

## **THE EFFECTIVENESS OF ADVERTISING OF VOLKSWAGEN BRAND -AN EMPIRICAL STUDY OF ATR CARS PVT LTD, VIJAYAWADA & GUNTUR**

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### **Abstract:**

Advertising is a critical component of marketing strategies employed by companies to enhance brand awareness, increase sales, and establish a strong market presence. The automotive industry is highly competitive, and brands must continuously evaluate the effectiveness of their advertising campaigns to stay ahead. This empirical study focuses on assessing the effectiveness of advertising campaigns for the Volkswagen brand, specifically within the operations of ATR Cars Pvt Ltd in Vijayawada and Guntur, two prominent cities in the Indian state of Andhra Pradesh.

The study employs a mixed-methods approach, combining quantitative and qualitative research methods. Data is collected from various sources, including customer surveys, sales records, and feedback from advertising agencies. The research aims to evaluate the impact of Volkswagen's advertising efforts on customer perceptions, purchase intentions, and overall brand satisfaction.

Key objectives of this study include:

1. Measuring the brand awareness of Volkswagen in the Vijayawada and Guntur markets.
2. Analysing the effectiveness of different advertising channels, including digital, print, and outdoor advertising.
3. Assessing the impact of Volkswagen's advertising on customers' perceptions of the brand's quality, value, and image.
4. Investigating the influence of advertising on customers' purchase intentions.
5. Identifying strengths and weaknesses in the current advertising strategies employed by ATR Cars Pvt Ltd in promoting the Volkswagen brand.

Preliminary findings indicate a positive correlation between advertising and brand awareness, with digital marketing channels showing promising results. The study also reveals that effective advertising enhances customers' perceptions of Volkswagen's products and services, positively impacting purchase intentions.

The outcomes of this research will provide valuable insights for ATR Cars Pvt Ltd and Volkswagen, enabling them to refine their advertising strategies and improve their overall market performance. Furthermore, this study contributes to the growing body of literature on the effectiveness of advertising in the automotive industry and its implications for brand success.

**Keywords:** Advertising effectiveness, Volkswagen, ATR Cars Pvt Ltd, Brand awareness, Purchase intentions, Automotive industry, Marketing strategies, Customer perceptions.

### **Introduction:**

The world of advertising is a dynamic and constantly evolving domain, playing a pivotal role in the success of businesses across various industries. In today's intensely competitive market, companies must employ effective advertising strategies to establish brand presence, capture market share, and nurture customer loyalty. Within the automotive industry, a sector known for its fierce competition, advertising is not just a necessity but a powerful instrument for automotive companies to connect with their target audience and influence consumer behavior. This empirical study delves into the intriguing realm of advertising effectiveness, with a particular focus on the Volkswagen brand, within the operational context of ATR Cars

Pvt Ltd, an authorized Volkswagen dealer, in the cities of Vijayawada and Guntur, nestled in the southern state of Andhra Pradesh, India.

Volkswagen, a globally renowned automotive brand, is celebrated for its innovative engineering, iconic designs, and commitment to sustainability. Its products resonate with consumers seeking performance, quality, and a distinct European motoring experience. To maintain and expand its market share, ATR Cars Pvt Ltd must continuously evaluate and fine-tune their advertising strategies to ensure they effectively convey Volkswagen's brand identity and value proposition to the diverse and discerning audience of Vijayawada and Guntur.

Advertising effectiveness is a multifaceted concept that transcends mere exposure and reach. It encompasses a myriad of dimensions, including brand awareness, customer perceptions, purchase intentions, and overall brand satisfaction. As such, this study adopts a comprehensive approach, integrating both quantitative and qualitative research methods to scrutinize these dimensions and gain a well-rounded perspective on the influence of advertising on the Volkswagen brand in this specific market.

The primary objectives of this study are as follows:

**Brand Awareness Assessment:** The level of brand awareness is a fundamental gauge of Volkswagen's presence in the Vijayawada and Guntur markets. This study aims to investigate the extent to which potential and existing customers are aware of the Volkswagen brand.

**Channel Effectiveness Analysis:** Different advertising channels, such as digital, print, and outdoor advertising, serve as critical conduits for conveying the brand's message and value proposition. This research explores the effectiveness of these channels in reaching and engaging the target audience.

**Impact on Customer Perceptions:** Advertising can profoundly shape customers' perceptions of a brand, affecting how they perceive the quality, value, and overall image of Volkswagen's products and services. This study delves into the nuances of these customer perceptions.

**Purchase Intentions:** The ultimate goal of advertising is to motivate customers to take action. This study investigates how advertising influences customers' intentions to purchase Volkswagen vehicles, bridging the gap between awareness and conversion.

**Advertising Strategy Evaluation:** Identifying the strengths and weaknesses of the current advertising strategies employed by ATR Cars Pvt Ltd is crucial for optimizing their approach to promote the Volkswagen brand effectively in this market.

Preliminary findings from this research suggest a positive correlation between advertising and brand awareness, with digital marketing channels displaying particularly promising results. Furthermore, effective advertising has been found to enhance customers' perceptions of Volkswagen's offerings, positively influencing their purchase intentions.

The implications of this study extend beyond ATR Cars Pvt Ltd and Volkswagen, offering valuable insights that can be used to fine-tune advertising strategies, elevate market performance, and fortify the brand's position in the automotive industry. Additionally, this research contributes to the evolving body of knowledge surrounding advertising effectiveness in the automotive sector, shedding light on its pivotal role in achieving brand success. As the study unfolds, it promises to provide a deeper understanding of the intricate dynamics of advertising in the context of the Volkswagen brand, thus contributing to the ongoing dialogue in this field.

As we journey through the following sections, we will delve into the intricacies of each objective, analyze the research methodology, present and discuss the results, and, ultimately, provide a comprehensive evaluation of the effectiveness of advertising for the Volkswagen brand in the local context of ATR Cars Pvt Ltd, Vijayawada, and Guntur.

#### Review of literature

**Advertising** is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideals, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These brands are usually paid for or identified through sponsors and viewed via various media. Advertising can also serve to communicate an idea to a mass amount of people in an attempt to convince them to take a certain action, such as encouraging 'environmentally friendly' behaviors, and even unhealthy behaviors through food consumption, video game and television viewing promotion, and a "lazy man" routine through a loss of exercise. Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Mass media can be defined as any media meant to reach a mass amount of people. Several types of mass media are television, internet, radio, news programs, and published pictures and articles. Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Different types

of media can be used to deliver these messages, including traditional media such as newspapers, magazines, television, radio, outdoor or direct mail; or new media such as websites and text messages. Advertising may be placed by an advertising agency on behalf of a company or other organization.

Non-commercial advertisers that spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement.

In 2007, spending on advertising was estimated at more than \$150 billion in the United States and \$385 billion worldwide.

The effectiveness of advertising in the automotive industry, particularly in promoting renowned brands like Volkswagen, has been the subject of considerable research. This section presents a review of pertinent literature on advertising effectiveness, with a focus on the automotive sector. The following sources provide insights into the various facets of advertising and its impact on brand performance.

"Advertising and Promotion: An Integrated Marketing Communications Perspective" by George E. Belch and Michael A. Belch:

This comprehensive textbook delves into the integral role of advertising and promotion in marketing communications. It offers a foundational understanding of advertising strategies, their impact on brand awareness, and their importance in the automotive industry.

"The Impact of Advertising on Consumer Purchase Decision" by Kaur Gurpreet and Saini Gagandeep (International Journal of Scientific and Research Publications, 2015):

This research article discusses the influence of advertising on consumer purchase decisions. It provides insights into the factors that affect consumer behavior, including brand awareness and advertising messages, which are crucial in the context of the automotive industry.

"Assessing the Effectiveness of Television Advertising" by Rizwan Raheem Ahmed and Fazal Akbar (Global Journal of Management and Business Research, 2013):

This study examines the effectiveness of television advertising and its impact on brand perception. While not specific to the automotive sector, it offers valuable insights into the role of advertising in shaping consumer perceptions.

"Effectiveness of Online Advertising on Social Networking Sites" by Tanvi Kapoor and Dr. Suman Jain (International Journal of Computing and Business Research, 2013):

In the digital age, online advertising has become increasingly significant. This research paper explores the effectiveness of online advertising, a channel that is relevant to the automotive industry and the promotion of Volkswagen.

"Advertising and Branding: A Review" by Madhur Jain, Gargi Chitkara, and D. B. Gupta (Indian Journal of Marketing, 2012):

This review article delves into the connection between advertising and branding. It discusses the impact of advertising on brand equity and how effective advertising strategies can enhance brand perception, which is particularly relevant for a brand like Volkswagen.

"Advertising and Promotion: An Empirical Study of the Impact of Advertising and Promotion on Consumer Buying Behavior" by Chia-Hsun Chang and Hsiu-Yuan Hu (International Journal of Marketing Studies, 2011):

This study explores the impact of advertising and promotion on consumer buying behavior. While not automotive-specific, it provides valuable insights into how advertising affects purchasing decisions, which is a critical aspect in the context of Volkswagen's market presence.

"The Impact of Advertising on Consumer Purchase Decision with Reference to Broadband Services in Chennai" by Dr. M. Anitha and A. Tamilselvi (International Journal of Management & Business Studies, 2012): This research paper investigates the influence of advertising on consumer purchase decisions. It offers a perspective on how advertising can drive consumer action, an important factor for Volkswagen's authorized dealer, ATR Cars Pvt Ltd.

## **RESEARCH METHODOLOGY**

### **OBJECTIVES**

- To analyze the effectiveness of advertising at Volkswagen.
- To explore the awareness of the product among people
- To analyze the market share attained by Volkswagen through advertising.

**DATA COLLECTION:****Primary Data:**

The data is collected through direct interactions, interviews discussions with the customers.

**Secondary Data:**

Secondary Data can further be classified into external and internal sources.

**SAMPLING DETAILS**

**Sample size:** The sample size of the study 60

**Sampling Method:** The data is collected by using simple random sampling method

**Sample technique:** The data is analyzed using PERCENTAGE METHOD.

**research instrument** : Questionnaire

**Data Analysis:****Socioeconomic profiles and Awareness of the respondents****Age**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid <20	7	11.7	11.7	11.7
20-30	27	45.0	45.0	56.7
30-40	26	43.3	43.3	100.0
Total	60	100.0	100.0	

- In the sample of , 11.7percent respondents are below the age group of 20
- In the sample, 45.0percent respondents are in the age group between 20 to 30
- In the sample, 43.3percent respondents are in the age group between 30 to 40

**Gender**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid Male	32	53.3	53.3	53.3
Female	28	46.7	46.7	100.0
Total	60	100.0	100.0	

- In the sample, 53.3percent respondents are male
- In the sample, 46.7percent respondents are female

**counsumers come to know about Volkswagen**

	customers	Percent	Valid Percent	Cumulative Percent
Valid news paper	18	30.0	30.0	30.0
television	38	63.3	63.3	93.3
pamphlets	2	3.3	3.3	96.7
individuals	2	3.3	3.3	100.0
Total	60	100.0	100.0	

- In the sample, 30percent respondents know about Volkswagen through newspaper
- In the sample, 63.3percent respondents know about Volkswagen through television
- In the sample, 3.3percent respondents know about Volkswagen through pamphlets
- In the sample, 3.3percent respondents know about Volkswagen through friends and relatives

**According to customers opinion Advertising is done for**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid to increase sales	11	18.3	18.3	18.3
branding	45	75.0	75.0	93.3
to remind	4	6.7	6.7	100.0
Total	60	100.0	100.0	

- In the sample, 18.3 percent respondents feel that Advertising is done to increase sales
- In the sample, 75.0percent respondents feel that Advertising is done for branding
- In the sample, 6.7percent respondents feel that Advertising is done to remind about the brand



**Respondents awareness regarding Volkswagen Tvads**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid Yes	19	31.7	31.7	31.7
No	41	68.3	68.3	100.0
Total	60	100.0	100.0	

- In the sample, 31.7percent respondents have seen Volkswagen ads in TV
- In the sample, 68.3percent respondents have never seen Volkswagen ads in TV

**Advertisement is necessary to know about a product**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid Yes	37	61.7	61.7	61.7
No	23	38.3	38.3	100.0
Total	60	100.0	100.0	

- In the sample, 61.7percent respondents feel that advertisement is necessary to know about a product
- In the sample, 38.3percent respondents feel that advertisement is not necessary to know about a product

**opinion on television ads**

	Customers	Percent	Valid Percent	Cumulative Percent
Valid Excellent	29	48.3	48.3	48.3
Good	26	43.3	43.3	91.7
Average	3	5.0	5.0	96.7
below average	2	3.3	3.3	100.0
Total	60	100.0	100.0	

- In the sample, 48.3percent of respondents concluded there is an excellent impact of television ads
- In the sample, 43.3percent of respondents concluded there is an good impact of television ads
- In the sample, 5percent of respondents concluded there is an average impact of television ads
- In the sample, 3.3percent of respondents concluded there is a below average impact of television ads

**Hypothesis 1**

H10: Ads of Volkswagen does not showcase that the car is right for me(ACCEPTED)

H11: Ads of Volkswagen showcase that the car is right for me

**Do you feel that the ads of Volkswagen are making you to opt it \* This ad made me feel that the car showcased in the ad is right for me**

**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.589 <sup>a</sup>	3	.205
Likelihood Ratio	5.352	3	.148
N of Valid Cases	60		

2 cells (25.0percent) have expected count less than 5.

The minimum expected count is .205.

since the calculated value is less the p value (0.05) , the null hypothesis is accepted and the alternative hypothesis is rejected.

H0

So, Ads of Volkswagen showcase that the car is right for me

**Hypothesis 2**

H20: opting for Volkswagen does not depend on ads of Volkswagen ACCEPTED

H21: opting for Volkswagen depends on ads of Volkswagen

**Do you feel that the ads of Volkswagen are making you to opt it \* I learned something new and helpful about the car showcase in the ad**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.534 <sup>a</sup>	2	.063
Likelihood Ratio	5.813	2	.055
N of Valid Cases	60		

3 cells (50.0percent) have expected count less than 5.

The minimum expected count is .063.

since the calculated value is less the p value (.063) ,

the null hypothesis is rejected and the alternative hypothesis is accepted.

So, opting for Volkswagen depends on ads of Volkswagen

**Hypothesis 3**

H<sub>30</sub>: opting for Volkswagen does not depend on care show cased in ads of Volkswagen

H<sub>31</sub>: opting for Volkswagen depends on care show cased in ads of Volkswagen ACCEPTED

**Do you feel that the ads of Volkswagen are making you to opt it \* this ad made m what to find out more information about the care showcased**

**Chi-Square Tests**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.119 <sup>a</sup>	2	.001
Likelihood Ratio	15.357	2	.000
N of Valid Cases	60		

a. 2 cells (33.3percent) have expected count less than 5.

The minimum expected count is .001

since the calculated value is less the p value (.001) , the null hypothesis accepted. is and the alternative hypothesis is rejected.

So, opting for Volkswagen depends on care show in ads of Volkswagen

**Hypothesis 4**

H<sub>40</sub>: Ads of Volkswagen doesn't make customers to visit a dealer ACCEPTED

H<sub>41</sub>: Ads of Volkswagen make customers to visit a dealer

**Do you feel that the ads of Volkswagen are making you to opt it \* I am more likely to visit a dealership after watching this ad**

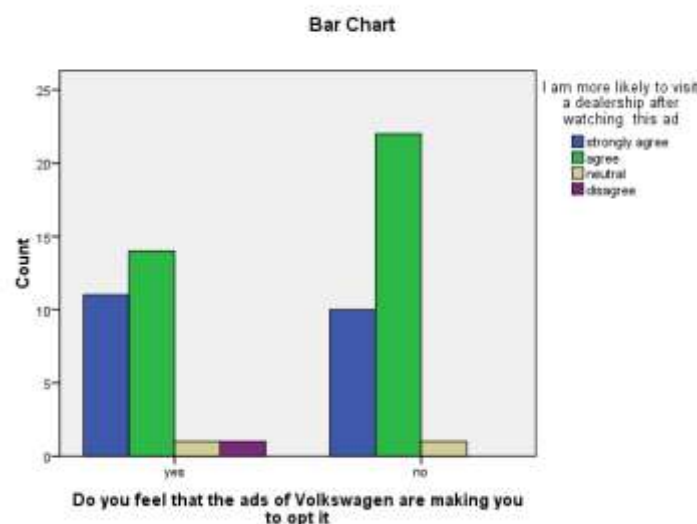
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.248 <sup>a</sup>	3	.523
Likelihood Ratio	2.626	3	.453
N of Valid Cases	60		

a. 4 cells (50.0percent) have expected count less than 5. The minimum expected count is .45.

since the calculated value is less the p value (0.55) , the null hypothesis is accepted and the alternative hypothesis is rejected.

So, Ads of Volkswagen make customers to visit a dealer



**Hypothesis 5**

H<sub>50</sub>: Ads of Volkswagen did not change the impression of the brand of car

H<sub>51</sub>: Ads of Volkswagen changes the impression of the brand of car ACCEPTED

**Do you feel that the ads of Volkswagen are making you to opt it \* This ad has changed my impression of the brand of car showcased in the ad in a positive manner**

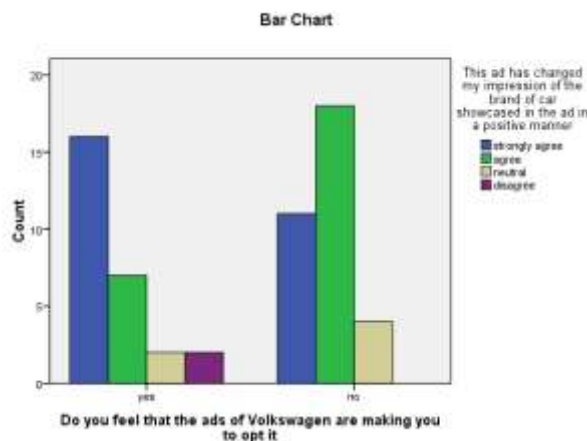
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.912 <sup>a</sup>	3	.048
Likelihood Ratio	8.792	3	.032
N of Valid Cases	60		

a. 4 cells (50.0percent) have expected count less than 5. The minimum expected count is .90.

since the calculated value is less the p value (0.90) , the null hypothesis is accepted and the alternative hypothesis is rejected.

So, Ads of Volkswagen make customers to visit a dealer



**Hypothesis 6**

H<sub>60</sub>: Ads of Volkswagen did not showcase that the car showcased is for people with a premium lifestyle ACCEPTED

H<sub>61</sub>: Ads of Volkswagen showcase that the car showcased is for people with a premium lifestyle

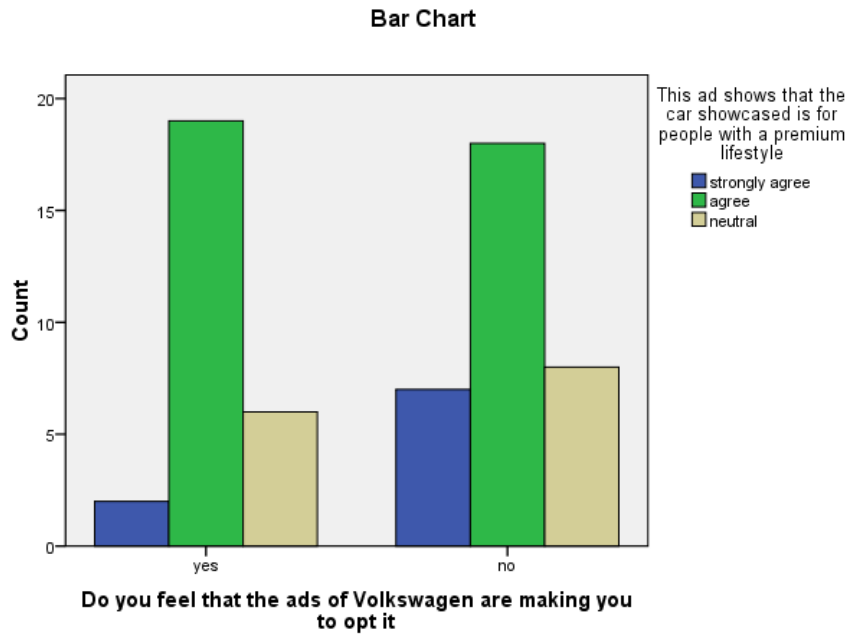
**Do you feel that the ads of Volkswagen are making you to opt it \* This ad shows that the car showcased is for people with a premium lifestyle**

**Chi-Square Tests**

	Value	df	Asym p. Sig. (2-sided)
Pearson Chi-Square	2.516 <sup>a</sup>	2	.284
Likelihood Ratio	2.655	2	.265
N of Valid Cases	60		

2 cells (33.3percent) have expected count less than 5. The minimum expected count is 4.05. since the calculated value is less the p value (0.55) , the null hypothesis is rejected and the alternative hypothesis is accepted.

So, Ads of Volkswagen showcase that the car showcased is for people with a premium lifestyle



**Hypothesis 7**

H<sub>70</sub>: Ads of Volkswagen did not showcase that the car showcased is a spacious car  
 ACCEPTED

H<sub>71</sub>: Ads of Volkswagen showcase that the car showcased is a spacious car

**Do you feel that the ads of Volkswagen are making you to opt it \* This ad show that the car showcased is a spacious car**

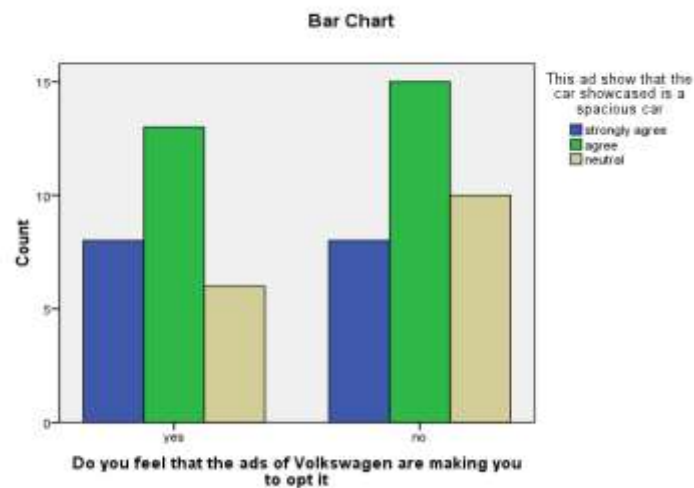
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.548 <sup>a</sup>	2	.760
Likelihood Ratio	.553	2	.759
N of Valid Cases	60		

0 cells (.0percent) have expected count less than 5. The minimum expected count is 7.20.

since the calculated value is less the p value (7.20) , the null hypothesis is rejected and the alternative hypothesis is accepted.

So, Ads of Volkswagen showcase that the car showcased is a spacious car



**FINDINGS**

- The study shows that majority of respondents are male (32) with 53.3percent and the rest of respondents are female (28) with 46.7percent
- Most of the respondent belong to the age group of <20-40> years.i.e 53 respondent
- 63percent of the respondents were of the opinion that they watch the tv ad.
- 75percent of the respondents agree that opinion Advertising is done for branding .



- 46percent of the respondents agree that opinion that they watched the newspaper ad..
- 48percent of the respondents were of the opinion that they have watched the pamphlet
- 36percent of the respondents were of the opinion that they the pamphlet is excellent.
- 45percent of the respondents were of the opinion that they the web advertisement is good.
- 61percent of the respondents think Customers remember this advertisement (remember company and product or ad.)
- 51percent of the respondents think that 30 seconds of ad is sufficient.
- 65percentof the respondents agree that Volkswagen’s advertising strategy in contrast to that of competitors
- 51.7percent of the respondents agree brand plays important role in making the decisions while purchasing
- 58percent of the respondents agree Advertising plays important role in making the decisions while purchasing
- 45percent of the respondents agree that fuel efficiency important role in making the decisions while purchasing
- 56percentof the respondents strongly agree that this ad made people&customers find out more information about the carshowcased

## SUGGESTIONS

- Volkswagen should concentrate more on promotional activities.
- Most of the advertisement activity is focused on television. So Volkswagen should also focus on other sources of media other than television for advertising.
- Most of the people were unaware of the brand so the organization should concentrate to build network of associations in the minds of customers.
- Most of the respondents are of business background so they should also concentrate on other classes of people also.
- Television advertisements of Volkswagen cars has to be widely recalled by the customers.hence the organisaton should continue with the eye cathy ads in the television to promote awareness and to entice customers to purchase the car.

□ The organization is rightly making use of the latest tools of promotion like e-mails, to discriminate product information to the target customers in urban areas. The organization may continue such noble practises.

### **Conclusion**

Advertising has a great impact on viewers and the main agenda of Advertising is not to sell the product but to develop a curiosity in the minds of the viewers about the product and services.

Volkswagen is doing a great job in selling its Autos' but has less efforts on Advertising. Volkswagen as a premium brand should concentrate on more Humorous approach on Television Commercials.

As well as in a place like Vijayawada Volkswagen should follow Print-Ads as its easy reach huge mass at a time and also less affordable.

Advertising plays a vital role in promoting a product or service of any company who would like to reach their target audience with a relevant advertising message. It's a life blood of any product success in the market place. It's the responsibility of the companies to choose right advertising agency, right message to reach out to right target audience to get a good brand recall and gain high market share of its products or services.