

Determinants of Preference towards Passenger Cars in Madurai City

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ARTICLE DETAILS

Article History

Published Online: 10 October 2018

Keywords

Passenger, Automobile industry, marketing

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ABSTRACT

This research article Determinants of Preference towards Passenger Cars in Madurai City to ascertain this consumer Preference on Passenger. Marketing of any product or service is becoming more and more scientific in the present times of intense competition and constrained resources. It demands much more than merely art of just selling. More and more companies are now resorting to the scientific approach to marketing where strategies and decisions are based on extensive market research and information on consumer behavior; their needs, purchasing power money related objects that influences buying decisions.

The story of a car is not a one night story rather it is one of the most important chapters in the history of transport. The production and consumption of cars in the Indian market is of economic as well as political significance.

1. Introduction

India is making a shining mark on the map of the world by its continuous and increasing flow of growth rate. India is always been a slow walker on the way to higher economic growth rate because of the prevalence of unsystematic and irrelevant marketing practices. It has rightly been remarked that, "marketing is the delivery of standard of living". The impeded and distorted presence of marketing practices in India has made sufficiently clear the deteriorating living standards of the masses. Marketing deals with identifying and meeting human and social needs and wants. Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders.

Marketing of any product or service is becoming more and more scientific in the present times of intense competition and constrained resources. It demands much more than merely art of just selling. More and more companies are now resorting to the scientific approach to marketing where strategies and decisions are based on extensive market research and information on consumer behavior; their needs, purchasing power money related objects that influences buying decisions.

The story of a car is not a one night story rather it is one of the most important chapters in the history of transport. The production and consumption of cars in the Indian market is of economic as well as political significance. The car industry accounts for a significant portion of GDP in India affecting levels of employment and income, the balance of payments, economic growth and valuable inward foreign direct investment. Today, the Indian automobile industry is concerned with consumer demands for styling, safety, and comfort; and with labor relations and manufacturing efficiency.

The automobile industry in India is one of the largest in the world with an annual production of 23.96 million vehicles in FY (fiscal year) 2015-16, following a growth of 2057 percent over the last year. The automobile industry accounts for 7.1 per cent of the country's gross domestic product (GDP). The two wheelers segment, with 81 percent market share, is the leader of the Indian Automobile market, owing to a growing middle class and a young population. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 13 percent market share.

The first car ran on India's roads in 1897. Until the 1930s, cars were imported directly, but in very small numbers. The production of automobiles has greatly increased in the last decade. Car production is 28,14,584 in year 2009-2010, total automobile production is 1,11,75,479 in the year 2008-2009 out of which passenger vehicle is 18,38,697, total automobile sales is 97,23,391 in the year 2008-2009 out of which passenger vehicle is 15,51,880, total automobile exports is 15,30,660 in the year 2008-2009 out of which passenger vehicle is 335739.

Indian automobile sector is one of the heart industries of Indian economy. Till early 1980s, there were very few players in the Indian automobile sector & was suffering from obsolete & substandard technologies. After 1991 the India government released tedious norms and opened the Indian market for all. Currently the Indian automobile market is crowded with lot of Indian as well as multinational brands like

- Maruti
- Honda
- Chevrolet
- Skoda
- Renault
- Hyundai
- Nissan
- Toyota

- Tata
- General Motors etc.

In India, the automobile industry provides direct employment to about 5 lakh persons. It contributes 4.7 per cent to India's GDP and 19 per cent to India's indirect tax revenue. India's auto market remains dominated by passenger cars in the small segment (segment-A) and compact segment (segment-B), which jointly account about 65 per cent of sales. The Indian passenger vehicle industry has been progressing continuously since a last decade except the recessionary phase witnessed during FY 2009. Despite the recession in 2009, the Indian automobile market has captured the major market share in domestic as well as in international markets. In recent years the Indian automobile industry has achieved splendid achievement. India is 11th largest passenger vehicle market and is largest three wheeler market in world.

2. Statement of the problem

The Indian automobile industry has been growing in leaps and bounds in the recent past, which enables it to reach zenith of prominence and pride in the Indian economy. The extraordinary growth that the Indian automotive industry has witnessed is a result of two inter-related factors namely, the improvement in the living standards of the middle class leading to increase in their purchasing power. Moreover the liberalization measures, such as, relaxation of the forex and equity regulations, reduction in tariffs on imports, and reforms in the banking sector initiated by the Government of India (GOI), have made it easy and possible for the Indian automobile industry to scale new heights.

Added to these is the institutionalization of automobile finance, which has further paved the way for a sustainable long-term high growth of the industry. The unprecedented growth in demand for luxurious models, SUVs and mini-cars chiefly because of increased purchasing power of middle class people has made the Indian automobile The small and compact cars together occupy around 80 per cent of the Indian car industry, leaving the mid-segment and luxury cars in terms of sales and volumes behind.

The Indian passenger car industry is made highly competitive because of the stiff competition between the domestic as well as foreign manufacturers. Most of the 13 car manufacturers in the Indian passenger car industry are multinational corporations, who received a red-carpet welcome after the Indian economy opened up.

There are different brands of passenger cars available in the market. However, the consumer prefers only particular brand passenger cars. Due to the development of science and technology, the new brands on passenger cars were introduced in the market every year. This makes passenger car market further competitive; when new brand enters in the market consumer prefer to buy new products. There are some factors, which are involved in decision-making. They depend upon quality, colour, price, fascination and fashionable of passenger car. Thus a purchase decision assures importance.

Huge amount is spent on advertisement to the new product and regular follow up activities are made to the existing products. In this context, the present study entitled "Determinants of Preference towards Passenger Cars in Madurai City" is an attempt to identify and analyse the factors influencing the selection of a particular brand of car by the car owners in Madurai City.

3. Objectives of the Study

The main objectives of the study are

1. To study the functioning of the passenger car in the auto mobile industry.
2. To examine the factors influencing the pre and post purchase behaviour off automobile of passenger car.
3. To analyses the customer attitude towards the passenger car.
4. To analyses the relationship between personal variables and preference of Passenger car
5. 5. To offer findings and suggestions based on the study for the betterment of automobile industry.

4. Scope of Research work

The passenger cars are available in the various types and techniques to attract the customers. The availability of different features in the car makes to satisfy the different types of customers in the market. However, many companies are followed different type of strategies to stiff the competition and hence this study concentrates on the preference of consumers in the passenger car industry. The consumers of the passenger car were selected based on preference of the car.

5. Hypotheses Framed

Null Hypothesis:

- There is no significant difference between the gender and the attitude towards passenger car.
- There is no significant difference between the marital status and the attitude towards customer satisfaction.
- There is no significant difference between the educational qualification and attitude towards the passenger car.

6. Methodology

Methodology deals with sample size, sample design, methods of data collection, period of study, tools used for analysis.

Geographical Area

The study will be conducting within Tamil Nadu.

Sample Size

In this study, the population is unknown therefore, the researcher divide the Tamil Nadu into four areas that are North, South, East and West. The researcher took 96 respondents in each area. Therefore, the sample size was 384. For selecting the samples, the researcher used cluster-sampling method.

Period of the Study

The study period is not quit enough to measure the consumers preference at passenger car. The researcher was considered 2 months her study period from June to August 2018.

Methods of Data Collection

Primary Data:

The researcher had collected the Primary Data from the customers of the passenger car in Tamil Nadu through desired questionnaire.

Secondary Data:

The Secondary Data has been collected from Profile of automobile industry, Journals and Magazines and available website in the field.

Tools used for analysis:

The analysis of data is graphed and presented systematically with the use of percentage analysis, Weighted Average, chi -square test, Garret Ranking, ANOVA and T Test for analyzing the consumer preference.

7. Findings

Socio Economic Factor

- 43.49 per cent of the respondents belong to the age category between 21-40 years.
- 56.51 per cent of the respondents are Male
- 54.95 percent of the respondents are married
- 25.52 percent of the respondents have completed Graduate.
- 85.16 percent of the respondents live in the nuclear family
- 33.33 percent of the respondent's family belongs to the income group between Rs 20,001 – Rs 40,000.
- 36.20 percent of the respondents belong to the income group between Rs 10,001 – Rs 20,000.

Business Factors

- 49.22 percent of the respondents use car for casual / own purpose.
- 58.33 percent of the respondents spend between Rs 1,001 – Rs 2,000 amount for traveling per month.
- 68.49 percent of the respondents use passenger car daily.
- 25.78 percent of the respondents says that A car having a seating capacity of 4/5 passengers.
- 73.44 percent of the respondents are own the passenger car
- 21.64 percent of the respondents are using Tata Motors.
- I rank for the brand preference is given to the BMW India.

- 24.74 percent of the respondents influenced by the brand.
- 43.49 percent of the respondents agree to pay Rs. 2.5 Lakhs to 5 Lakhs for the passenger car.
- 74.48 percent of the respondents are satisfied with the price of their car.
- 26.56 percent of the respondents use cheque to pay for their purchase of the car.
- 80.21 percent of the respondents use financial payment for purchase their car.
- 31.49 of the respondents choose banks for getting the finance for their car.
- 44.80 percent of the respondents paid 1/3rd of the amount as down payment.
- 61.72 percent of the respondents motivated to purchase the car by EMI method of payment.
- I rank for Technical Features Expected in the Car is given to the air conditioner.
- 100 percent of the respondents says that there is the availability of colors for their preferred model of the car.
- 74.74 percent of the respondents get extra fittings from the dealer itself.
- 19.79 percent of the respondents are aware through TV advertisement.
- 40.89 percent of the respondents purchase the second hand cars through show rooms.
- 100 percent of the respondents say that there is the availability of the spare parts to their cars.
- I rank for Factors Affecting the Individual to Inspire on Particular Brand of Make is given to guarantee/ warranty.
- 18.23 percent of the respondents making decision regarding the purchase of a car by the choice of brother / sister.
- I rank for Satisfactory Level of Current Car is given to safety.
- 48.96 percent of the respondents change car after 10 years.
- I rank for Reasons for Change the Cars is given to maintenance.
- 84.38 percent of the respondents are switch over to other make passenger car.
- 25.93 percent of the respondents are switch over because of non-availability of spare parts.
- 77.08 percent of the respondents are switch over to other model passenger car.
- 29.05 percent of the respondents are switch over because of not good for long travel.
- 29.55 percent of the respondents are not switch over because of convenience for driving.
- I rank for the general attitude of the customer satisfaction towards the passenger car on different factors is given to availability of loan facility.

8. Testing Of Hypothesis

Relationship with Income and Expenses Made For Transport of the Respondents –

Expenses	Chi Square Income	Relationship
Purchasing amount of the car	Family income	No significant relationship
Travelling Expenses	Individual income	No significant relationship

Significant difference between personal variables and attitude of the customer satisfaction towards the passenger car

Attitude	Personal details	Significant
Attitude of the customer satisfaction towards the passenger car	Gender (T – Test)	Significant
	Marital status (T- Test)	Not Significant
	Educational Qualification (ANOVA)	Not Significant
	Age (ANOVA)	Not Significant

9. Suggestions

- Government has to take steps to make the Indian manufactures to play the major role in the car market.
- The manufacturers have to maintain the pick and serve facility to their customers.
- The manufacturer has to create the availability of the spare parts of their car.
- The manufacturer has to make an implement in the usage of the advanced technology.
- Manufacturer has to provide the 24 X 7 service to their customers.
- An employee of the manufacturer has to make the rapport relationship with their customers.

10. Conclusion

This research work is an earnest attempt to know the factors that which influence the public for the purchasing of the passenger car. All findings and suggestions made in the course of study were support by the researches during the period of research. It was hoped that the study would highlight the fields of consumer preference and satisfaction of the passenger cars. If the suggestion is implemented there will be great reward for the project as well as it will be helpful for the manufacturer of the car industry.

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