

A STUDY ON CONSUMER PREFERENCE ON USERS OF CAR IN KRISHNAGIRI TOWN

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1.1 Introduction

Now a day the transport facilities well-developed of these cars are a very essential transport mode to travel from one place to another place. Because of rapid industrial growth and economic growth the standard of living of the people is enhanced. So they showing their status through one of these ways like having car, so the researcher chosen to know the consumer preference using car to in Krishnagiri Town.

In this Modern world, transport plays a vital role. Road transport plays a larger role in the recent years. The user prefers this because of its availability, adoptability to individual needs, door to door services and reliability. At present 80 percent of passengers move by roads. Road transport has been very useful which connects rail way stations, and other important places. With higher volumes of production of all models of vehicles in the year ahead, road transport assumed still greater importance meeting the present and future demand on road.

The study regarding consumer preference for cars was made in respect of selected car owners in Krishnagiri. The area of consumer preference is one of the most interesting areas because it is concerned with understanding consumer with regard to why individual act in certain consumption related ways. Most of the concepts of consumer preference were related to economic theories. The mass communication has also changed the whole theory concept of marketing the marketers. Who were concentrating only on urban consumers? Have started shifting their targets towards rural markets too. Increasing awareness of new products has made consumer choosy. There by consumer's preference value has been changing very fast now-a-days.

1.2 Consumer Preference

In olden day's Fiat and Ambassador cars were very popular in India. As many companies have introduced many models the Indian users are the changers. They will select cars according to their tastes and the availability of funds.

Brand image is broader than brand personality in real. A well-established brand has a clear brand personality. It may remain unstated. But it can play a strategic role in brand ware. Closely position brands may also acquire distinct personalities as a result of exposure to the quality of the product, attraction in packing, service at the time of sale and after sale, word-of-mouth and advertising strategies adapted by the company. Brand is thought as being friendly, boring, funny, rude, caring stylish etc. consumer need to think of brands in human terms. The ability of a brand personality comes through consistency.

Brands are much like people. They have certain physical characteristics, certain skills and abilities and certain associations and attitudes like an individual, a brand too is a blend of all these. The brand therefore; appeals to senses, to reason and to emotions. Various factors influence a human beings perceived personality. Example, family, friends, neighbours, school religious, institutions, socialization in general similarly, various factors influence formation of a brand personality, they are either product related or non-product related factors.

1.3 Meaning of Brand

Brands Are Powerful Symbol That Reflect Not Only The Image With Which Manufacturers And Advertising Agencies Try To Them But Also The Cultural In Which They Are Imbedded (Levy 1959) If That Miliew Is Qualitatively. Different from that of the society where the brand originated, brands can come to represent some surprising ideas and values to which marketing efforts much be

sensitive. In china today ancient belief system rooted in Confucianism and tools are intermingling with western ideologies (Davis 2000), especially with regard to consumption, consumerism, and brands. Now here is this melting pot of ideas more evident than in shanghai which is one the most attractive consumer markets in china remarkably little work has been done in the marketing field as to the relationship between brand meaning and the nature of traditional culture. Especially, where traditional culture is changing.

1.4 Branding Definition

A brand is a proper noun that can be used in the place of a common word. Al Ries “a brand is a singular idea or concept that you own inside the mind of a prospect”. The brand is nothing more than an ongoing relationship in which a customer exchange financial value with the marketing organization (your business) for the use of the benefits the brand provides. A branding is a promise wrapped in an experience. A consistent promise wrapped in a consistent experience. Charlie Hughes and William jeans. Branding is not about getting your name out in the market place. Branding is about getting an individual’s customer to say I want it “**steveyarstow**”. A brand is essentially a contains for a customer’s complete experience with the product or company Sergio zyman.

1.5 Importance of the Study

Now a day’s all have used two wheelers. More than two members cannot travel in two wheeler. So, for comfortable and family raiding people may often prepare cars. So the researcher needs to identify or test which brand of car can be prepare in krishnagiri town. So this needs to be an important one.

There are two types of situations

1. Consumption
2. Purchases situation

Consumption situation is the anticipated usage situation. It is the circumstance which prevails at the actual place of consumption. In includes what is consumed? Where it is consumer? And by whom it is consumed. Like consumption situation purchase situation also influences buyers brand choice behaviour. It refers to the situation that is particular to the place where actual purchases are being made.

1.6 Statement of the Problem

The people bought of either a Fiat or Ambassador in 1980 around 30000 cars would sell every year Selling about this level has been a great task over the years. Maruti became very popular. A few models were only produced for the Indian size and its population the are not enough. However basic three models are not improvements and research activates are going on continuously to provide more economic models to suit the Indian requirements. Though competition among car makers in growing day by day, what would determine the success of a company in terms of production and sales. It is the product quality & technology and the comforts provided in the car and not the price fixed for the vehicle.

The Maruti has proved this point. No sooner Telco announce the bunch of its Indicadecided to slash its profit margins by cutting vehicle prices. At that point of time, the introduction of small cars like Santro, Maruti and Nano gradually improves its market share. The general expectation is that the Indian auto Industry’s will undergo tremendous market to imports and development of local assembly by leading MNCS. To meet the challenges ahead, vehicle manufactures will have to strive to cut costs further, improve productivity, enhance market orientation and successfully create a high level of consumer loyalty. The ultimate success of a car manufactures is depending on one important factor now for the car manufactures are able to the customers about the respective brands in the present study, an attempt is made to study the consumer preference in using in krishnagiri town.

1.7 Objectives

The overall objective of the study is to analysis the consumer preferences on users of cars in krishnagiri-town.

The main objectives of the study are.

1. To study about consumer preference on brand
2. To study the socio-economic status of the consumer towards cars
3. To study out the reasons for the choice of cars.
4. To analysis the availability of car loans while purchasing of a car.
5. To understand the importance of media in choosing car

1.8 Review of Literature

A literature review is a body of text that aims to review the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work.

Simai Haji Mati was quoted saying that, “literature review should be referred to as reviewing and analysing the work of literature in relation to the specified topic in research”.

Most often associated with academic-oriented literature, such as a thesis, a literature review usually precedes a research proposal and results section. Its ultimate’s goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area.

A well-structured literature review is characterized by a logical flow of ideas; current and relevant reference with consistent, appropriate referencing style; (i.e.), proper use of terminology; and an unbiased and comprehensive view of the previous research on the topic.

1.9 Preferences of Foreign Brands Vs Local Brands

When price, brand name and technical features are invariant, consumers prefer local brands to foreign brands. Consumers generally prefer global brands when they perceive the local brands to be inferior –Elliott and Cameron, 1992.

Quality, prestige and durability, product design, customer service, brand trustworthiness and product uniqueness are the attributes which drive the consumer’s preference for global brands over the local brands. Low trust and credibility, lack of strong reputation and brand recognition and poor design of product are the attributes which drive the consumers to give less preference to local brands compared to global brands (Jap 2010)

1.10 Purchase of pre-owned small car in India

An attempt has been made to present in brief, a review of selected studies has direct or indirect relevance to our study.

Purohit(1992) explored the relationship between primary markets for new cars and secondary markets for used cars and found that the depreciation of used cars is influenced strongly by the types of changes in the new model cars. Morton et al.(2000-2001and 2002) investigated the effect of internet car referral services on dealer pricing of automobiles in California, and compared the online transaction prices to regular street prices.

Raja and suresh (2006) ranked the small cars on sales support, vehicle design, purchase support, cost of ownership and delight features as underlying factors of customer satisfaction.

1.11 Interpretation

Table-1 Occupation of the Respondents

Occupation of the Respondents	No. of Respondent	Percent
Business	51	51.0
Profession-(Teacher, Doctor, Lawyer)	32	32.0
Others (Engineering)	17	17.0
Total	100	100

Interpretation

The above table shows that 51% of respondents belonging to the business people 32% of the respondents belonging to the profession (**Teacher, Doctor, Lawyer**) and 17% of the respondents belonging to the other category i.e **Engineering** .

Table-2 Reason for buying New Car

Reason for buying New Car	No. of the Respondents	Percent
Fuel Efficiency	29	29.0
Updating of Car	32	32.0
Trouble free	23	23.0
Less Maintenance	16	16.0
Total	100	100.0

Interpretation

The above table shows that 32% of respondents bought new car to update the new model, 29% of the respondents bought new car for fuel efficiency 23% of respondents bought new car for the trouble free and 16% of the respondents bought new car because of less maintenance.

Table-3 Brand Preference

Brand Preference	No. of the Respondents	Percent
Ford	2	2.0
Hyundai	8	8.0
Maruti Suzuki	15	15.0
TATA	36	36.0
Mahindra	5	5.0
Honda	8	8.0
Fiat	9	9.0
Benz	12	12.0
Volkswagen	5	5.0
Total	100	100.0

Interpretation

The above table shows out of 100 respondents, 36% of the respondents prefer Tata car, 15% of the respondents prefer maruti car. 12% of the respondents prefer Benz car. 9% of the respondents prefer fiat car. 8% of the respondents prefer Hyundai cars. 8% of the respondents prefer Honda cars. 5% and less then respondents prefer Mahindra car 5% of the respondents prefer Volkswagen car. 2% of the respondents prefer ford car in krishnagiri town.

Table-4 Reason for Choosing Particular Brand

Reason for choosing Brand	No. of the Respondents	Percent
Looks Good	49	49.0
Very Popular Brand	41	41.0
Fuel Efficiency	4	4.0
Highly Advertised	6	6.0
Total	100	100.0

Interpretation

The above table shows that 49% of respondents bought car because it looks good and 41% of the respondents bought car because of very popular brand, 6% of respondents bought car because of highly advertised and 4% of the respondents bought car because of fuel efficiency.

Table-5 Purpose of Using Car

Purpose of using Car	No. of the Respondents	Percent
An Asset	26	26.0
A prestige symbol	2	2.0
Family travel	47	47.0
Convenience	25	25.0
Total	100	100.0

Interpretation

The above table shows that 47% of the respondents uses car for the family travel, and 26% of the respondents believes that it is an asset, and 25% of the respondents use car for the purpose of convenience, and 2% of the respondents kept it as a prestige symbol.

Table-6 Mode of Finance

Mode of Finance	No. of the Respondents	Percent
Loan	41	41.0
Ready cash	31	31.0
Instalment	28	28.0
Total	100	100.0

Interpretation

The above table shows that 41% of the respondents prefer the loan as their mode of finance. 31% of the respondents paid ready cash, and 28% of the respondents prefer to pay the amount through instalment.

Occupation of the Respondents * Brand Preference Cross tabulation

Occupation of the Respondents	Brand Preference									Total
	Ford	Hyundai	Maruti Suzuki	TATA	Mahindra	Honda	Fiat	Benz	Volks wagen	
Business	1(1.9)	3(5.8)	9(17.3)	18(34.6)	2(3.8)	5(9.6)	5(9.6)	6(11.5)	3(5.8)	52
Profession	1(3.1)	3(9.4)	5(15.6)	10(31.3)	2(6.3)	1(3.1)	3(9.4)	5(15.6)	2(6.3)	32
Others	0(.0)	2(12.5)	1(6.3)	8(50.0)	1(6.3)	2(12.5)	1(6.3)	1(6.3)	0(.0)	16
Total	2(2.0)	8(8.0)	15(15.0)	36(36.0)	5(5.0)	8(8.0)	9(9.0)	12(12.0)	5(5.0)	100

The above table consists of observed and expected frequencies.

H₀: Null Hypothesis

H₁: Alternative Hypothesis

H₀: Occupation of the respondents and brand preference are independent.

H₁: Brand preference depends upon the occupation of the respondents

Chi-Square Tests

Occupation of the Respondents * Brand Preference Cross tabulation

Particulars	Value	df
Pearson Chi-Square	7.174(a)	16
Likelihood Ratio	8.663	16
Linear-by-Linear Association	.442	1
N of Valid Cases	100	

From the above table,

The chi- square calculated value is = 7.174

Degrees freedom:

$$(R-1) \times (C-1)$$

$$(3-1) \times (10-1)$$

$$(2) \times (9) = 18$$

The chi-square (χ^2) table value at 18 degree of freedom at 0.05 level of significance is = 28.869

By comparing the calculated value with the table value the conclusion is made as follows;

Since the calculated value is lesser than table value the (H₀) Null hypothesis is accepted. Therefore, occupation and brand preference of the respondents are independents.

Monthly Income of the Respondents * Purpose of using Car Cross Tabulation

Monthly Income of The Respondents	Purpose of using Car				Total
	An Asset	A prestige symbol	Family travel	Convenience	
10000-20000	25(39.7)	0(.0)	27(42.9)	11(17.5)	63
21000-30000	1(6.3)	0(.0)	9(56.3)	6(37.5)	16
31000-40000	0(.0)	1(6.3)	9(56.3)	6(37.5)	16
41000 And Above	0(.0)	1(20.0)	2(40.0)	2(40.0)	5
Total	26(26.0)	2(2.0)	47(47.0)	25(25.0)	100

The above table consists of observed and expected frequencies.

H₀: Null Hypothesis

H₁: Alternative Hypothesis

H₀: Monthly income of the respondents and Purpose of using Car are independent.

H₁: Purpose of using car depends upon their monthly income.

Chi-Square Tests

Monthly Income of the Respondents * Purpose of using Car Cross Tabulation

Particulars	Value	df
Pearson Chi-Square	28.269(a)	9
Likelihood Ratio	29.728	9
Linear-by-Linear Association	11.776	1
N of Valid Cases	100	

From the above table,

The chi-square calculated value is = 28.269

Degrees freedom:

$$(R-1) \times (C-1)$$

$$(4-1) \times (4-1)$$

$$(3) \times (3) = 9$$

The chi-square (χ^2) table value at 9 degree of freedom at 0.05 level of significance is =16.919, By comparing the calculated value with the table value the conclusion is made as follows; Since the calculated value is greater than table value the (H_1) Alternative hypothesis is accepted. Therefore, purpose of using car depends upon monthly income of the respondent.

1.12 Summary of Findings

Findings

1. 45% of the respondents were belonging to the age group of 25-35 years.
2. 78% of the respondents were male.
3. 79% of the respondents are married.
4. 51% of the respondents were in business sector.
5. 45% of the respondents have completed PG.
6. 52% of the respondents were belongs to small family.
7. 45% of the respondent's family has 3 to 5 members.
8. 63% of the respondent's income belongs to 10,000 to 20,000 Rupees.
9. 38% of the respondents bought car because of their family member's recommendation.
10. 34% of the respondents took one month to make purchase.
11. 32% of the respondents bought car for the purpose of updating of car.
12. 36% of the respondents prefer Tata brand.
13. 49% of the respondents bought car because of it looks good.
14. 52% of the respondents spend 3 lakh to 5 lakh of rupees for the purpose of purchasing car.
15. 47% of the respondents uses car for the family travel.
16. 52% of the respondents use car for independence purpose.
17. 45% of the respondents like the feature of mileage.
18. 41% of the respondents prefer the loan as their mode of finance.
19. 60% of the respondents use car for driving in the city side.
20. 76% of the respondents use diesel as their fuel to his car.
21. 50% of the respondents like the feature of model.

1.13 Conclusion

Among the various brands of cars viz., Maruti 800, Mmaruti alto, Tata Indica, Hyundai Santro, wagon R, Zen Estilo and Swift in Krishnagiri Town Maruti 800 and Maruti alto is the most preferred brands by the majority of the population.

Tata Nano has hit the roads on 23rd march 2009. It is going to pose a great challenge to other small cars in India, especially the bread and butter models of maruti udyog lit viz., maruti 800 and maruti alto.

Among the various social factors like friends, relatives, own family members, neighbours and one's own decision influence the car purchase decision in the small car market in Krishnagiri Town, it was one's own family members that influenced the car purchase decision the most. Out of the four factors namely comfort, safety, aesthetics and technology, the comfort factor has been rated as the most important factor in the small car market in Krishnagiri Town.

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