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Perceived Quality of Asian Brands in the Automobile Industry

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Poster Presentation P26

**PERCEIVED QUALITY OF ASIAN BRANDS IN THE
AUTOMOBILE INDUSTRY**

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The Big Three American Automobile brands, Ford, Chrysler, and GM, have seen consistently dwindling market share in the US market for over a decade. They are in fierce competition with foreign brand names, specifically Asian companies such as Honda, Nissan, and Toyota. Asian brands have become best sellers in the passenger car market and American brands are redesigning their cars to try and keep up.

My research uses Lancaster's Theory of Consumption, the view that people consumer bundles of characteristics, to determine why Asian cars are becoming so popular. I use the hedonic pricing model to determine how much consumers are willing to pay for certain quality characteristics and brand names. I include dummy variables for each brand in the model as well as variables for size, performance, gas mileage, safety and reliability.