AN ANALYSIS OF THE FACTORS INFLUENCING THE BUYERS OF PASSENGER CARS

M. N. MOHAMED ABUSALI SHEIK¹ & E. MUBARAK ALI²

¹Assistant Professor of Management Studies, Sadakathullah Appa College, Tirunelveli, Tamil Nadu, India
²Associate Professor of Commerce, Jamal Mohamed College, Tiruchirappalli, Tamil Nadu, India

ABSTRACT

Today Four-Wheeler has become a necessity and forms a part of life. Due to emergence of globalization and liberalization, there is a stiff competition among the variety of car manufacturing units which are focusing attention in capturing the Indian market. Cars though considered as a luxury once, now occupies a part of day-to-day life and have become necessity. Consumer needs can be fulfilled based on their requirements and interest. In the present scenario, a consumer gives more importance to easy, convenient, stylish and more comfortable vehicles rather than highly sophisticated vehicles. Consumer behaviour is a complex one. It differs from person to person as well as product to product. This study aims at identifying the demographic factors influencing the purchase of four wheeler, analyse the purchase behaviour of consumers and examine the level of satisfaction and factors influencing the level of satisfaction. So this study is responsible for successful survival of manufacturers for easy marketing of their four wheelers in existing market or in a global market. It also helps the consumers for the important areas of satisfaction about their products.

KEYWORDS: Consumer Behaviour, Satisfaction, Global Market

INTRODUCTION

The Automobile Industry is one of the fastest growing sectors in India. The increase in the demand for cars, and other vehicles, powered by the increase in the income is the primary growth driver of the automobile industry in India. The introduction of tailor made finance schemes, easy repayment schemes has also helped the growth of the automobile sector.

The automotive Industry directly and indirectly employs 13 million individuals in India. The industry is valued at about US$ 35 billion contributing about 3.1 percent of India’s GDP (nominal). India’s cost-competitive auto components industry is the 2nd largest in the world. In addition, India’s motorcycle market is also the 2nd largest in the world with annual sales of around five million units. India has become one of the international players in the automobile market. The Indian Automobile industry is at present engaged in mergers and acquisitions on the international scale.

Some of the Major Characteristics of Indian Automobile Sector are

- India is the 4th biggest commercial vehicle market in the world.
- India ranks 2nd in the global two-wheeler market.
- India ranks 11th in the international passenger car market.
- India ranks 5th pertaining to the number of bus and truck sold in the world.
- It is expected that the automobile industry in India would be the 7th largest automobile market within the year 2016.
• Expected to become the world’s 3rd largest automobile market by 2030, behind only China and the US.

• The Indian automobile industry’s foreign sector worth US$ 515 million.

The passenger car industry in India has grown steadily during the last few years expect during the year 2000-01 when there was negative growth due to global economic recession. Passenger car industry in India has 15 manufacturers with an installed capacity of 12, 37,000 units.

STATEMENT OF THE PROBLEM

People who were not ready to spend their money on luxuries have now changed their attitude that ‘yesterday’s luxuries are today’s necessities.’ To be a successful marketer it is absolutely essential to read the mind and the perceptions of the prospective buyers of cars. It is not possible to anticipate and react to consumers’ needs and preference without a complete understanding of consumer behaviour. Discovering consumers’ current needs is a complex process but it can generally be accomplished by direct consumer research.

Understanding of consumer negative perceptions, fears, inhibitions and anxieties, is one of the critical aspects of consumer buying behaviour. Marketers also need to understand the consumers’ preferences and fears, needs and perceptions thoroughly before attempting to deal with their behaviour. The study helps the Company to know about satisfaction level and preferences of the customers of major four wheel manufacturer companies and the customer’s expectations regarding after sales service.

REVIEW OF LITERATURE

Various studies carried out in the study of consumer preference of car and automobile industry were collected and examined.

Raghunathan Reddy D, SanthoshKumari A. And Kameshwari M.C. (2006) in their study reveal “Consumer behaviour in two wheeler industry” has indentified the following aspects. Most of the dealership is of non – exclusive type. A reason behind dealing with a particular brand is brand image. It is found that most of the respondents opined that advertisement is a good enough source to improve sales.

Reeti Agarwal, (2007) “A study of spousal influence in family purchase decision” she had attempt to analyses the buying division – making patterns access different products and services categories within Indian families so as to get a clear understanding of the influence of the husband and the wife in family decision making. She concluded that, in the Indian households, the husband is still dominating influence in the purchase decision of products irrespective of whether the division is instrumental or expressive. Thus, marketers of different products need to pay attention to the nature of their product and the resultant dominant influence on its purchase; and not focus only on the instrumental or expressive aspects of the decisions.

Kaushik. V.K. and Neeraj Koushik (2008) stated that in determining the pre – purchase behaviour of the customers they were asked about the sources of their information while purchasing new product and who influenced their decision. Majority of the respondents found to be relying upon friends and advertisement.

Maheskumar S. (2009) attempted to analyse the automotive sector and its contribution to the country’s GDP. The rising income of the Indian middle income class along with the growth of the economy over the past few years has attracted global auto majors to the Indian market. The attractiveness of the Indian markets for passenger cars have resulted in shifting of new capacities and flow of capital to the Indian automotive industry by MNCs.
Mayank Pareek (2010) has stated in his study “huge untapped potential” that this extraordinary growth that the small car industry has witnessed is the result of a few major factors, namely, improvement in living standard of middle class, good things come in small packages and so is with cars in India. Small cars definitely have their special place among Indians where a majority of buyers are from the middle income group. One has a plethora of options when it comes to buying a small car.

Reviewing existing literature on the relevant areas of the study is a very essential task for any researcher. It helped the researcher to know the present environment in the various different places.

OBJECTIVES OF THE STUDY

The specific objectives of the present study are:

- To know about the perceptions of passenger car consumers towards their preference over a particular brand.
- To analyse the impact of personal and demographic variables over consumer preference.
- To measure the overall preferences of consumers in the study area towards their choice.

SCOPE OF THE STUDY

Consumer needs can be fulfilled based on their requirements and interest. In the present scenario, a consumer is given more importance to easy, convenient, stylish and more comfortable vehicles rather than highly sophisticated vehicles. Consumer behaviour is a complex one. It differs from person to person as well as product to product. This study aims at identifying the demographic factors influencing the purchase of four wheeler, analyse the purchase behaviour of consumers and examine the level of satisfaction and factors influencing the level of satisfaction. So this study is responsible for successful survival of Manufacturers for easy marketing of their four wheelers in existing marketer or in a global market. It also helps the consumers for the important areas of satisfaction about their products.

HYPOTHESIS

Based on the research objectives, the following hypotheses were formulated.

- The demographic profile of the respondent in the study area has significantly influence the consumer preference of passenger car.
- There is significant relationship between the demographic profile of respondent and their overall satisfaction.
- There is significant relationship between consumers’ expectation and the level of satisfaction.

LIMITATIONS OF THE STUDY

There are several limitations associated with this study.

- The study covers only Tirunelveli City. Hence the findings of the study are entirely applicable to this Tirunelveli City only.
- The study is based on the perception of the consumers. These attitudes may change from time to time. Hence the responses reflect their contemporary views of the prevailing conditions.
- As the sample size is limited the result of the study cannot be generalized to the universe
METHODOLOGY

Selection of Car Brand and Study Area

In order to study the consumer preference towards passenger car, the major automobile manufacturing company namely, Maruti, Hyundai, Ford, Honda and Tata are selected for this study. They are selected on the basis of their high turnover in numbers in the study area of Tirunelveli city.

Sampling Framework

This study was conducted among the car owners residing in Tirunelveli city. Stratified random sampling was used for selection the sample respondents for primary data collection. Tirunelveli city has select four areas. Each area was considered as strata and from each strata 75 sample respondents were selected on random basis, from the list of four wheelers owners in the area obtained from car dealers at Tirunelveli. Here the sample size is 300 samples and it is limited to the area of Tirunelveli city, consisting of four zones.

COLLECTION OF DATA

Both primary and secondary data have been collected for the research work.

Primary data had been collected through the structured questionnaire designed especially for measuring the consumer preference towards passenger car in Tirunelveli City, Tamil Nadu. Secondary data was collected from the journals, magazines, research reports and from the companies’ websites. He also visited the dealer premises and had a discussion with the dealer, service manager and customer care executive.

After the collection was over, the researcher checked the reliability of these variables and the results of the cronbach’s alpha showed that the questions related to consumer purchase behavior (15 variables) achieved a reliability co-efficient of 0.783, Regarding service rendered by the dealer to satisfy the consumer(6 variables) has achieved a reliability co-efficient of 0.811 and questions relating to predict the consumer purchasing pattern (6 variables) and post purchasing behavior are achieved a reliability co-efficient of 0.725. This confirms that the overall indicators (27 variables) of consumer preference on passenger car variables attained high internal consistency of 77.3%. (It is greater than to a recommended level of 0.7)

Analysis of the Data

Table 1: Correlation Table Shows Relationship Income of the Respondent and Opinion of the Brand Image of the Car

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Monthly Income</th>
<th>Brand Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Income Pearson Correlation</td>
<td>1</td>
<td>.953**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Brand Image Pearson Correlation</td>
<td>.953**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like, age, gender and income. Chi-square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and
satisfaction. Multiple regression analysis has been used to study the influence of income and life style on overall satisfaction level of the respondents. Correlation analysis has been used to establish the relationship between the factors which influenced the purchase and the factors which favour the level of satisfaction.

**Figure 1:** Scatterplot Graph (Bivariate) Shows the Brand Image of Car with Monthly Income of Respondents

**Table 2:** Correlation Table Shows Relationship Occupational Status of the Respondent and Opinion of the Brand Image of the Car

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Occupational Status</th>
<th>Brand Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Income Pearson Correlation</td>
<td>1</td>
<td>.937**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Brand Image Pearson Correlation</td>
<td>.937**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>300</td>
<td>300</td>
</tr>
</tbody>
</table>

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

**Figure 2:** Scatterplot Graph (Bivariate) Shows the Brand Image of Car with Occupational Status of Respondents

**Result of Chi-Square Tests**

**Table 3**

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>828.440</td>
<td>30</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>716.299</td>
<td>30</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>260.447</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>No. of Valid Cases</td>
<td>300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18 cells (42.9%) have expected count less than 5. the minimum expected count is 1.00
Test of Chi Square Tests

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-Sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>786.529*</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>723.661</td>
<td>20</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>259.780</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>No. of Valid Cases</td>
<td>300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 cells (13.3%) have expected count less than 5. the minimum expected count is 3.33

MAIN FINDINGS

- The correlation between occupational status and opinion about the brand image is positive and statistically significant \((r = 0.937, p < .001)\). This means that as the opinion about their brand image has increase, so do their occupational status of respondent.

- The correlation between monthly income of the respondent and control opinion about brand image is positive and statistically significant \((r = 0.953, p < .001)\). This means that as the monthly income has increase, so do their brand image of respondent.

- The Pearson Chi-Square statistic is used to determine whether there is a relationship between Brand name of the cars and occupational status. The Pearson Chi-Square value is statistically significant, \(X^2 (df = 30) = 828.440, p < 0.001\). This means that occupational level of status in various brand of car. Looking at the brand name of the car and occupational status cross tabulation table, it can be seen that the majority of the respondents had in Maruti and Hyundai (count 54, percentage with in brand of the car 59.30%) and (count 54, percentage with in brand of the car).

- The Pearson Chi-Square statistic is used to determine whether there is a relationship between Brand name of the cars and monthly income level. The Pearson Chi-Square value is statistically significant, \(X^2 (df = 20) = 786.529, p < 0.001\).

- The Pearson Chi-Square statistic is used to determine whether there is a relationship between Brand name of the cars and number of years using the same car. The Pearson Chi-Square value is statistically significant, \(X^2 (df = 15) = 454.625, p < 0.001\). This means that occupational level of status in various brand of car. Looking at the brand name of the car and using the car cross tabulation table, it can be seen that the majority of the respondents had in Maruti and Hyundai (count 91, percentage with in brand of the car 100.0%) and (count 48, percentage with in brand of the car 60.8%).

- The Pearson Chi-Square statistic is used to determine whether there is a relationship between Brand name of the cars and select the car. The Pearson Chi-Square value is statistically significant, \(X^2 (df = 20) = 632.321, p < 0.001\).

- The Pearson Chi-Square statistic is used to determine whether there is a relationship between Brand name of the cars and Different Age Group respondents. The Pearson Chi-Square value is statistically significant, \(X^2 (df = 20) = 785.978, p < 0.001\).
There is no relationship between independent variables of respondent personal and demographic and dependent variable of overall personal opinion on purchase preference. The F Ratio = .716. The statistical significance is .612. It is insignificant.

There is relationship between independent variables of comfortable factors of passenger car and dependent variable of overall personal opinion on purchase preference. The F Ratio = 235.36. The statistical significance is .019. It is significant.

There is relationship between independent variables of comfortable variables passenger car of overall personal opinion on purchase preference. The F Ratio = 162.539. The statistical significance is .006. It is insignificant.

SUGGESTIONS

Understanding of consumers’ negative perceptions, fears, inhibitions and anxieties are some of theoretical aspects of consumers’ buying behaviour. Marketers also need to understand the consumers’ preferences and fears, needs and perceptions thoroughly before attempting to deal with them. This study helps the Company to know about satisfaction level and preferences of the customers of major four wheel manufacturing companies and the customers’ expectations regarding after-sales service.

Personal Demographic Factors on Consumer Preferences towards a Car

The personal and demographic factors of consumers are important towards choosing a particular brand of car.

- Based on the findings the factors like monthly income of consumers’ and their occupations are important factors towards brand selection.
- The influences of media are also very important to get attention of respondents towards their brand.
- The study found that the media does not equally influence all sector of people towards their brand. The company must give more important attention while advertising their brand of Car in any media to draw the attention of all sectors of people.

Core Factors on Consumer Preferences towards a Car

This study has identified some core factors regarding consumers’ preference and analyzed the respondents’ opinion. Based on this the following suggestions have been made:

Fuel Consumption

It has been gathered from the respondents’ that there is a remarkable variation between the company promised fuel consumption and the post-purchase experience of the buyers after purchasing. It leads consumers to dissatisfaction over the company’s guaranteed fuel consumption. Consumer should rightly be informed regarding fuel consumption while they buy a car.

- It has been observed in the study that the consumer who has used the car for a long period has worried about the maintenance cost and the availability of spare parts. It is necessary to satisfy the regular customers by informing them about the periodic maintenance of the vehicle instruction apart from regular company service. It is also important that the needs of the customers be identified correctly in order to get continual support from them.
This study analyses the customers’ preferences and their actual experience on **driving comfort** including, **internal space**, **storage facility** (paper cup stand, water bottle stand, newspaper storage). It has been observed from the study that the age of respondents, their educational qualifications, influences of family and friends influence customers to take purchase decision.

It is suggested that whenever any buyer approaches to enquire about a car, the sales executive shall correctly understand what type of comfort the customer really wants and the purpose of using it. It helps him to get satisfaction on the comfort factor. Thus the customer can attain higher satisfaction.

The study also analyses another important factor namely, **switching behaviour** of the customers. It was found that many customers do not prefer to purchase the same brand again. The researcher has noted the reason why the customers’ including the regular customers does not prefer the same brand next time. Because of the **introduction of a new brand, a new model** and the factors like latest technology and **high price variability** customers’ switch over from one brand to another.

**CONCLUSIONS**

Based on the analysis of the consumer preference towards passenger car, the researcher would like to give some conclusion. The automobile industry in today’s competitive environment has been facing many problems. Every company wants to retain their consumers and desires the buyers to purchase the same brand. This study has clearly identified that certain core factor such as **Price, Comfort and Technology** which the buyers take into account before selecting a brand.

**Customer Data Base Management System**

Finally, in order to establish a long term relationship with customers a Data base management system should be created and maintained properly. The company should inform their customer about the new technology, availability of loan facility and the new comfort included in the new model and so on. This all will help the company to get highest satisfaction from the customer and retain the customer for a long period. This all help the company to maintain their positions in the market for a long period. Today the customer preferences keep on changing at a rapid speed and their demands are turned insatiable. And also the customers are not ready to accept any delay in service and they are in need of information for taking instant decisions. Therefore, customer satisfaction is very important in servicing.

**REFERENCES**


