

NEAR EAST UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
INTERNATIONAL BUSINESS
MASTER'S PROGRAMME

MASTER'S THESIS

**AN ANALYSIS OF THE COMPETITIVENESS OF
BMW AND MERCEDES BENZ CAR BRANDS IN
NORTH CYPRUS.**

LIBERTY M MANYAZA

NICOSIA 2016

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NICOSIA 2016

NEAR EAST UNIVERSITY

GRADUATE SCHOOL OF SOCIAL SCIENCES

**International Business Master's Program
Thesis Defence**

**An Analysis of the competitiveness of BMW and Mercedes Benz car brands in
North Cyprus**

**We certify the thesis is satisfactory for the award of degree of
Master of International Business**

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DECLARATION

I hereby declare that:

This masters is the last result of my own work and has not been submitted before for any degree, examination or any related capabilities at any university or establishment and all the sources I have utilized or cited, have gotten due affirmations as complete references.

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Signature.....

Date.....

DEDICATION

This thesis is dedicated to my late father Phillip C Manyaza, and to my family for the love and support. This was done for you: your support, encouragement and faith in me kept me going.

You gave me the strength to move on for you have been with me all the way up to this day, may the Lord be with you until the end.

Mom you have equipped me to face challenges in life and that is the greatest gift that you as my mother have given me. I love you mom; you will forever be in my heart.

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ÖZ

Çalışma, Kuzey Kıbrıs'taki BMW ve Mercedes Benz markalarının rekabetçiliğini inceledi. Çalışmanın önemi, Kuzey Kıbrıs'taki otomobil endüstrisinde çeşitli rekabet otomobil markalarının bolca akın etmesinden kaynaklanıyor. Çalışma, Kuzey Kıbrıs'ın Lefkoşa, Girne, Famagusa ve Gonyeli banliyölerinden 100 müşterinin bulunduğu bir anket üzerine kurulmuştur. Veri analizinde betimsel istatistikler, korelasyon katsayısı, bağımsız t testi ve Cronbach alfa kullanıldı. Çalışmanın sonuçları, yenilikçi markaların, pazarlama bilgisinin, kredi imkânlarının, Rekabet markalarının BMW ve Mercedes Benz markalarının rekabetçiliğini olumlu etkilediğini gösterdi. Yenilikçi markalar, pazarlama bilgileri, kredi tesisleri, Rekabet markaları faktörleri de olumlu bir şekilde birbirlerini etkilemektedir.

Anahtar kelimeler: Rekabetçilik, Otomobil markaları, Yenilikçi markalar, pazarlama bilgisi, Kredi tesisleri, Rekabet markaları.

ABSTRACT

The study examined the competitiveness of BMW and Mercedes Benz car brands in North Cyprus. The significance of the study stems from the abundant influx of various competing car brands in the automobile industry in North Cyprus. The study is based on a survey of 100 customers from Lefkosa, Girne, Famagusa and Gonyeli suburbs of North Cyprus. Descriptive statistics, correlation coefficient, independent t test and Cronbach's alpha were used in the data analysis. The results from the study showed that innovative brands, marketing information, credit facilities, and competing brands have a positive effect on the competitiveness of BMW and Mercedes Benz car brands. Innovative brands, marketing information, credit facilities, competing brands factors were also observed to be positively influencing each other.

Key words:Competitiveness, Car brands, Innovative brands, marketing information, Credit facilities, Competing brands.

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LIST OF ABBREVIATIONS

GDP – Gross Domestic Product

SPSS – Statistical Package for Social Scientist

GM – General Motors

BMW – Bayerische Motoren Werke

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

This is a research on analysis of competitiveness of car brands BMW and Mercedes Benz in North Cyprus. The researcher's motivation of the study emerged from the need to help the companies (BMW, Mercedes Benz) in deciding how best the brands can be maintained or improved so as to remain competitive in the market that is dominated by big giants, for example Toyota, GM (General Motors) and a host of others. Apart from revealing the key factors that affect brand preference, the researcher also sought to investigate loyalty status of the market to the car industry. More so, the study was carried out against the backdrop of an increasingly shrinking market share, as well as increasing competition from new entrants namely TESLA.

This first chapter sets the basis for the research by firstly introducing the background information of the study. The chapter will also cover issues like the statement of the problem, objectives and research questions. The researcher will also try to show the reasons for undertaking such a study. At last, limitations which were encountered during the research will be mentioned.

Founded in 1917, the BMW Group is now one of the ten largest car manufactures in the world and, with its BMW, MINI (British cult car of the 60's), Rolls Royce brands, possesses three of the strongest premium brands in the car industry. Also has a strong position in the motor cycle sector and operates a successful financial services business. The company aims to generate profitable growth and above average returns focusing on the premium segments of the international automobile markets. With this in mind, a wide ranging product and market offensive was initiated in 2001, which has resulted in the BMW Group expanding its product range considerably and strengthening its world-

wide market position.

Mercedes-Benz is a multinational division of the German manufacturer Daimler AG, and the brand is used for luxury premium automobiles, buses, coaches, and trucks. Mercedes-Benz is headquartered in Stuttgart, Baden-Württemberg, Germany. Mercedes-AMG became a majority owned division of Mercedes-Benz in 1998. The company was integrated into DaimlerChrysler in 1999, and became Mercedes-Benz AMG beginning on 1 January 1999. Between 2003 and 2009, Mercedes-Benz produced a limited-production sports car with McLaren Cars.

The two companies' brands are extremely strong as they are driving change in a highly competitive market place and is associated with high performance, engineering excellence and innovation. Indeed, the BMW is often cited as one of the 'best' in the world, and the company continues to launch a stream of innovative products as part of its battle with German peer Mercedes to be the world's largest luxury car maker.

Expensive advertising cannot make up for weak brands but a strong brand can create significant value in the automotive industry. The brands have of late been undergoing a decay due to a steady loss of the piece of the pie in this case losing market share to other competitors. The market is shifting due to customers slicing the market into more focused pieces thus being differentiated. Fulfilling the market's demand for new niche products is a strategic risk anyone in the industry has to take. Matching future segmentation research to product development or product line extensions can be troublesome.

Regardless of serious enthusiasm for their energy, car brands remain generally ineffectively caught on. Car brands have a noticeable part that brand positioning and development play in numerous automobile makers' business techniques. Seeing how clients consider auto brands gives profitable bits of knowledge into customer brand perception and this is discernment of one's brand.

Matching future segmentation research to product development or product line extensions can be troublesome. There are methodologies to execute line expansions without confounding and losing your customers (Trout, 2005). What these strategies

have in like manner is consideration regarding the brand's position coordinated to a clear comprehension of future customer needs.

This has been compounded by the current financial circumstance, which has brought on a few hardships in the auto industry, inciting different organizations to shut down. The current financial hardships have additionally been a thistle in the tissue for the two organizations, as the high inflation rates have been driving steady increments in the costs of the brands to pad it from the rising costs of production.

However, of much concern has been the expansion in rivalry in the business sector from different makers being competitors, even under these cruel financial conditions. There has additionally been a flood of foreign car brands for the most part from China, which are less expensive and have been dissolving the organization's piece of the overall industry on the world market.

Considering the way that business markets are constantly changing, competitor brands should be managed with awesome consideration as a method for keeping up or enhancing their market positions. Changing consumer tastes and inclinations and the macro-environment everywhere may influence once competitive brands subsequently the need to nearly screen all the marketing variables.

Having realized that branding is one of the fundamental principles in the business environment, the researcher carried out an investigation of the competitiveness of car brands for example General Motors, Toyota, Maserati and a host of others.

Several complaints have been received from customers citing for example ever since VW admitted cheating emissions tests in the US, also affecting other manufacturers like Porsche and Audi as well as their models with modified software as accused by the EPA. BMW models also have the same software resulting to cheatings on miles per gallon either. This to the researcher a true opposite to the marketing campaigns and has brought interest to the researcher to monitor how competent are the brand after all those problems the marketing department have received. Customers have also shown concern about the luxury and safety of the BMW and Mercedes Benz brands.

1.2. Statement of the problem

The research study sought to establish empirically an analysis of the competitiveness of BMW and Mercedes Benz car brands in the North Cyprus. With numerous car brands being introduced at relatively significant different prices, the competitiveness of car manufacturers is being put on the hook. This stems from cheaper car brands that are being exported from countries such as China that are greatly hampering the competitiveness of foreign car manufacturers. However, assertions by Porter (1998) exhibit that an increase in demand for high quality products by consumers and the ability of suppliers to shift costs to other market participants can heighten a firm's competitiveness. Despite stern improvements in quality of cars produced, famous car brand manufacturers have encountered impediments in improvements in competitiveness. However, ideas by Cravens (1994) have shown that changes in competitiveness greatly hinge on changes on customers tastes and preferences. Thus there is no clear cut about factors that are inflicting changes on the competitiveness of car manufacturers. This study therefore thrives to ascertain the competitiveness of car manufacturers in relation to BMW and Mercedes Benz in North Cyprus.

1.3. Objectives of the study

This research aims to reveal the following objectives:

1. To compare awareness levels of car brands.
2. To investigate how customers, perceive product quality of competing brands
3. To establish brand preference levels for different brands.
4. To determine satisfaction levels of customers to their preferred brands.
5. To assess brand loyalty levels of the competing brands.
6. To identify the key strengths and weaknesses of the brands.
7. To compare product availability and delivery efficiency of competing brands.

1.4. Research questions

1. What are the awareness levels of car manufacturing brands?
2. How do customers perceive product quality of competing brands?
3. What are the levels of brand preference for the four brands?
4. What are the satisfaction levels of customers to their preferred brands?
5. What are the brand loyalty levels of the competing brands?
6. What are the key strengths and weaknesses of the brands?
7. Compare product availability and delivery efficiency of competing brands

1.5. Assumptions

The following are assumptions that have made it easier for the researcher to conduct the research:

- The product is of high quality
- The brand enjoys a fair market share
- Customers have the ability to purchase the brand
- There are complaints from the customers
- Customers are aware of the brand's presence

1.6. Importance of the study

The essence of this study was attributed by the fact that the findings would help in deciding how best the brands (BMW, Mercedes Benz) could be maintained or improved so as to remain competitive. Apart from revealing the key factors that affect brand preference, the researcher sought to investigate loyalty status of the market with a global perspective. The study was also designed to unearth the challenge competing brands pose on each other and to establish how these brands are perceived in the market.

The researcher undertook the research with the hope that it will help the company in deciding how best its brand could be maintained or improved so as to remain competent in the market that is dominated by big giants like Toyota (Lexus) and General Motors (GM). The researcher also wants to reveal to the companies, the problems posed by other competing brands. The researcher will unleash recommendations and these will go

an extra mile in deciding the best path to follow, so that the organization can attain its objectives. The research would also assist the organizations to assess and measure the performance of their brands. The link between the brands and company success will be revealed.

The writer recognized that interpreted and analysed research data helps to 'uncover opportunities and reduce the risks in decision making, that is it reveals the path that the organization can exploit and help the organization again to avoid actions that can avoid or hinder them from attaining their set organizational goals. Consequently, this study was carried out to enable Car brands to identify their strengths, weaknesses and threats so that marketing and international business action can be implemented thereafter and enables a viable operation that would lessen weaknesses and threats by exploiting areas of strength.

1.7. Limitations

The following are the problems the researcher encountered during his research:

- Time constraints
- Low response and delayed responses
- Refusals
- Financial limitations

1.8. Delimitations

The study was carried out in North Cyprus, it concentrated on automobile users. Only those who use the BMW and Mercedes Benz were the subjects of the study. The study had a look on branding in its totality, but with special attention to aspects of brands that aid to competitiveness of brands under study. The research focused on brands produced by four manufacturers, which are BMW, MercedesBenz, General Motors, and Toyota. The research was carried within the period that stretches from February 2016 to June 2016.

1.9. Definition of terms

- Brand - A brand is a collection of experiences and associations attached to a company, organisation, product or service; more specifically, brand refers to the concrete symbols such as a name, logo, slogan, and design scheme. A brand is a symbolic embodiment of all the information connected to a company, organisation, product or service
- Brand extension- Brand extension or brand stretching is a marketing strategy in which a firm marketing a product with a well-developed image uses the same brand name in a different product category.
- Brand loyalty - It refers to the degree to which consumers consistently buy the same brand within a product class. Or brands that consumers buy repeatedly from the same manufacturer over time rather than buying from multiple suppliers within the category.
- Competitiveness- This is the ability of a firm or nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them.
- Competitor - Any person or entity which is a rival against another. In business, it is a company in the same industry or producing a similar product or service. The presence of one or more competitors can reduce the prices of goods and services as companies attempt to gain a larger market share.
- Marketing intelligence- Market Intelligence (MI) is the information relevant to a company's markets gathered and analysed specifically for the purpose of accurate and confident decision-making in determining market opportunity, market penetration strategy, and market development metrics.
- Marketing strategy - A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. A marketing

strategy should be centred on the key concept that customer satisfaction is the main goal.

1.10. Summary

Chapter one gave an insight into the research by revealing a brief background of the problem under study. The researcher stressed objectives and research questions that gave direction of the research. Without assumptions, the research couldn't be a reality. The researcher gave an outline of assumptions that guided the research. Key terms in the research were defined, with the importance of the study being touched. Some constraints that the researcher met were also stressed. The next chapter explores the related literature that others writers have propounded concerning the subject under review.

CHAPTER TWO

THEORETICAL AND EMPIRICAL LITERATURE REVIEW

2.1 Introduction

Branding is globally vital as we live in modern world covered with a sensation of colour, name, term, sign a brand as it serves brand owners, distributors and more importantly, customers in both consumer and industrial markets.

The need for branding and the changes associated with brand building has resulted in the acquisition of companies that own powerful brands by other business enterprises. Several firms are enjoying the benefits of strong brands through licensing, for example successful brands generate financial assets which yield valuable cash flows for shareholders. For a brand to be successful, the product or service concerned should be identifiable and developed in such a way that it competitively matches customers' requirements more closely. Additional attributes such as image, service and support are, amongst others, the vital aspects in creating a brand's competitive edge. The duty of international marketing is to create a preference for the company's brands and ensure that customers become loyal to their brand.

2.2 Theoretical literature

2.2.1 Porter's competitive

This part concerns the structure of related theories we received as our theoretical premise. Our theories wilderness comprises of Five-Force Model. The concept will be characterized from the academic literatures perspective successively inside this part.

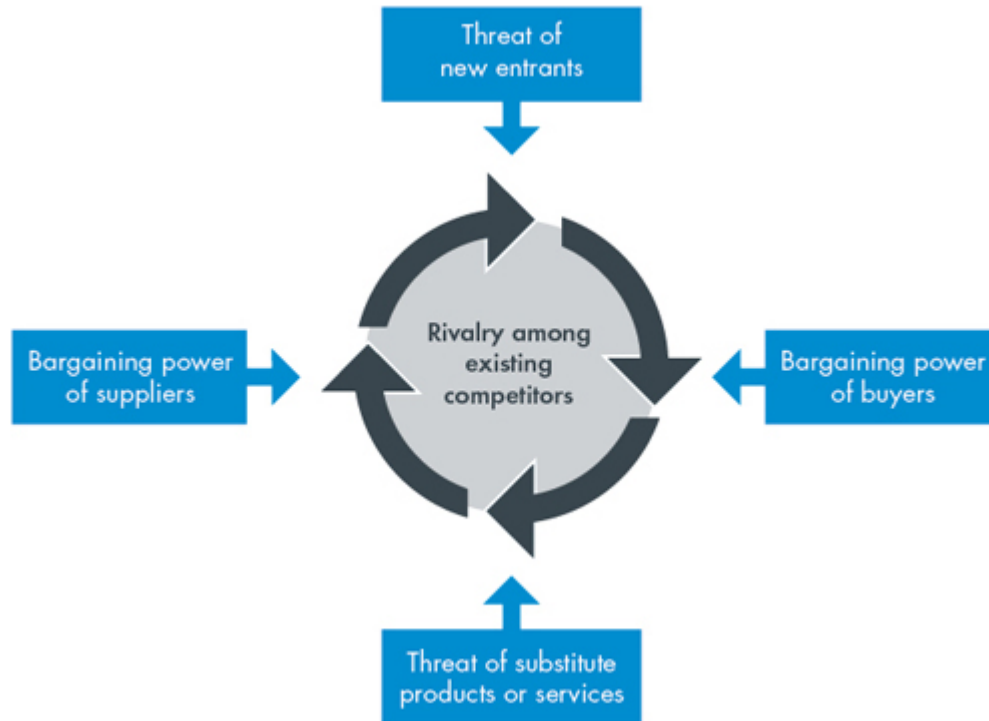


Figure 1 Five Forces That Shape Industry Competition (Source: Harvard Business Review, 2008)

Porter's Five Forces is a framework for industry analysis and business strategy development formed by Michael E. Porter of Harvard Business School in 1979. The five forces diagnostics, comprising of the buying power of buyers, the bargaining power of suppliers, the threat of new entry, the threat of substitutes, and the intensity of rivalry, permits the long-term profitability of any industry to be comprehended, and in addition how organizations can influence industry rivalry in their favours. (Porter, 2008)

2.2.1.1 Threat of entry

It is not just incumbent rival who posture threat to existing firms in an industry. New entrants to an industry convey new limit and a yearning to gain market share of the overall industry that puts weight on prices, costs and the rate of venture important to contend. The threat of entry puts a cap on the profit capability of an industry. At the point when the threat is high, incumbents must hold down their prices or help speculation to dissuade new contenders. (Porter, 2008)

2.2.1.2 The power of suppliers

Powerful suppliers catch a greater amount of the worth for themselves by charging higher prices, constraining quality or administrations, or moving expenses to industry participants. Powerful suppliers, including suppliers of labour, can crush profitability out of an industry that can't go on cost increments in its own particular price. (Porter, 2008)

2.2.1.3 The power of buyers

Powerful customers the other side of powerful suppliers-can catch more esteem by compelling down costs, requesting better quality or more service, and generally playing industry participants off against each other, all to the detriment of industry profitability. (Porter, 2008).

2.2.1.4 The Threat of substitutes

A substitute performs the same or a comparative capacity as an industry's product by various means. In the event that an industry does not separate itself from substitutes through, product performance, promoting, or different means, it will endure as far as profitability and frequently growth potential. (Porter, 2008)

2.2.1.5 Rivalry among existing competitors

Rivalry among existing competitors takes numerous familiar structures, including prices marking down, new product presentations, promoting, campaigns, and service upgrades. High rivalry confines the benefit of an industry. The extent to which rivalry drives down an industry's profit potential relies on upon the power with which companies contend and on the premise on which they compete.(Porter, 2008).

2.3 Branding aspects of competitiveness

2.3.1. Branding

Branding is a management and marketing philosophy that entails the use of names, terms, phrases, signs, symbols or designs, or any combination of them (Kotler, 1991; Bovee and Thill, 1992) intended to distinguish the goods or services of an individual or organization and to differentiate them from those of competitors. However, de Chernatory and McDonald (1998) observe that branding is not merely an identification

tool but is a result of a consistent marketing approach that incorporate all marketing mix elements in products, services, people, places, companies and ideas.

Branding is a promise made by a company to the consumer, a relationship, a contract between the company and the consumer, and an expression by the consumer of a lifestyle of choice (Muhlberg, 2001), or a mixture of tangible and intangible attributes which generate value. Tillinghast (2001) defines branding as an association, created in the mind of the potential buyer, between a particular make of product and a desired characteristic.

Definitions reveal primary elements of branding such as differentiation, involvement of marketing mix components and the need for research and development in branding.

The following are other forms of brands according to Muhlberg (2001)

- Numerals or letters (or combination), for example
- Slogans, for example the ultimate driving machine. BMW. Sheer Driving pleasure [HTTPS:// autospirit.wordpress.com/brand](https://autospirit.wordpress.com/brand)
- Names and likenesses of celebrities, for example Air Jordan (after Michael Jordan by NIKE)
- Colours and colour combinations, for example, green and yellow is recognized in the petrol business as a brand of BP
- Sounds, smell or a product shape.

A brand name is a constituent of a brand that can be spoken including letters, words or numerals, (Kotler, 1991) for example in this scenario BMW.

2.3.2 Brand loyalty

Brand loyalty can be defined as the level of commitment that customers possess toward a particular brand, as may be presented by their continued purchase of that brand, or the extent to which a consumer prefers or accepts a specific brand. Crawford (2002:11) clarified that brand loyalty 'is when customers are made aware of attractive alternative but make a conscious decision to remain with their familiar brand.' The belief is that brand loyalty is achieved by satisfying customer needs.

Customers in bid to satisfy their need of acquiring a brand they prefer, and a brand which is widely known in the marketplace acquires brand recognition. When brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiment in the marketplace, it is said to have achieved brand franchise. The number one goal in brand recognition is the identification of a brand without the name of the company present. According to Skinner and Ivancevich, (1992), consumers follow three stages of brand loyalty namely brand recognition (awareness), brand preference and brand insistence.

- Recognition- During the first stage, the consumer will recall the presence of the brand.
- Preference- After evaluating the particular brand and developing a positive attitude, preference occurs thus the customer will purchase the brand if it is available.
- Insistence- On this stage, buyers will not accept a substitute for their favourite brand.

According to the professor Kotler, (1991); Wilson et al (1992), classifies brand loyalty status into four groups according to the degree of commitment shown by the consumer.

- Hard-Core loyals: Customers who buy one brand every time.
- Soft-Core loyals: Loyal to two or three brands.
- Shifting-loyal: Shift from favouring one brand to another.
- Switchers: Show no loyalty to any brand.

Companies selling in a brand loyal market, one which is dominated by hard-core loyals, find it difficult to gain market share while new entrants face the challenge to penetrate. This is because strong brands have sound basis to override problems that can easily destroy weaker brands and also that regardless of the company's marketing strategies to gain market share, will yield nothing as customers identifies themselves with certain existing brands.

Besides offering a hedge against market share loss to new entrants and attracting local authority and government support, companies with strong brands find staff recruiting very easy because people are eager to work for such companies and to be identified with such powerful brands. As explained by Delpont (1998), high brand loyalty is of great value to the marketer as the consumer will not only demand the particular brand, but will be the best secondary marketer because he or she will promote the brand to the uninformed. De Chernatory and McDonald (1998:18), reiterate that ‘successful brands are valuable because they guarantee future income streams.’ Brand loyalty lays a strong basis for the company to charge premium prices because the brand is perceived to be of high quality thus customers believe that it offers value for their money and won’t hesitate to pay any amount. As a result, a company can charge higher prices for the same product to that of their rivals without losing the market share to competitors.

2.3.4 Brand attributes

Brand attributes are the functional and emotional associations which are assigned to a brand by its customers and prospects. Brand attributes can either be either negative or positive, and can have different degrees of relevance and importance to different customer segments, markets and culture. Brand attributes are the basic elements for establishing a brand identity.

2.3.5 Brand essence

The brand essence is an articulation of the ‘heart and soul’ of the brand. A brand essence is typical three to five short word phrases that capture the core essence or spirit of the brand positioning and the values characterizing the brand. The essence is the description which defines a brand and the guiding vision of the brand. BMW's essence has been, is and will always 'driving pleasure' there is no magic behind it. The company’s success lies in its strong sense of identity namely equality, continuity and singularity.

Paul Hague states that in arriving at the brand essence of a company, it may be helpful to use a “bull’s eye” tool. This sets the brand essence in the context of what customers say and think about a supplier, what evidence there is that the essence is being delivered and the personality of the company.

2.3.6. Brand extension

Brand extension or family branding is whereby firms which manufacture or handle different items attach a single name to a particular line or related products or services. An existing strong brand name can be used as a vehicle for new or modified products; for example, BMW has used the leverage of a well-known brand name extending to fashion and designer companies, shoes and accessories, sunglasses etc. Mercedes Benz also doing the same, Porsche to bicycles, Ferrari to perfume, shoes, jackets Caterpillar to shoes and watches, Michelin to a restaurant guide. Dunlop extended its brand from tires to many other rubber products such as shoes, golf balls, tennis racquets and adhesives.

There is a difference between brand extension and line extension. When BMW launched 3 Series, 5 Series, 7 Series, X series, Z line (driven by Pierce Brosman as James Bond in Golden Eye and a Z4 roadster in the Zombie film "Warm Bodies" they stayed within the originating product category of automobiles in a bid to target diverse market segments and increase sales, though this risks diluting brand image, especially when extending the brand to lower-quality products. But a series of studies shows that the positive effects of line extensions to higher quality are stronger than the negative effects of line extensions to lower quality for example the Mini being of lower quality targeting the middle class turned to be success.

In other industries Procter& Gamble (P&G) did likewise extending its strong lines (such as Fairy Soap) into neighbouring products (Fairy Liquid and Fairy Automatic) within the same category, dish washing detergents. These are examples of line, not brand extensions.

2.3.7 Brand orientation

Brand orientation is a deliberate approach to working with brands, both internally and externally. The most important driving force behind this increased interest in strong brands is the accelerating pace of globalization. This has resulted in an ever-tougher competitive situation on many markets. A product's superiority is in itself no longer sufficient to guarantee its success. The fast pace of technological development and the increased speed with which imitations turn up on the market have dramatically shortened product lifecycles. The consequence is that product-related competitive

advantages soon risk being transformed into competitive prerequisites. For this reason, increasing numbers of companies are looking for other, more enduring, competitive tools such as brands. Brand Orientation refers to "the degree to which the organization values brands and its practices are oriented towards building brand capabilities" (Bridson& Evans, 2004)

2.4 Levels of branding

A level of a brand is the way in which further value can be incorporated into brands to satisfy consumers' needs, (de Chernatory and McDonald, 1998). According to Doyle (1998), branding is composed of four major elements which are a quality product or service, a basic brand, the augmented and potential layers.

2.4.1 Generic level

This is the simplest level which specifies why the firm is in the market, and is an equivalent of the service concept in service marketing. New products hold little chances of success if they perform much better than already existing competitors. Product quality is the golden background upon which all other brand associations are constructed, though quality can be easily copied by competitors through me-too products, (de Chernatory and McDonald, 1998; Doyle, 1998), and if existing brands are not updated as superior technology and features are available, they will become obsolete.

2.4.2 Expected level

As explained by de Chernatory and McDonald, 1998; Doyle, 1998), at this level the marketer delivers the primary product or service elements to meet minimum customer requirements or expectations in an appealing manner. The basics are the essential marketing mix elements such as brand name, design, packaging, logo, colour, price, quality and marketing communications. Doyle (1998) emphasizes that the brand elements should fulfill the following core characteristics.

- Support product performance, for example packages should keep products in good condition and distribution channel must offer efficient and effective delivery and servicing.
- Differentiate the brand; facilitate brand awareness and recall, for example

through the use of a simple brand name.

- Contribute to the brand's positioning strategy.

In service marketing, this level takes the form of a basic service package that includes the core facilitating and supporting services (de Chernatory and McDonald, 1998). For example, in the transport sector the service supplier should be able to move passengers or goods from one area to another efficiently, timely and safely.

2.4.3 Augmented level

At this level the company seeks the competitive edge (Doyle, 1998) by broadening the core product or service offering with supplementary products and services. To augment his main service, an airline operator can offer free refreshments and entertainment facilities to passengers. Similarly, an adhesive marketer can gain a competitive edge through furnishing customers with information that facilitate maximum product life-span, help customers to fit the belts and offer through after sales service. Doyle (1998) further contemplates that in order to keep hold of loyalty and price premiums, marketers offer further benefits like services, unlimited guarantees and also financial support to their customers, a practice that poses more challenges for competitors to copy.

In service marketing, Gronroos (1990) calls this level the augmented service offering. That is, the processes and interactions between the company's human and equipment resources and its customers for the production and delivery of the service.

2.4.4 Potential level

Eventually, users may regard the augmentation level as a standard requirement for brands, (de Chernatory and McDonald, 1998; Doyle, 1998) thus brand marketers must become more innovative and come up with new added values to push their brands into potential level. At this level, Doyle(1998) observes that a brand's added values are so great that the customer will not intentionally accept substitutes even when the available alternatives are significantly cheaper or more readily available.

As suggested by Doyle, (1998), a brand which achieves its potential normally possesses the following characteristics.

- Good quality products or services.
- Being first in the market (pioneering).
- Unique positioning that distinguishes the product from competitors.
- Strong communications, for example selling and advertising.
- Time and consistency – building up and maintaining added values.

The potential level is generally challenging and de Chernatory and McDonald (1998) observe that it largely depends on the marketers' creativity and their financial resources. Conducting customer researches is still indispensable if the brand is to remain flourishing.

2.5 Branding strategies

According to Paul Hague of B2B International Ltd, the starting point of a brand strategy is to work out what the company stands for. Determine the single most important value that the company presents to the world. For instance, if the company's back is to the wall, how would it react to a demanding customer? And, now think through every contact with the outside world and question whether or not it presents these values. What does it sound like when the phone is answered? What consistency of messages comes from the appearance of the sales and technical team? Do the cars that people drive when they visit customers, do their clothes and do the words that come from their mouths correspond with the values of the company? Does the response that a company makes to a customer or potential customer fit with the position it thinks it holds. These are the acid tests that a company needs to apply to determine where it sits on the branding ladder. Below is the branding ladder adopted from Paul Hague's article, Branding in Business to business markets

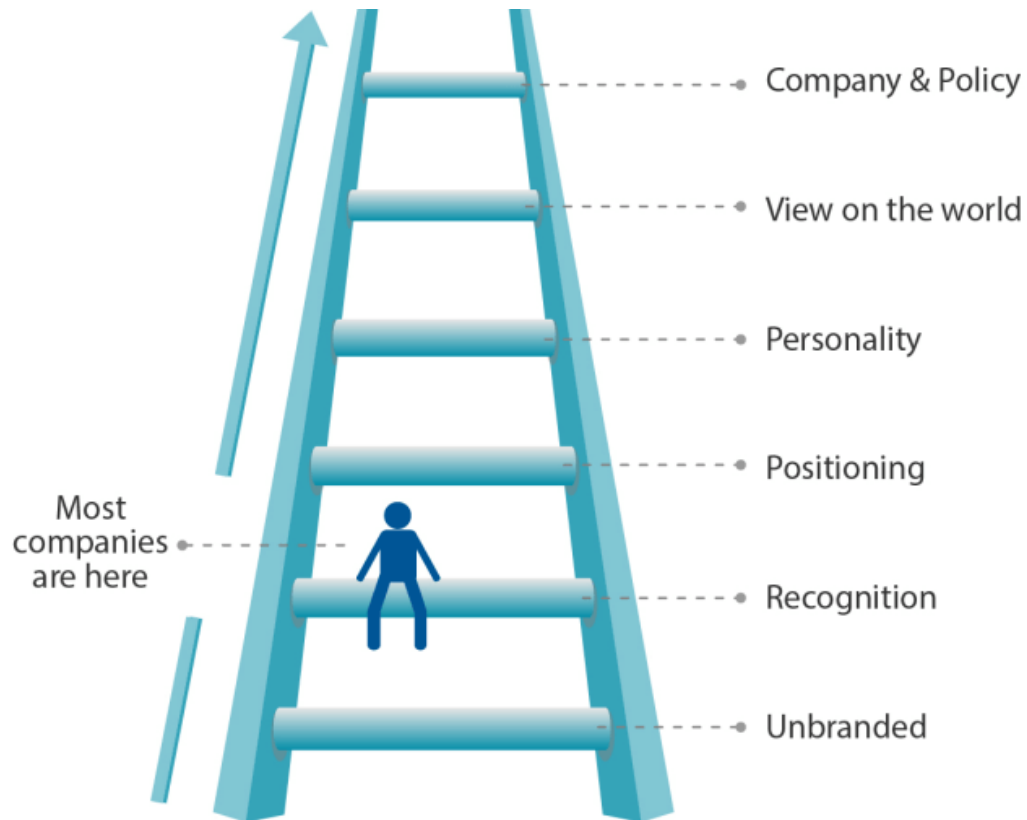


Figure 2.3: The branding ladder (Source: Hague,n.d)

2.6 Branding and marketing intelligence.

Kotler (1991) defines a marketing intelligence system as ‘a set of procedures and sources used by managers to obtain their everyday information about pertinent developments in the marketing,’ and as such the process supplies managers with ‘happenings data’.

The information is obtained through reading books, newspapers and trade publications, talking to customers, suppliers, distributors and the general public. The firm might learn of new entrants, a competitive change or a new customer need while it is too late to take action hence the need for marketing intelligence. In order to improve the flow of marketing intelligence, (Kotler, 1991), a company can train and motivate sales force to search and report new developments or motivate middlemen to pass on relevant and current information. A firm can also establish internal marketing information centres or purchase the information from outside suppliers. This helps the company to have a ‘current mind’ all the time and as such a firm will always be ready to defend or improve

its brands' market share or positions and if need be, repositioning can be effected. Overlooking market intelligence is very costly to any business entity as this normally results in market share loss.

2.7 Competitor analysis

According to Cravens (1994) for a successful competitor analysis programme, it needs to evaluate the following seven key areas of competitor strengths and weaknesses;

1. Sales and market position in segment served
2. Level of customer satisfaction
3. Competitive positioning
4. Innovativeness
5. Management capabilities
6. Methods of distribution
7. Product portfolios

Kotler (1991) contends that knowing one's competitors is critical to effective marketing planning. A company's must constantly compare its marketing mix with its competitors. In this way it can identify areas of competitive advantages and disadvantages. The company can launch more precise attack on its competitors as well as prepare a stronger defence against attacks so as to defend its market share which contributes to the overall sales of the company. He says that a company to know five things; who our competitors are. Four levels of competitors are distinguished.

1. A company can see its competitors as another company offering a similar product or service to the same customers at similar prices. A company can also see its competitors as all companies making the same product or class of products. Alternatively, competitors can be viewed even more broadly as all companies manufacturing products that supply the same service. On the other hand, a company can regard its competitors still more broadly as all companies that compete for the same consumer dollars.
2. Identifying the competitor's strategies. It should know each competitor's product quality, features, pricing policy, distribution coverage, sales force strategy,

advertising and sales promotion, purchasing and manufacturing and research and development.

3. Determining the competitor's objectives. The company should know the relative weights a competitor places on current profitability market share growth, cash flow, technological leadership, service leadership and so on. Knowing a competitor's weighted mix of objectives allows a company to know whether the competitor is satisfied with its current financial results, and how it might react to different types of competitive attacks.
4. Assessing the competitor's strengths and weaknesses. This is done by gathering key recent data on each competitor' business particularly sales, market share, profit margin, returns on investment, cash flow, new investment and capacity utilization.
5. Estimating the competitor's reaction patterns. A competitor's objectives strengths and weaknesses go a long way towards predicting its likely moves and reactions to accompany moves such as price cuts, a promotional set up or a new product introduction.

According to Thompson (1995) competitor analysis is broader than that. Competitive analysis requires managers to dig deeply into the industry's competitive process in order to discover the main sources and strengths of competitive pressure. This analytical step is essential because managers cannot devise a successful strategy without understanding the industry's competitive character.

As Porter (1980) has convincingly demonstrated, the state of competition in industry is a composite of five competitive forces. Analysis of the competitive environment requires an assessment of the strengths of each one of the following five competitive forces.

- Competing sellers in the industry.
- Competitive forces of potential entry.
- Competitive pressures from substitute products
- The bargaining power of suppliers.
- The bargaining power of buyers.

Good competitive strategies provide good defences against the five competitive forces. Also according to Porter (1980), in his framework for competitor analysis, competitor analysis comprises of four principal diagnostic components: future goals, assumptions, current strategy and capabilities. He also emphasizes the importance of interpreting facts about competitors so as to answer questions about their profiles such as:

- Is the competitor satisfied with its current position?
- What likely moves or strategy shifts will the competitor make?
- Where is the competitor vulnerable?
- What will provoke the greatest and most effective retaliation by the competitor?

2.8 Distribution effectiveness.

According to Boone and Kurtz (1996),” distribution involves a broad range of activities aimed at efficient movement of finished goods from the end of the product line to the consumer.” Distribution includes such important decision areas as customer service, transportation, inventory control, protective packaging and materials handling, order processing, warehousing and distribution site selection. Customer satisfaction therefore depends heavily on the reliable movement of products to ensure availability. According to these two writers, effective distribution entails the following,

- What level of customer service should be provided?
- How will the products be shipped?
- How much inventory should be maintained at each location?
- How should the orders be handled?
- How can efficient methods be developed for handling goods in the factory and transport terminals?
- Where will the goods be located; how many sales offices or warehouses should be utilized?

Evans (1992:132) says “distribution is a customer service, which is customer oriented, with the aim of customer satisfaction.” And according to him the significant elements of

effective distribution in addition to those cited above are as follows;

- Stocks in hand for emergencies.
- Ability to anticipate demand in advance.
- Good communication networks with suppliers.

According to Wilson and Gilligan (1998), distribution is a process by which orders obtained through the promotional mix are fulfilled. It is argued that the level of satisfaction engendered by order filling activities will affect the placing of repeat orders. Distribution is concerned with activities that create time, place, and form utility, that is, it is concerned with moving goods from the producer to the targeted consumers and, it begins when the supplier receives the order from the customer. Lancaster and Reynolds (1995) assert that when customers place an order their main concern is on the efficiency of the supplier's distribution system, that is, the likelihood of receiving the goods on time.

The importance of distribution is highlighted by Doyle (1997) when he rightly expresses that decisions on distribution are very crucial because they ultimately affect all other marketing mix choices and because once made, they are difficult to alter.

As Needham and Dransfield (1995) argue that time is of the essence in distribution and managers should try and ensure that goods are moved efficiently to meet customer needs on time. This makes it apparent that if the product is not available when and where the customer wants it, it will surely fail the market. This requires the company to select the best channel of distribution for its products since a company that sends its goods at a time when customer needs have already been satisfied is at a competitive disadvantage. Doyle (1997) in support contends that an election has to be made on whether to sell directly to the consumer or via distributors and retailers. Once the choice has been made there is a need to maintain consistency.

In developing a distribution strategy, the firm has to make choices about the types of intermediaries to use, number to use, specific tasks they are to undertake (storage, advertising, pricing, and transport). The above shows that marketing channel decisions are key decisions, which involve the choice of intermediaries and detailed consideration

of the physical distribution implications of all alternatives. The evaluation of intermediaries is therefore, of significant importance. The distribution manager must however balance each component (transportation, inventory control, protective packaging and materials handling, order processing, warehousing and distribution site selection) so that no single aspect is stressed to the detriment of the system's overall functioning. The ultimate goal of the distribution function is to produce a specified level of customer service while minimizing the costs involved in the physically moving and storing of the product from its production point to its ultimate purchase.

2.8.1 Evaluation criteria for intermediaries

McDonald (1995) states that regardless of the type of intermediary to be used there are a number of basic evaluation criteria that could be used, for example:

- Do they now or will they sell to our target market segment?
- Is their sales force large enough and trained well enough to achieve our regional sales forecast?
- Is their regional location adequate in respect of their retail (and other) outlets served?
- Are their promotional policies and budgets adequate?
- Do they satisfy customer after sales requirements?
- Are their product policies consistent with our own?
- Do they carry competitive lines?
- What are their inventory policies regarding width, depth and cover?
- Are they credit-worthy?
- Is distributor management receptive, aggressive and flexible?

The above factors should be noted when making specific decisions on the selection of distributors since choice of the distributor would affect the market performance of the product. In agreement, Marx et al., (1989) contend that distribution outlets project a personality or image to the product, which can negatively or positively affect the positioning of a product on the market. This strengthens the need to be selective in choosing distributors of the company's offerings. Doyle (1997) and Malcom (1995) in

agreement, rightly express that central to the problem of channel management is the recognition that distributors are independent businesses with goals that are at least partially conflicting with those of the manufacturer. This conflict in the respective objectives between suppliers and their distributors gives rise to misunderstandings and suspicion in the relationship. This makes it imperative to note that such conflict might force distributors to put little effort in pushing the product, worst still, they might go to the extent of deliberately giving poor word of mouth to potential customers. This stresses the need to exercise extreme caution in the selection of distributors since failure to do this might be to the detriment of product performance in the market.

Wilson and Gilligan (1998) state that channel members selected should at least met three criteria as follows; firstly, they should be oriented to serving the manufacturer's interest. Secondly, they should have an interest in exploiting the firm's differential advantage especially where the product needs dealers who are capable of explaining its features. Thirdly and finally the manufacturer should be able to influence, control and motivate the prospective intermediaries.

2.8.2. Channel or trade marketing

When a channel of distribution involves middlemen, their cooperation can be crucial to the success of the overall marketing strategy. The development of channel trade marketing is very important since the success of the organization hinges on how fast its product flows through the distribution network.

According to Fill (1995) successful organizations have a system that focuses upon the needs of their distributors in the channel. Furthermore, the degree of conflict and cooperation in the channel network depends to some extent on the form and quality of communications between the firm and its distributors. It is clear that where there is poor communication, distributors may give poor attention to the supplier's products. Also, failure to provide adequate marketing support services to help the distributors to push the product to the final users might negatively affect sales leading to loss of market share. Push and pull strategies could be used to speed up the flow of the product. "Pushing (a product through a channel) means using normal promotional effort, that is, personal selling, advertising and sales promotion to help sell the whole marketing mix to

possible channel members” (McCarthy and Perreault, 1998: 428). Such an approach emphasizes the wholehearted cooperation of channel members to push the product down the channel to the final user. Using this strategy entails the increased use of personal selling because of the need to convince the middlemen to stock the offerings.

McCarthy and Perreault (1998) indicated the need to use personal selling in communications regarding channel member’s role in marketing the product, pricing, mark-ups, promotion assistance, etc. Point of purchase displays could also be used in enhancing the appeal of the product. Marx et al (1989) contend that producers make use of such displays to attract the attention of users in the store and stimulate them to purchase the product. Displays also act as an incentive for middlemen to stock the product.

A pull strategy focuses promotional efforts on the users at the end of the channel. This helps to stimulate demand for the firm’s products, and can help pull the product through the distribution channel. According to McCarthy and Perreault (1998), pulling means getting customers to ask the middlemen for the product.

2.9 Conceptual framework

The concept of competitiveness is a broad concept. Though competitiveness can possess certain common underlying factors, its determinants tend to vary between industries. Porter (2008) highlighted that competitiveness is synonymous to competitive advantage and can be attained embarking on product differentiation and cost leadership. Delving below the concepts of product differentiation and cost leadership, establishments can be made that these concepts can be extended to incorporate issues such product innovation, market response and countering substitute products.

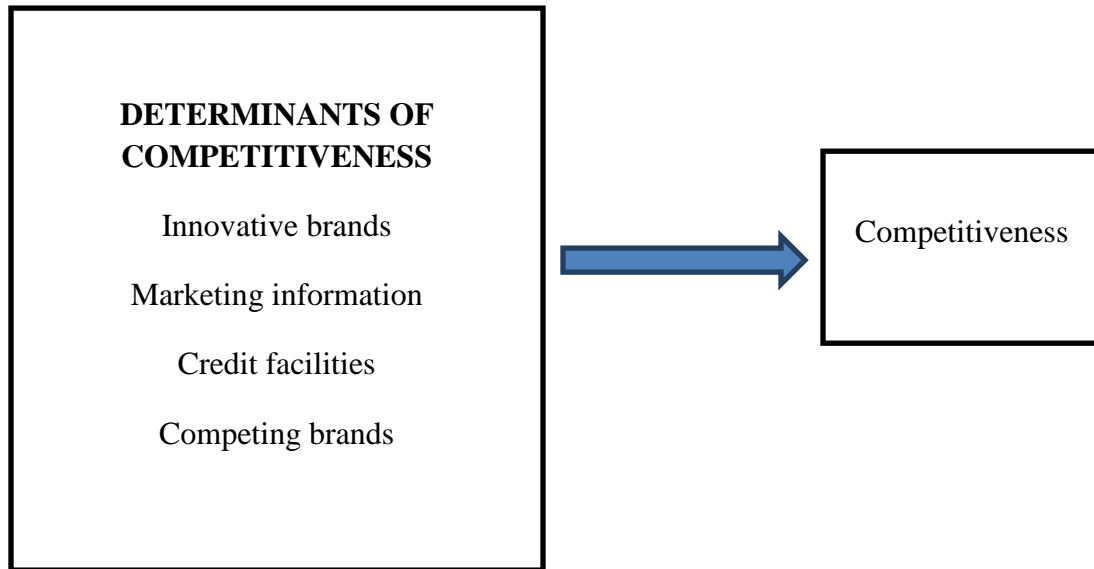


Figure 2.3: Conceptual framework

However, when relating to the automobile industry it can be noted that there are inherent common factors that influence competitiveness. As such include innovative products, ability to supply market information about the firm and its products, availability of credit facilities in the economy and substitute brands which in this case are Chinese brands. This was reinforced by Cravens (1994) who asserts that determinants such as innovative brands, marketing information and credit facilities have positive implications on competitive advantage whereas the availability of substitutes will impose negative effects on competitive advantage. The study will therefore seek to determine how these proposed determinants influence the competitiveness of Mercedes Benz and BMW automobiles in North Cyprus.

2.10 Empirical literature review

Zhao (2010) undertook a study on the competitiveness of car brands in China. The study highlights that transnational brands have dominated the Chinese car market industry in China. It also proposes that the use of the brand competitive index provided an accurate description of what is transpiring in the automobile industry in China. Recommendations were made that competitiveness can be enhanced by promoting domestic brands.

Ritter (2010) analysed the competitiveness of car manufacturers in Korea and it stems from assertions that Korean car manufacturers have increased in prominence over the last 10 years. The study showed that Korean manufacturers have changed their strategies from being a late entrant to being close dominator. It highlights that Korean car manufacturers will increasingly continue to improve their competitiveness and that European car manufacturers will also continue to face increased competition.

Holweg (2005) established that changes in production techniques to influence production output levels were key determinants of the competitiveness of car manufacturers. The study shows that there is greater need for firms to adopt changes that can shift from mass to lean production: on the dynamics of competition in the automotive industry.

Holweg(2008) conducted a study on the competitiveness of the automobile industry. The study highlights that competition in the automobile industry has taken a huge toll and that automobile makers and sellers had to be positioned greatly to counter the level of competition. Among the pointed reasons are cheaper Japanese evolutions of competition in the automotive industry. The study also pointed towards improving the quality the quality of products offered at lower cost.

McAlinden et al. (2003) undertook a study on the competitiveness of the automotive industry and how it is contributing to the to the U.S. economy. The study outlines that the US automobile industry has also significantly changed and that competitive pressures were taking another shape. Increases in competition amongst automobile producers were strongly contended to be playing a positive role on the US economy.

Jones and Prais (1978) also pin pointed that competitiveness in the automobile industry was hugely influenced by plant-size and productivity. Thus competitiveness was established to be positively related to plant-size and productivity. Hence an increase in plant-size and productivity results in an increase in the competitiveness of the automobile producer.

CHAPTER THREE

OVERVIEW OF THE CAR INDUSTRY IN NORTH CYPRUS

3.1 General overview of the economic situation in North Cyprus

The economy of North Cyprus is overwhelmed by the administrations segment which involves of the general population sector, exchange, tourism, and instruction, with light agribusiness and light assembling industry. The economy of North Cyprus works on a free market premise with Famagusta as a modern free zone site to draw in outside ventures for exportable wares for instance in this situation automobile assembly plants. The economy is impeded by the political circumstance with Turkish Cypriots, the absence of private and legislative speculations, high cargo expenses, and deficiencies of skilled work

Without a doubt the economy of North Cyprus has seen a fast development in the previous couple of years; overwhelmingly on account of tourism division. In spite of these compels the economy has demonstrated a striking execution in the course of recent years indicating development rates of 9.6% in 2014 and 11.4 with per capita income multiplying to reach \$7,350 toward the end of 2014 contrasting with US\$4,409. Despite the fact that the key part of economy is agriculture and manufacturing, their shares in the GDP diminish (farming 10.6%, fabricating 11.6% in 2003). Tourism has taken the need and its offer in the GDP increments from year to year (15.9% in 2003). Alongside tourism, the development exchange has prospered and now utilizes 17.5% of working population; more than tourism itself which include 11.4% of working population (as per measurements from 2003).

Since the North Cyprus accomplished enormous developments of economy since 1983, the managing account framework has changed unavoidably. These days other than Turkish banks, nearby North Cyprus banking works with branches of worldwide banks, e. g. HSBC which has improved banking facilities such as credit facilities. In foreign

trade Turkey remains the primary exchanging accomplice of North Cyprus, supplying 60% of imports and engrossing 40% of exports. North Cyprus tries to enhance its exports markets offering half of its exports to the Middle East.

Assistance from Turkey is significant to the Turkish-Cypriot economy. As indicated by the most recent monetary convention marked between the two nations in 2005, Turkey gives North Cyprus credits and budgetary help totalling US\$450 million over a three-year time frame for open fund, tourism, keeping money, and privatization ventures. Turkey additionally gives help annually in form of low interest loans to Turkish business visionaries in backing of export situated industrial production and tourism.

3.2 Overview of BMW and Mercedes Benz car brands

BMW is an abbreviation for Bayerische Motoren Werke AG and was established in Munich on 1916 (Netivist, n.d). Its establishment was in centred on manufacturing aircraft-engines but later expanded operations to incorporate motorcycle, cars and engines manufacturing. BMW is one of the largest players in the motor vehicle manufacturing and distribution business. Rolls-Royce and Mini car brands are a brain child of BMW.

The production of Mercedes-Benz is under the name Daimler AG which is based in Stuttgart, German and was a resultant product of Cie and Benz in 1883. Daimler AG ranks the top in terms of extravagance automakers on the planet furthermore it is in possession of the brand Maybach. Mercedes is likewise effective in Formula One (Netivist, n.d). Mercedes-Benz and BMW dominate mainstream German brands of extravagance autos. The two have amassed the notoriety for brilliant, intense and very much composed automobiles. Mercedes-Benz and BMW are a desired choice (and a fantasy) for a great many purchasers around the world.

BMW protected its worldwide lead a year ago, offering 1.81 million BMW brand automobiles, outpacing Daimler AG's Mercedes-Benz, which sold 1.65 million vehicles. Be that as it may, the opposition is quickening. BMW deals were up 9.5% a year ago while Mercedes-Benz sales rose at a quicker 13% and Audi posted a 10% addition. Also, in the initial two months of this current year.

The car brinkmanship is beginning to hit profits. The trio's 2014 earnings were up on solid volumes, yet net revenues aside from at Daimler are hinting at slipping. Mercedes-Benz prior spent intensely on growing new models, lifting its returns on car sales a year ago to 8%, from 6.2% in 2013.

The debilitating euro ought to give German vehicle creators more influence to wage value wars in the months ahead, yet the organizations' broad generation in North America and different parts of the world means the euro's slide against the dollar won't instantly mean fatter returns. Notwithstanding putting resources into new models, plants and dealerships to support deals, the extravagance auto producers likewise have been occupied with serious value rivalry, offering purchasers steep rebates.

The enormous two brands appreciate a fortunate blend of favourable circumstances, profound product line-ups, worldwide reach, and solid lingering values and shake strong brand pictures that yearning brands can't coordinate.

3.3 Overview of BMW and Mercedes Benz brand extensions and sub-brands.

BMW and Mercedes-Benz have both opted to re-brand their image and car models to appeal to a younger target group. The result: Mercedes launch of the re-designed Class A and BMW's launch of the new never before made *Series 2* car.

3.3.1 General overview of BMW branding and rebranding

➤ **Competitors:**

The new series two, which comes in two styles: coupe and convertible, contends with Mercedes CLA, Opel Astra and Audi's A3 auto models.

➤ **Recognizing a BMW in modern times:**

BMW has effectively possessed the capacity to alter and upgrade their auto's configuration, to adjust to well-known patterns, without losing its notable style and picture (Barry, 2013).

➤ **The showroom experience:**

To stay aware of exclusive requirements and desires of premium auto customers and brand lovers, BMW has chosen to institutionalize their showrooms all inclusive. This activity will safeguard that the same level of value is given around the world, (Principle).

➤ **Sound Trademark:**

Part of the re-branding process included changing their sound trademark (or sound logo) to "promptly rouse brand acknowledgment in the audience. This sound logo, a twofold gong, will be highlighted toward the end of any capable of being heard advertisements, for example, radio and TV. "(Barry, 2013). The new sound logo will assume an imperative part in brand acknowledgment amongst customers and will be another jolt or sense that one can hope to experience while experiencing the brand.

➤ **Lifestyle Stories:**

Part of the brand's advertising and re-branding procedure incorporates dispatching BMW stories: genuine stories genuine individuals. This technique adapts the autos and experience, all while viewers can identify with stories.

3.3.2 General overview of Mercedes Benz branding and rebranding

➤ **Competitors:**

Mercedes-Benz, as of late, has re-branded their line of autos keeping in mind the end goal to draw in a more youthful target group (Stuttgart, 2013). The brand's first activity was to discharge a re-demonstrated Class A conservative auto that could contend with BMW's Series1 and Audi's A1 autos.

➤ **Attracting a younger target group:**

The arrival of the Mercedes CLA (a blend of the present Class A and CLS) pulled in purchasers that were 11 years more youthful than the average Mercedes buyer (Neuman, 2014).

➤ **Prices:**

Mercedes chose to diminish the costs of their new autos, for example, the CLA and the Class A so as to pull in the more youthful business sector (Marketing mix).

➤ **Quality Service:**

Mercedes additionally concentrates on the SERVICES gave by the Mercedes delegate to pull in the targeted consumers. During the A Class Europe visit, Mercedes delegates had face to face interactions with people who had practically no collaboration with the brand (Daimler, 2013)

➤ **Social Media:**

Keeping in mind the end goal to rejuvenate its image picture to speak to a new and more youthful demographic, Mercedes took it upon them to utilize online networking as a stage to speak with a more youthful target group. One of the methodologies was to contact prevalent Instagram photographer to take photos of the new Mercedes CLA to later post and impart to their supporters, Neuman, 2014). To acquire consideration, Mercedes propelled a narrative style meeting effort that included well known famous people.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

This chapter solely explains the research design, population, research instruments, data collection and presentation procedures taken by the researcher in carrying out his thesis. The main aim of this study is to obtain enough data that will be used to answer the research questions and thereby making good recommendations.

4.2 Research design

The study focuses on the competitiveness of automobile brands in North Cyprus. Pride and Ferrell (2002) define a research design as an overall plan for obtaining the information needed to address a research problem. Also, McDaniel and Gates (2002) see it as a plan for addressing the research objective. In this research descriptive statistics and other related statistical approaches which include mean, standard deviation, correlation coefficient test and Cronbach's alpha will be used to analyse the data. These methods are very significant in identifying patterns of association in data and SPSS will be used for this. The following null hypotheses will be tested;

- **H₁**: The availability of credit facilities has a significant impact on the competitiveness of car brands.
- **H₂**: Market information has a significant impact on the competitiveness of car brands.
- **H₃**: Innovation has a significant impact on the competitiveness of car brands.
- **H₄**: Competing brands have a significant impact on the competitiveness of car brands.

4.3 Definition and justification of variables

The definition and justification of variable is based upon the proposed conceptual framework developed in literature review. Definition of variables and their expected associated effects are herein discussed.

4.3.1 Innovative brands

In this study different kind of innovations have different competitive effects and produce different kind of markets (Christensen, 1997). The usage of innovative brands emancipates from the problem statement and hence innovative brands is the dependent variable under study and the study will ascertain how it is affectsthe competitiveness of automobile brand. Likert scale values ranging from 1-5 will be used so as to further determine both the magnitude of impact and reliability of the variable elements.

4.3.2 Marketing information

Market information forms a key element in the decision making process of consumer. This can be evidenced by the consumer buying behaviour model which stipulates that consumers will seek information so as to make informed decisions. The inability to acquire information therefore hampers the ability of consumers to make informed decisions. This is also because consumers seek to avoid uncertainty and anything they are not sure of (Muhlberg, 2001). Thus information availability is therefore seen as a contributor to the competitiveness of car brands

4.3.3 Credit facilities

Credit facilities refer to the availability of the financial means to procure the desired car brand. It can be noted that though a car brand might be strongly desired among consumers, lack of affordability might hinder the competitiveness of the car brand. What makes or enhance the competitiveness of such brands is therefore the ability of customers to buy the car brands. Hence, the availability of credit makes it easy to acquire the car brands thereby making it more competitive. This can be evidenced by the study by Bridson& Evans (2004) which established that credit facilities play a crucial role in enhancing the competitiveness of products.

4.3.4 Competing Brands

Competing brands in this study refer to car brands that are being imported from other parts of the world for example Toyota and General Motors. Such car brands are imported at lower costs and hence as well sold at relatively low prices as compared to BMW and Mercedes Benz car brands. In an economy where cars are mainly sold in British pounds and Euro, BMW and Mercedes Benz car brands are considered to be expensive and are bought for prestige and status reasons. Such affordable car brands can affect the competitiveness of BMW and Mercedes Benz car brands (Crawford, 2002).

4.3.5 Competitiveness

Competitiveness in this study refers to the ability of car dealers to acquire more sales units or revenue given similar existing efforts by other car brand sellers (Porter, 2008). Competitiveness of the car brands is therefore tied to many aspects which include growth, survival and success. Thus the ability of the firms to attain competitive ability will have a significant influence on the growth, survival and success of the firms. Competitiveness in this regard is considered to be a dependent variable.

4.3 Population

A population is described as an entire section from which a study is based and a sample size is drawn. This study will focus on a random sample of automobile customers. The selection of the sample size is based on the Cochran method in which a margin of error of 8.77% was made at 91.23% confidence level and based on an estimated total of 500 car sales that are made in North Cyprus daily. Thus 100 questionnaires will be distributed randomly to automobile users in the republic of North Cyprus residing in Lefkosa, Gonyeli, Magusa and Girne.

4.4 Data collection methods

The researcher used primary data collected through the use of questionnaires to analyse the competitiveness of automobile brands in North Cyprus. The data collected by the researcher in this scenario is referred to as the primary data. Henceforth, face to face interviews were also used to collect the data. The researcher extended further to use

secondary data in order to gather the necessary information. Charts, tables and figures were obtained from publications from academic literature, statistics. These will further be used to offer more explanations and provide insights.

4.4.1 Questionnaire design

A research questionnaire that would match the study objectives and questions for data collection purposes was designed by the researcher. The questionnaire consists of closed and open questions. Closed questions referring to those that require a ‘yes’ or ‘no’ answer. Whereas open questions allow the respondent to express themselves fully. In this study the researcher used both the open and closed questions in a bid be able to get more detailed information from the open questions, also use of closed questions in clarifying matters to give appropriate answers.

The following are the advantages of using questionnaires;

- Save costs as they are cheaper to administer.
- More objective, certainly more so than interviews
- They are convenient because the respondent can answer the questions at any time.
- Bias is limited as compared to interviews.

However, questionnaires have the following limitations;

- The researcher will not be able to judge the quality of the response.
- Low rate of response.

The main objective of the questionnaire designed is to be able to gather the data that will be used to the competitiveness of automobile brands in the international market: Evidence of North Cyprus. Hence, the questionnaire will be used to answer the following questions;

- What are the awareness levels of car manufacturing brands?
- How do customers perceive product quality of competing brands?
- What are the brand loyalty levels of the competing brands?

The format for the questionnaire was obtained from Bayram(2010). However, changes were made so as to best suit the study objectives of this study thereby making sound decisions. The questionnaire format provided by Bayram(2010) was a helpful guide in assisting the researcher design the specific study questions for this research. This questionnaire however has inherent scope limitations.

The major problems of this questionnaire was that it had problems related to the scope and that the respondents were generally selected as compared to this study. As a consequence, their formats will not be considered in order to retrieve the required information necessary for understanding, analysing and make good recommendations for this particular study.

4.5 Validity and reliability of research instruments.

The issue of instruments' validity and reliability were dealt with in a number of ways. Maykut and Morehouse (1994) contend that multiple the methods of data collection assist in solving these issues. In this research, the researcher used questionnaires and observations in order to reduce invalidities and unreliability problems. Sekeran (1994:180) suggest the giving of average response in order to handle non-response. The researcher ensured the reliability of the instruments by doing a pilot survey before the actual research was conducted. This helped a lot in determining whether the instruments to be used, were the exact ones.

4.6 Questionnaire pretesting

A pre-test survey was carried out to determine the validity of the research instruments and determining if the questions asked were understood. It tested all items of the questionnaire that is, wording, layout, question sequence, rooting instructions and response rate. This was done to try and come up with an improved version of the original questionnaire, some questions did not mean what the researcher intended, some questions have been missed completely and all respondents were giving the same answer for a particular question. All these were avoided through pretesting the questionnaire.

The respondents were satisfied with the objectives of the study giving a positive feedback to the questionnaire pre-test. After conducting the pre-test, the researcher proceeded to gather the data necessary for analysis.

4.7 Problems encountered in gathering the data

Answering the questions was time consuming but gave a positive feedback as the researcher managed to get all the questionnaires back from the respondents. Travelling to other towns was hectic as the researcher was not familiar with the area but nevertheless managed to get feedback. This resulted in giving a response rate of 100%. Thus high level of response rate had a positive effect on the results and recommendations of the study.

4.8 Research findings

The designed questionnaire gathered data that will be used for analysis purpose. The researcher incorporated use of tables, charts and diagrams will be in order to present the data in an understandable way. These representations are useful tools in data analysis and presentation. The responses gathered are sufficient to make study recommendations and conclusions.

4.9 Conclusion

In this chapter the researcher outlined the steps that were used to gather, represent and analyse the data. Time was the most limiting factor during the data collection period. The researcher made use of graphs, tables, charts and diagrams to represent the data. The following chapter is on data analysis and presentation procedures that are used in this study.

CHAPTER FIVE

ANALYSIS AND PRESENTATION OF RESULTS

5.1 Demographic analysis

A sample of 100 consumers residing in Lefkosa, Gonyeli, Magusa and Girne were selected randomly. The sample size selection criterion is based on the Cochran method. The demographic features are herein presented as follows;

5.2 Demographic distribution

Table 5.1 Demographic distribution of the customers

Item	Variable	Description	Frequency	Percentage
1	Gender	Male	58	58 %
		Female	42	42 %
		Total	100	100%
2	Age	18-25	29	29%
		26-45	63	63 %
		46-63	8	8.0%
		Total	100	100%
3	Marital status	Single	29	29 %
		Married	71	71%
		Total	100	100%
4	Level of education	Primary	7	7 %
		Secondary	35	35 %
		Undergraduate	51	51 %
		Master	7	7 %
		Total	100	100%

Information provided in table 5.1 shows that 58% of the customers who participated in the survey were female while 42% comprised of male customers. The highest number of customers who participated in the survey were in the age group of 26-45 years and constituted 63%. Table 5.1 also shows that 71 customers were married as opposed to 29 customers and 51% of the respondents had undergraduate degrees.

Table 5.2 Geographical location of the customers

Residential location	Frequency	Percentage
Gonyeli	11	11 %
Lefkosa	46	46 %
Girne	14	14 %
Magusa	29	29 %
Total	100	100 %

It can be noted in table 5.2 that more customers resided in Lefkosa and amounted to 46% while the lowest number of customers resided in Gonyeli and were 11. Customers residing in Girne and Magusa were 14 and 29 respectively.

5.3 General information of the customers

5.3.1 Annual income

Annual income brackets of the 100 customers were determined using income brackets spanning from an annual salary of 100 000 Turkish Lira (TL) to above 250 000 Turkish Lira. Using information provided in table 5.3 it can be noted that the highest number of customers had annual income which fell below 100 000TL and accounted for 58% while the lowest those above the 250 000TL income bracket were 3%. Implication can be deduced that the potency of these customers to buy top brands and other car models is relatively high. This also implies that they income brackets are better and hence they can as well afford to access credit facilities from financial institutions.

Table 5.3 Annual income of the customers

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 100000	58	58.0	58.0	58.0
100000-150000	27	27.0	27.0	85.0
150000-250000	12	12.0	12.0	97.0
above 250000	3	3.0	3.0	100.0
Total	100	100.0	100.0	

5.3.2 Customer concern

Table 5.4 Customer concern

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Price	38	38.0	38.0	38.0
Brand	44	44.0	44.0	82.0
Performance	16	16.0	16.0	98.0
Appearance	2	2.0	2.0	100.0
Total	100	100.0	100.0	

The customers concerns were ascertained and it is exhibited that 44% of the customers were concerned about the brand of the car while 38% of the customers were concerned about the price of the cars. However, 2% expressed concern about the appearance of the car and this therefore implies that the competitiveness of car manufactures will be strongly influenced by brand and price.

5.3.3 Customer awareness

Table 5.5 Customer awareness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BMW	29	29.0	29.0	29.0
	Mercedes Benz	53	53.0	53.0	82.0
	General Motors	4	4.0	4.0	86.0
	Toyota	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

53% of the customers were highly aware of Mercedes Benz, 29% were aware of BMW, 4% were aware of VW/Audi and 14% were aware of Lexus. It can therefore be deduced that the level of awareness will strongly imply a high a high tendency to buy brands that one is fully aware of. Hence expectations are high that more customers will buy Mercedes Benz and BMW. This therefore implies that Mercedes Benz and BMW will strongly likely to dominate in terms of competitiveness.

5.3.4 Brand rank

Table 5.6 Brand rank

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BMW	28	28.0	28.0	28.0
	Mercedes Benz	41	41.0	41.0	69.0
	General Motors	14	14.0	14.0	83.0
	Toyota	11	11.0	11.0	94.0
	None	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

Information exhibited in table 5.7 shows that 41% of the respondents have a strong preference for Mercedes Benz followed by 28% in favor of BMW and Lexus with a

lowest preference score of 11%. Implications can therefore be drawn that Mercedes Benz is highly competitive followed by BMW and Lexus with the least in North Cyprus.

5.3.5 Brand accessibility

Table 5.7 Brand accessibility

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid BMW	32	32.0	32.0	32.0
Mercedes Benz	65	65.0	65.0	97.0
Toyota	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Of the 4 cities that respondents were drawn from, indications were high that Mercedes Benz is high accessible with 65% customers evidencing the accessibility of Mercedes Benz in North Cyprus. This is also followed by BMW with 32% support. It can be concluded that accessibility of the cars is a bid to improve competitiveness in the car industry. Hence Mercedes Benz can be considered to be a highly competitive and accessible car brand in North Cyprus.

5.3.6 Brand delivery

Table 5.8 Brand delivery

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid BMW	51	51.0	51.0	51.0
Mercedes Benz	47	47.0	47.0	98.0
Toyota	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Out of the 100 customers that participated in the study, 51 customers ranked BMW on top in terms of delivery followed by Mercedes Benz with 47 and Lexus with 2. It can therefore be concluded using table 5.8 that the ability of the car brand to deliver strongly influences its competitive position in the market. Hence BMW and Mercedes Benz are expected to be highly competitive car brands in North Cyprus.

5.4 Descriptive statistics

Descriptive statistics for creditfacilities, market information, innovation and Chinese products were determined and the results are shown in table 5.9.

Table 5.9 Descriptive statistics

	N	Mean	Std. Deviation
Credit facilities	100	2.4800	.95177
Market information	100	2.5900	1.00156
Innovation	100	2.4740	1.10340
Competing brands	100	2.4320	.96094
Competitive	100	2.4380	1.09644
Valid N (listwise)	100		

All of the factors except for market information have average Likert Scale ranges that lye around 2 and this implies that they are moderately effective in determining the competitiveness of car brands in North Cyprus. Market information can thus be said to be effective in determining the competitiveness of car brands in North Cyprus. Innovation has a high standard deviation of 1.10 which implies that improvements in innovation will have more responsive effects on the competitiveness of car brands in North Cyprus.

5.5 Correlation coefficient

Positive correlation coefficients can be observed for all the variables and this implies that all these factors are mutually dependent on each other and hence an improvement in

one factor will necessitate an improvement in the other factor. However, high correlations of 0.960, 0.952 and 0.958 can be observed between the variables credit facilities and innovation; market information and Competing brands, and competitiveness and Chinese brands respectively. A low correlation coefficient of 0.226 can be observed between competitiveness and innovation.

Table 5.10 Correlation coefficient

		Credit facilities	Market information	innovation	Chinese brands	competitiveness
Credit facilities	Pearson Correlation	1	.465**	.960**	.621**	.447**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
Market information	Pearson Correlation	.465**	1	.286**	.952**	.950**
	Sig. (2-tailed)	.000		.004	.000	.000
	N	100	100	100	100	100
Innovation	Pearson Correlation	.960**	.286**	1	.455**	.226*
	Sig. (2-tailed)	.000	.004		.000	.024
	N	100	100	100	100	100
Competing brands	Pearson Correlation	.621**	.952**	.455**	1	.958**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
Competitiveness	Pearson Correlation	.447**	.950**	.226*	.958**	1
	Sig. (2-tailed)	.000	.000	.024	.000	
	N	100	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

5.7 Reliability tests

The reliability of the model variables was determined using Cronbach's alpha so as to determine the extent to which explanations offered by the variables, market information, innovation, chine brands and credit facilities in explaining changes in competitiveness can be relied upon. High reliable means that the variables have a high internal consistency and hence can be relied on.

5.7.1 Reliability tests for competitiveness

Table 5.11 Reliability testsfor competitiveness

COMPETITIVENESS	Cronbach's Alpha if Item Deleted
highly competitive brands are more preferable	.857
competitiveness of the brands is determined by location	.857
expensive brands are usually more competitive than cheaper ones	.847
competitiveness is highly associated with high quality	.920
highly competitive brands are a sign of power and prestige	.847

Information provided in table 5.11 denotes that all the variables have high internal consistencies which surpasses 70%. Though lowest alpha values recorded were for variable elements highly competitive brands are more preferable andcompetitiveness of the brands is determined by location with values of 0.857 each. This means that they have internal consistencies of 85.7% each. The highest alpha value of 0.92 was recorded under competitiveness is highly associated with high quality which entails that the internal consistency was 92%. Hence it can be concluded that all the variables are highly reliable to explain the competitiveness of car brands in North Cyprus.

5.7.2 Reliability tests for competing brands

Table 5.12: Reliability tests for competing brands

COMPETING BRANDS	Cronbach's Alpha if Item Deleted
Competing automobiles are highly competitive in the automobile market	.727
Competing automobiles are preferred over any other brand in automobile industry	.648
Competing automobiles are of high quality	.770
Competing automobiles are associated with low prices	.648
Competing brands are hampering the competitiveness of foreign automobiles	.857

Low alpha values can be observed to be at 0.648 for the variable elements competing automobiles are preferred over any other brand in automobile industry; also competing brands are associated with low prices. This implies that these variables have an internal consistency of 64.8%. The variables competing automobile is highly competitive in the automobile market, competing automobiles are of high quality and are hampering the competitiveness of foreign automobiles with internal 0.727, 0.77 and 0.857 respectively. This means that they internal consistencies were 72.7%, 77% and 85.7% respectively.

5.7.3 Reliability tests for credit facilities

Table 5.13 Reliability tests for credit facilities

CREDIT FACILITIES	Cronbach's Alpha if Item Deleted
credit facilities are easily made available through banks	.692
credit facilities play an essential role towards buying a car	.769
credit facilities are expensive and to obtain	.755
high income earners are more preferred when applying for credit	.685
most cars are bought on credit	.865

Internal consistencies were estimated for the variable elements of credit facilities and the results show that credit facilities are easily made available through banks and high income earners are more preferred when applying for credit had internal consistencies of 69.2% and 68.5% respectively. The variables credit facilities play an essential role towards buying a car; credit facilities are expensive and to obtain and most cars are bought on credit have internal consistencies of 76.9%, 75.5% and 86.5% respectively. This means that the latter variables have high internal consistencies to explain credit facilities.

5.7.4 Reliability tests for market information

Table 5.14 Reliability tests for market information

	Cronbach's Alpha if Item Deleted
general automobile information is readily available	.686
consumers can give information about product features they want	.792
information about repairs, service locations is easy to access	.686
information improves knowhow of product and builds brand loyalty of products	.771
customers highly prefer brands with ease of accessing information	.857

The variables general automobile information is readily available and information about repairs, service locations is easy to access have internal consistencies of 68.6% each. While the variables consumers can give information about product features they want; information improves knowhow of product and builds brand loyalty of products and customers highly prefer brands with ease of accessing information had alpha values of 79.2%; 77.1% and 85.7% respectively. This means that the latter variables have high internal consistencies to explain credit facilities.

5.7.5 Reliability tests for innovation

Table 5.15 Reliability tests for innovation

INNOVATION	Cronbach's Alpha if Item Deleted
the car models are of very high standards	.865
the cars have modern and advanced functions	.865
the brand is a reflective of consumer tastes and preferences	.949
car models are highly innovative	.901
new innovative models are introduced each year	.893

All the variables have high internal consistencies which surpasses 70% implying that they are highly reliable in explaining innovation. Thus they can be used to offer explanations about changes in innovation.

5.8 Hypothesis tests results

Table 5.16 Hypothesis tests results

Null hypothesis	Test method	Value	Decision criteria
Credit facilities	Independent t test	0.602	Reject
Market information	Independent t test	0.899	Reject
Innovation	Independent t test	0.772	Reject
Chinese brands	Independent t test	0.727	Reject

Hypothesis tests were conducted using independent t test and Levene test results are presented in table 1.16. The results were based on assumptions of equal variance and no equal variance. The obtained p-values are more than 5% and hence we accept the null

hypothesis that the variables statistically differ. This means that these variables have a significant impact on the competitiveness of car brands in North Cyprus.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The study sought to examine the competitiveness of BMW and Mercedes Benz car brands in North Cyprus. Having established that innovative brands, marketing information, credit facilities, Chinese brands have a positive effect on the competitiveness of BMW and Mercedes Benz car brands in North Cyprus, conclusions and recommendations will be deduced and made synonymously to the obtained results.

6.2 Conclusion

From the research findings, the following conclusions were made:

- BMW and Mercedes Benz hold the highest awareness levels than any other brand. This implies that BMW and Mercedes Brand is better known by most of the respondents. BMW brand was second and the other two brands from Toyota and General Motors had the least awareness levels.
- Most of the respondents prefer the BMW brands. This implies that besides having a low awareness level, people have passion for the brand. Mercedes Benz had a fair share of the brand preference. The other two brands had the lowest preference rates.
- Most of the respondents have reviewed that Mercedes Benz is competitive when it comes to issues to do with quality than any of the other brands. A few number supported the BMW brand. Toyota and General Motors brands had the lowest number of respondents supporting them.
- Though offering highest quality standards, Mercedes Benz was regarded as the worst when considering the price charged for the brand. BMW was voted the second best. Toyota was regarded as the best in offering favorable prices for its brand.

- It's clear from the findings that none of the four brands had a clear-cut of strength in all aspects which were tested by the researcher. However, the Mercedes Benz is dominating in most of the tested aspects, like quality, delivery efficiency, brand awareness levels and brand support through advertising. The BMW brand seemed to dominate in two aspects, that is brand preferred and brand likely to be purchased if introduce a new product.
- Most of the people are satisfied with the brands they purchase, except a few who possess mixed after the purchase of their preferred brand.
- Many people regard price as the only factor to consider when making a purchase, regardless of other factors like quality, taste of the product and a host of other factors.

Results from the study showed strong evidence that the competitiveness of car brands in North Cyprus is being determined by the availability of credit facilities, availability and ease of market information, innovation activities of the car brands and the availability of Chinese car brands on the market. It can further be concluded that all these factors have a positive impact on each other which implies that they are mutually reinforcing and contribute to the effectiveness of each other.

6.3 Recommendations

Car brand retailers in North Cyprus can be advocated to increase the availability of information about the car brands, service dealers and other essential informativerequirements made by customers. This is because most customers are reluctant to purchases a car brand which they are not fully aware of. As such customers will

Though credit facilities that are made up by financial institutions within a given country, efforts can be made to ensure that customers have easy access to credit facilities. Such credit facilities must however be made available at affordable costs. This is because by making credit access feasible and cost effective, high quality brands can become easily

affordable or within the reach of many customers. Hence, improving credit accessibility will enhance the competitiveness of these car brands.

Car brands retailers in North Cyprus can make arrangements with their respective producers in which information about customers' needs about future developments or current problems is given to the producers for improvements. As such producers of quality brands like BMW and Mercedes Benz will be in a strong position to produce car brands that are tailor made to reflect prevailing customer tastes and preferences.

Moreover, these producers be it in Germany where Mercedes Benz is produced are advocated to continually produce car brands that are very innovative. This is because other car brands manufacturers are introducing cars that are very innovative. Hence the capacity to match or outpace such innovative efforts will play a great role in improving the competitiveness of these car manufacturers.

With the influx of many Competing products which have greatly proved to be very affordable, recommendations can be made that car brand manufacturers introduce similar models that affordable or can reflect the financial status of customers in North Cyprus without undermining their competitiveness.

6.4 Suggestions for future studies

Suggestions can be made that studies be made to analyse the competitiveness of the banking sector. This is because during the course of the study it was noted that there were improvements in the competitiveness of North Cyprus banking sector.

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List of Appendices

Appendix 1: Questionnaire

My name is Liberty MManyaza I'm a Master's student at Near East University. I am carrying out a thesis as a partial fulfillment of the Msc International Business entitled *AN ANALYSIS OF THE COMPETITIVENESS OF BMW AND MERCEDES BENZ CAR BRANDS IN NORTH CYPRUS*. I therefore kindly ask you to fill in this questionnaire. Respondents are advised that this is not a test of knowledge. The information that you are going to provide will be treated with strict confidentiality and will be used for academic purposes only.

SECTION A: RESPONDENT PROFILE

1. What is your gender? Please tick where appropriate.

Male

Female

2. What is your age group? Please tick where appropriate.

18-25

26-45

46-63

64 and above

3. Which part of the suburb do you come from? Please tick where appropriate.

High density

Medium density

Low density

SECTION B: INFORMATION SECTION

4. Under which category does your annual income bracket fall? Please tick where appropriate.

- Below US100 000
- 100 000 – 150 000
- 150 000 – 250 000
- Above 250 000

5. Which factor is your most concern when you purchase a car? Please tick where appropriate.

- Price
- Brand
- Performance
- Appearance
- Displacement capacity

6. Which one of the following brands are you aware of? Please tick where appropriate.

-
- BMW
- MERCEDES BENZ
- GENERAL MOTORS
- TOYOTA
- All
-

Other

7. Which brand have you previously purchased in the past? Please tick where appropriate.

BMW

MERCEDES BENZ

GENERAL MOTORS

TOYOTA

All

Other

(ii). Justify your purchase.

.....
.....
.....
.....

8. Which brand do you prefer most? Please tick where appropriate.

BMW

MERCEDES BENZ

GENERAL MOTORS

TOYOTA

All

None

NB: if you choose none, then skip question (i)

(i) After buying the brand, I feel.

- | | |
|------------------------|--------------------------|
| 1. Highly | <input type="checkbox"/> |
| 2. Satisfied | <input type="checkbox"/> |
| 3. Indifferent | <input type="checkbox"/> |
| 4. Not satisfied | <input type="checkbox"/> |
| 5. Highly dissatisfied | <input type="checkbox"/> |

9. Which product do you rank the highest in terms of quality? Please tick where appropriate.

- | | |
|----------------|--------------------------|
| BMW | <input type="checkbox"/> |
| MERCEDES BENZ | <input type="checkbox"/> |
| GENERAL MOTORS | <input type="checkbox"/> |
| TOYOTA | <input type="checkbox"/> |

10. Which brand is affordable? Please tick where appropriate.

- | | |
|-----------------|--------------------------|
| BMW | <input type="checkbox"/> |
| MERCEDES BENZ | <input type="checkbox"/> |
| GENERALA MOTORS | <input type="checkbox"/> |
| TOYOTA | <input type="checkbox"/> |

11. Which product do you rank the highest in terms of quality? Please tick where appropriate.

- BMW
- MERCEDES BENZ
- GENERAL MOTORS
- TOYOTA

12. Which brand efficiently delivers its products? Please tick where appropriate.

- BMW
- MERCEDES BENZ
- GENERAL MOTORS
- TOYOTA

13. Which brand is most accessible on the market? Please tick where appropriate.

- BMW
- MERCEDES BENZ
- GENERAL MOTORS
- TOYOTA

14. On a scale of 1-5 how would you rate competitiveness., Competing brands, credit facilities, marketing information where 1= very ineffective, 2=ineffective, 3=moderately effective, 4=effective and 5=very effective.

COMPETITIVENESS	1	2	3	4	5
highly competitive brands are more preferable					
competitiveness of the brands is determined by location					
expensive brands are usually more competitive than cheaper ones					
competitiveness is highly associated with high quality					
highly competitive brands are a sign of power and prestige					

COMPETING BRANDS	1	2	3	4	5
Competing automobiles are highly competitive in the automobile market					
Competing automobiles are preferred over any other brand in automobile industry					
Competing automobiles are of high quality					
Competing automobiles are associated with low prices					
Competing automobiles are hampering the competitiveness of foreign automobiles					

CREDIT FACILITIES	1	2	3	4	5
credit facilities are easily made available through banks					
credit facilities play an essential role towards buying a car					
credit facilities are expensive and to obtain					
high income earners are more preferred when applying for credit					
most cars are bought on credit					

MARKET INFORMATION	1	2	3	4	5
general automobile information is readily available					
consumers can give information about product features they want					
information about repairs, service locations is easy to access					
information improves knowhow of product and builds brand loyalty of products					
customers highly prefer brands with ease of accessing information					

INNOVATION	1	2	3	4	5
the car models are of very high standards					
the cars have modern and advanced functions					
the brand is a reflective of consumer tastes and preferences					
car models are highly innovative					
new innovative models are introduced each year					