survey. A final usable sample of 460 car owners was established after the data was screened for outliers, missing data, and normality. Six leading passenger car brands (Zigwheels,2013) representing different categories of passenger car in India were pre-selected. Chi square test of contingency was used to test the relationship between various demographic factors and brand preference. The demographic factors included age, gender, education level, occupation, family size, geographic ethnicity and Income to understand these variables as the underlying determinants of brand preference.

Table 1: Respondents Characteristics

Characteristic		Percent (%)
Gender	Male	80
	Female	20
Age	Less Than 20 Years	4.6
	20 Years - 30 Years	55.9
	30 Years - 40 Years	27
	40 Years- 50 Years	9.8
	Above 50 Years	2.8
Household Income Per Annum	Upto Rs 3 Lacs	16.3
	Rs 3 Lacs- Rs 5 Lacs	25.4
	Rs 5 Lacs- Rs 10 Lacs	35.2
	Above Rs 10 Lacs	22.8
Education Level	Some Schooling	1.7
	HSC 12th	4.8
	Under Graduate	6.3
	Graduate	39.3
	Post Graduate	43.7
	Other	4.1
Geographic Ethnicity	North India	31.5
	South India	10.7
	West India	49.1
	East India	8.5
Occupation	Student	19.3
	House-Wife	2.8

	Employed	61.3
	Self-Employed	15
	Unemployed	1.1
	Never Married	11.3
Marital Status	Married	47.2
	Single	41.1

4. Data Analysis

An understanding of the demographic profile of the consumers will enable the marketing managers with better decision making. Hence Chi-square test of contingency is used to display the relationship between the various demographic variables and brand preference.

1. To study if there is any relation between gender and brand preference

H0 : There is no significant relation between gender of the consumer and brand preference

H1 : There is significant relation between gender of the consumer and brand preference

Observation $\chi2$ (5) = 7.697 p= 0.174

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the gender of the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.697[a]	5	.174
Likelihood Ratio	7.485	5	.187
Linear-by-Linear Association	1.894	1	.169
N of Valid Cases	458		

a. 1 cells (8.3%) have expected count less than 5. The minimum expected count is 4.02.

2. To study if there is any relation between age and brand preference

H0 : There is no significant relation between age of the consumer and brand preference

H1 : There is significant relation between age of the consumer and brand preference

Observation $\chi2$ (20) = 21.608 p= .362

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the age of the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.608[a]	20	.362
Likelihood Ratio	23.254	20	.276
Linear-by-Linear Association	.625	1	.429
N of Valid Cases	458		

a. 12 cells (40.0%) have expected count less than 5. The minimum expected count is .57.

3. To study if there is any relation between marital status and brand preference

H0 : There is no significant relation between marital status of the consumer and brand preference

H1 : There is significant relation between marital status of the consumer and brand preference

Observation $\chi2$ (15) = 15.718 p=0.401

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the marital status of the consumer and brand preference.

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.718[a]	15	.401
Likelihood Ratio	16.692	15	.338
Linear-by-Linear Association	1.085	1	.298
N of Valid Cases	458		

a. 7 cells (29.2%) have expected count less than 5. The minimum expected count is .09.

4. To study if there is any relation between education level and brand preference

H0 : There is no significant relation between education level of the consumer and brand preference

H1 : There is significant relation between education level of the consumer and brand preference

Observation χ^2 (25) = 32.860 p=.135

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is some relation between the education level of the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.860[a]	25	.135
Likelihood Ratio	35.310	25	.083
Linear-by-Linear Association	.001	1	.975
N of Valid Cases	458		

a. 19 cells (52.8%) have expected count less than 5. The minimum expected count is .35.

5. To study if there is any relation between occupation of the consumer and brand preference

H0 : There is no significant relation between occupation of the consumer and brand preference

H1 : There is significant relation between occupation of the consumer and brand preference

Observation χ^2 (25) = 23.991 p=0.520

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the occupation of the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.991[a]	25	.520
Likelihood Ratio	25.423	25	.439
Linear-by-Linear Association	.000	1	.983
N of Valid Cases	458		

a. 20 cells (55.6%) have expected count less than 5. The minimum expected count is .09.

6. To study if there is any relation between family size and brand preference

H0 : There is no significant relation between family size of the consumer and brand preference

H1 : There is significant relation between family size of the consumer and brand preference

Observation χ^2 (25) = 32.973 p=.132

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the family sizeof the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	32.973[a]	25	.132
Likelihood Ratio	35.271	25	.083
Linear-by-Linear Association	.971	1	.324
N of Valid Cases	458		

a. 12 cells (33.3%) have expected count less than 5. The minimum expected count is .39.

7. To study if there is any relation between geographic ethnicity and brand preference

H0 : There is no significant relation between geographic region of the consumer and brand preference

H1 : There is significant relation between geographic region of the consumer and brand preference

Observation χ^2 (15) = 18.008 p=.262

Conclusion: Since p value is more than level of significance α = 0.05, we fail to reject the null hypothesis. We conclude that there is no relation between the regional ethnicity of the consumer and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.008[a]	15	.262
Likelihood Ratio	17.086	15	.314
Linear-by-Linear Association	.223	1	.636
N of Valid Cases	457		

a. 3 cells (12.5%) have expected count less than 5. The minimum expected count is 1.66.

8. To study if there is any relation between income and brand preference

H0 : There is no significant relation between income of the consumer and brand preference

H1 : There is significant relation between income of the consumer and brand preference of the consumer

Observation χ^2 (15) = 34.031 p =.003

Conclusion: Since p value is less than level of significance α = 0.05, we reject the null hypothesis and accept the alternate hypothesis. We conclude that there is significant relationship between income level and brand preference.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.031[a]	15	.003
Likelihood Ratio	33.103	15	.005
Linear-by-Linear Association	14.043	1	.000
N of Valid Cases	457		

a. 2 cells (8.3%) have expected count less than 5. The minimum expected count is 3.28.

5. Conclusion & Managerial Implication:

The study included the various demographic aspects like gender, age, education, occupation, income, marital status, family size and geographical ethnicity to understand if these demographic variables have any relationship with the brand preference. The study revealed that none of the demographic variable had significant relationship with the brand preference apart from income, which had a significant relationship with brand preference.

As marketers are trying to create a brand preference, awareness of target market is a precursor to this activity. Understanding of the demographics of the target audience will enable better brand positioning and brand preference. The study of the demographic profile and the relationship of

these variables with the brand preference were studied which revealed a non-significant effect of all the variable except income, which suggest the price conscious nature of Indian consumer and conversely, the propensity to higher consumption with increase in the disposable income. This study will aid all the passenger car automobile manufacturers and brands in India in the new product launch strategies and product designing. The marketing managers can reposition their brands for further product line extensions and also rebrand the non-selling brands in different category as per the brand personality sought by the target market.

6. Limitations

The sample was drawn from Pune city which is a cosmopolitan metro city, the income, education level and the occupation of the samples might not be extrapolated to other smaller town or rural location. This geographic limitation in this study can be researched further by encompassing a larger geographic location as to actually ascertain the real view of the large diaspora of Indian consumers.

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