

A Study On Consumer Behaviour Towards Passenger Car Segment With Reference To Andhra Pradesh

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ABSTRACT:

Study of behavior of consumers became imperative due to huge competition in all product categories. Irrespective of size of the organization and origin understanding the behavior of their target market became mandatory to create delighted customers and to succeed. The automobile sector in India today is most lucrative industry. Change in the lifestyle of Indians, increase in the income levels and some other factors like EMI facility, offers on loans became the main driving factors of sales in car segment. Further competition among the firms belonging to an industry in the market helps to the industry growth. This research would be useful for the new and existing Indian car manufacturers to study and identify the customer expectations and their preferences from market. Indian market influenced by many national and multinational companies. This study presents analysis of research in the area of consumer behaviour in purchasing the cars and factors effecting purchase decision like brand, service, price etc.

For this study, methodology adopted was to explore the purchase decision process and its interaction with behaviour parameters. This study also attempts to present findings with reference to study of factors influencing the purchase of Passenger cars and give suggestions to accustom to the present scenario of sales and future demand for automobile car market.

Key Words: *Consumer Behaviour, Small cars, Sedan, Consumer perception, Consumer buying decision process, Automobile industry.*

1. INTRODUCTION

The Automobile sector in India has undergone significant transformation in the past decade. This industry in India is to grow near about 3.62% per cent annually. Customer preferences became complex and are undergoing rapid change due to the exposure to huge number of information sources. So study of consumer preferences became even more imperative for retailers today than in past. This study is conducted on consumer preferences and consumer purchasing behaviour while purchasing the automobiles.

Marketers' survival depends on consumer satisfaction. Consumer satisfaction depends on their expectation and actual performance of the particular brand. In brand preference, advertising plays a major role. In the modern highly communicated world, every individual is influenced to some degree by advertising. Both public sector and private sector or domestic and foreign firms have learned from their past experiences that their success is determined by their ability to communicate effectively and efficiently with their target audiences.

Automobiles have become essential part in lifestyle of the people in the society. There are number of automobile brands are available in the market. In those brands, some brands are very famous not only in Andhra Pradesh but also globally. For the research purpose passenger car segment has been selected. This is the most preferred segment of the consumers in Andhra Pradesh.

Not lacking behind, automobile companies are also advertising their products through various media and spending huge amount on celebrities to endorse their product. To withstand in this heavy competition firms are using various techniques like using celebrities, investing on research to study the pulse of target audience, investing on promotional activities etc. Celebrities have the huge power to influence consumer's purchase decision. So large amount of funds are spent as the celebrity endorsement can bestow unique features upon a product that it may have lacked otherwise. The automobile Company especially on Advertising spends around 50-60% of the total cost. Various Movie Actors and Sports Players are hired to endorse the brands.

2. REVIEW OF LITERATURE:

Thorough understanding of the behaviour of the target market enables a marketer to make marketing decisions which are compatible with its consumer needs. Major determinants of consumer behavior which have to be studied by the marketer are cultural, socio-economic, personal and psychological. With regard to the study area ie. Automobile sector there is enormous change in the purchase pattern of customers especially rising income has enhanced the purchasing power and more and more people are able to afford a car. Broadening of the target market has been observed in the recent past. Customer demands are not static, they change with the rise in expectations and with the exposure to new information, so continuous focus on the changes is necessary for every company to exist in the market.

Rahul Singh and Shiny Raizada (2020) explored the consumer behaviour, thinking and usage patterns of those who have bought a mid-range priced SUV in the last 10 months before the pandemic period or is planning to buy one in the next 10 months during the Pandemic period. The study is focused on four major factors Media Consumption, Unaided recall, Brand preferences and Price perception and decision making.

Tejaswi Vellampalli(2017) studied the factors influencing post purchase behaviour of Passenger Car customers of Hyundai to understand the satisfaction level and its influencers. The author explored the variables influencing post purchase behaviour of automobile buyers.

Kusuma P(2015) conducted study in the state of Karnataka to identify the factors that influence the consumer buying behaviour patterns of passenger car owners. Researcher also developed a theoretical model, which influence the consumer buying patterns of passenger cars, so that further research could be done, based on the theoretical model developed by him.

Arpita Srivastava and Mitu Matta (2014) explored the consumer behavior towards passenger cars in Delhi NCR. The study focused on important behavioral aspects like information search and evaluation, brand preference and brand loyalty and factors of motivation. Research concluded that automobile manufacturers have to understand the factors which enhance the level of satisfaction of customers while developing their products to meet customer's needs and while designing the marketing programs and strategy.

Sangeeta Gupta (2013) investigated the role of reference group in influencing the buying behaviour of car owners within the city of New Delhi.. The results revealed that there is strong correlation between the attitude of reference group towards attributes like fuel

efficiency, mileage, price in buying decision and buying decisions of target market.

Brown et al (2010) analyzed the consumer's attitude towards US, European and Japanese cars. It has been identified from the study that the country-of-origin plays a significant role in the consumer's behaviour. The brand image, reasonable price and distributor's reputation will have a significant influence on the sale of passenger's car.

3. Objectives

The present study is conducted with the following objectives

1. To identify the perceptions and intensions of buyers in automobile sector.
2. To examine the attributes influencing the Passenger Car buying decision.
3. To study the profile of passenger cars consumers.

4. STATEMENT OF THE PROBLEM

Consumer choice process is a complex phenomenon. Consumer buying decision with reference to product or services involves many processes and complex it is ore complicated for consumer durables like automobiles. The literature on brand preference studies reveals that customer has to spend considerable amount of time to evaluate and select appropriate brand which matches their needs and economic conditions for the selection of durable products, especially passenger cars. The pre-conceived idea of the buyer as well as marketing strategies followed by the manufacturer and marketer also play a vital role in selection of a particular brand. In the region of Andhra Pradesh very limited number of attempts have been made to study the impact of brand preference factors on customer satisfaction. Based on these basic reasons, the present study on the factors contributing brand preference of passenger cars and its impact on customer satisfaction level has been conducted.

5. RESEARCH METHODOLOGY

Methodology means the way the sample and the sample size is selected is of data collection, various tools are used for studying problems with certain objects (or) objects in view it is back bone of the study. The research design undertaken in this study is exploratory in nature, i.e. to discover the potential opportunities. The Population for the study on consumer perception regarding purchasing behaviour of Passenger cars is residents of Andhra Pradesh belonging to middle and upper classes.

The questionnaire for this study was a structured questionnaire. The numbers of questions were about 22. All the questions were asked to consumers to know their perception. The questionnaire was designed in such a format that it was easy to get the basic Personal information about respondent like name, e-mail address and phone number were collected. Questions relating to Information like Preferred brands, product offering (lifestyle) and consumer perception were also included. Sample size is 190. Sample is selected through Convenience Sampling method.

6. RESULTS & DISCUSSION

Demographic variables :

Gender	Male		Female	
	101	53%	89	47%
Marital Status	Married		Unmarried	
	92	48%	98	52%

Age	Below 25		26-35		36-45		46 and above			
	15	8%	53	28%	76	40%	46	24%		
Occupation	Business		Govt employee		Private Employee		Professional		Others	
	62	33%	38	20%	22	12%	47	25%	21	11%
Education	Diploma		Graduate		Post Graduate		Others			
	40	21%	54	28%	76	40%	20	10%		
Annual Income	Below 2.5 Lakhs		2.5-5 Lakhs		5-10 Lakhs		More than 10 Lakhs			
	35	18%	47	25%	75	39%	33	17%		

The above table with demographic details indicates the presence of more male compared to female and majority being unmarried. Most of them fall under the age group of 36-45 years. Most of them are doing business and are educated. The family incomes of majority of respondents fall under the category of 5-10 lakhs per annum.

Source of Information for Doubt Clarification			
Source	Number of respondents	of	% of respondents
Internet searching	32		17
Automobile Mechanic	48		25
Brouchure	9		5
Mail to Manufacturers	4		2
Showroom / dealer	97		51

The above analysis indicate that approx. half (51%) of the respondents consults the showroom/dealer staff for clarification of doubts about the passenger car prior to it's buying. Second most important source found to be automobile mechanic (25%).

Weightages assigned to relative product attributes of Passenger car

Product Attributes	Not at all Important		Not important		Neutral		Important		Extremely important	
Price	6	3.2	10	5.3	12	6.3	69	36.3	93	48.9
Design	7	3.7	16	8.4	24	12.6	71	37.4	72	37.9

Technology	2	1.1	13	6.8	30	15.8	70	36.8	75	39.5
Fuel Efficiency	4	2.1	6	3.2	12	6.3	63	33.2	105	55.3
Engine power	2	1.1	6	3.2	15	7.9	87	45.8	80	42.1
Pick up	1	0.5	4	2.1	21	11.1	89	46.8	75	39.5
Warrenty	4	2.1	15	7.9	32	16.8	62	32.6	77	40.5
Colour	5	2.6	10	5.3	34	17.9	72	37.9	69	36.3
Safety	2	1.1	2	1.1	17	8.9	90	47.4	79	41.6
Internal space	21	11.1	36	18.9	17	8.9	69	36.3	47	24.7
Comfort	1	0.5	3	1.6	15	7.9	88	46.3	83	43.7
Brand Image	3	1.6	7	3.7	20	10.5	90	47.4	70	36.8
Financing Schemes	15	7.9	20	10.5	45	23.7	68	35.8	42	22.1
Maintenance Cost	4	2.1	12	6.3	23	12.1	86	45.3	65	34.2
Re sale Value	6	3.2	17	8.9	35	18.4	75	39.5	57	30.0
Insurance Facility	22	11.6	16	8.4	32	16.8	50	26.3	70	36.8
Brand Image	3	1.6	7	3.7	21	11.1	95	50.0	64	33.7

The above table gives importance given by respondents towards seventeen features, which are associated with the purchase decisions of passenger car by the target market. Five-point scale is used to identify the emphasis given to each factor. It can be observed that there is variation in the preference given to each factor by respondents. It can be identified that few factors like fuel efficiency (55.3%), Price (48.9%), Comfort (43.7%), engine power (42.1%) are given highest priority where as other factors like financing schemes (22.1%), internal space (24.7%) are given relatively less priority in Passenger car Segment.

Analysis of Chi-Square Test Results

Personal Profile	Cal. Value	Table Value	DOF	Ho/ Accepted/ Rejected
Age	36.5	18.3	10	Rejected

Gender	46.9	11.07	5	Rejected
Education	51.86	18.3	10	Rejected
Occupation	66.15	24.9	15	Rejected
Income Level	83.89	18.3	10	Rejected

The above given Chi Square Analysis indicate that Ho is rejected and so there is relation between demographic factors like age, gender, education, occupation and income Level and brand preference and purchase decisions of passenger car buyers.

7. FINDINGS &RECOMMENDATIONS:

The important findings of the study are summarized and suitable conclusions drawn are presented below.

The study shows that all aged groups are well aware about brands of automobile and their purchasing decision depends on the brand image. There is an impact of income of the customers, which is directly proportional to the price of the car. Purchasing decisions of individuals depends on their family members. Price is a key element, which shows high impact on the automobile customers. Customers are giving priority to the offers and benefits while taking the purchase decision. Customers are more concerned about family needs while taking the decision to purchase a car. Fuel efficiency is another important factor of concern for the customer who is planning to purchase the car. Buying decision also depends on the Price of the car. Comfort and engine power are other two important areas customer is giving importance with regard to their automobile purchase decisions.

8. SUGGESTIONS:

- Since all aged group customers are well aware about the brands, companies should concentrate on their brand value in the market.
- Indian consumers are price sensitive. So, companies should be aware of the pricing strategies
- Advertisements have very high impact on all members of the family. so, while creating the advertisement, companies should focus upon the preferences of target market.
- Indian consumer purchases products when they feel they are getting something additional to the product. So companies should follow effective offer strategies..
- Companies should implement schemes in terms of Maintenance to attract the customers who has more concern about Maintenance.
- Organizations should maintain safety and comfort features which are recommended by the government and SIAM(*Society for Indian Automobile Manufacturers*).

9. CONCLUSION

According to this study, most of the respondents are well aware of the automobile sector. In automobile industry brand is an important element. Companies always try to keep their brand

strong in the market. Another impact element is price, since Indian consumers are price sensitive. Companies will look forward to their pricing strategies. Indian consumers always consider family needs. In India consumer gives priority to the family members. They purchase a product if it satisfies the needs of the other members in a family. So, car manufacturers should concentrate on the basic needs of a consumer. Benefits and offers are key to attract the consumers. So, most of the companies are giving offers in order to attract the consumers. Indian market is fastest growing market in Asian continent. So, companies and manufacturer should aware about the needs and requirements of the consumers also requires a continuous evaluation of a market in order to find out the changes in customers tastes and Preferences.

10. SCOPE FOR FUTURE RESEARCH

There is lot of potential for further research in this area. This section suggests few potential avenues for future research, which may be pursued by researchers based on their area of interest.

- Since this study is confined to the state of Andhra Pradesh only, the researcher may focus on the other parts of country to generalize the findings of the study. Inter-State comparison can be made to study the topic in a comprehensive way.
- Researcher may concentrate on marketing mix to have in depth knowledge of the state. An examination into the financial implications of purchasing a vehicle could be conducted across the state.
- Researcher may examine how marketing programme strategies affect consumer perceptions for premium cars.

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