

A Study on Impact of Consumer Behaviour Pattern on Buying Decision of Small Cars in Karnataka

Kusuma P

Assistant Professor, Department of MBA, St. Aloysius Institute of Management & Information Technology,
Mangalore, Karnataka, India

ABSTRACT: Liberalization, Privatization and Globalization Policy of India influenced many international automobile companies trading & manufacturing in our country. The availability of many brands in Karnataka provides various alternatives to the customer. These manufacturers offer similar value proposition, and provide highly customized products. Engine performance is not considered very important for customers now, rather they look for those differentiating parameters. The main objective of this paper is to identify the possible parameters that influence the consumer buying behaviour patterns of passenger car owners in the State of Karnataka. It is also aimed to develop a theoretical model, which influence the consumer buying patterns of passenger cars, so that further research could be done, based on the model and the identified parameters.

KEYWORDS: Consumer Behaviour Patterns, Personality Theory, Family Influence, Self Theory, Customer Loyalty, Retail Loyalty, Virtual Brand Community Effect, Customer Satisfaction, Customer Relationship.

I. INTRODUCTION

In India, until the mid-eighties, consumers had very limited options for passenger cars. As a result people used to buy passenger cars for their luxury. In the past, passenger cars were considered as a luxury, rather than a necessity. Due to the subsequent economic boom in higher income levels and the growing purchasing power of the Indian urban population, cars have transformed into a necessary ingredient for the Indian middle class families.

The Automobile Industry has been in the booming phase for the past 10 years, on the strength of the Indian Government's liberalized economy policy and freedom from the License Raj. The Government of India allowed Foreign Joint Ventures in the industry since early 1990. Subsequently, the Indian Government allowed Foreign Direct Investment with an equity cap in the industry, which saw many automobile giants entering the Indian market with varieties of models, readily available, without much waiting time for the delivery. The sudden entry of major global players has made the Indian auto industry very competitive, as India provides twin benefit of ready market and low cost manufacturing base for them. With the explosion of the automobile industry, due to its globalization and liberalization, car manufacturers introduced much innovative and technological advancement in their models. Customers have started thinking to change over to the new models of cars, with related ease than in the past, to suit their changing life styles.

The study is conducted in Karnataka. Karnataka is billed as a consumer State by both manufacturers and marketers Karnataka, primarily being an agricultural state, not many car manufacturing units exist in the state and they do have their production facilities outside the state, mainly in the states of Tamil Nadu, Maharashtra, Gujarat, Haryana, Punjab, Delhi, and a few other places in India. However, manufacturers and marketers treat Karnataka as a test market, where they can easily introduce newly developed products, as the people of the State display high consumerist tendencies in their purchase behaviour. Consumerism in the state is also attributed to high literacy and booming economic conditions, in the middle class, due to IT related industries the inflow of foreign exchange, from US, European and Middle Eastern countries. Various new models of passenger cars from different manufacturers can be easily spotted in the cities of the State. Thus, the proposed study is focused in the State of Karnataka.

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The Secondary study includes various past research on the consumers of passenger cars in different parts of India and specifically in Karnataka. The following are some of the studies and their relevance to the researcher's area of research.

Sagar *et al*, discuss in their approach paper (1), as to how the Indian car industry has leaped forward technologically, driven by a confluence of factors such as intense competition, demanding consumer preferences, government policies (especially strict emission standards), and the global strategies of the various players. They elaborate that cars manufactured in India are based on designs, incorporating advanced technologies, that are often comparable with those available globally and Indian car exports are also growing.

Avinandan and Trilochan (2) discuss that penetration of passenger cars in rural and semi-urban areas is extremely low and could provide fresh markets. They opine that new entrants will have to deal with uncertainty of demand, different and evolving customer needs, a relatively poor supplier base, a market over crowded with competition and industry-wide capacity shortages. They see the prospect of India emerging as a significant manufacturing base for exports. They conclude that in a highly price sensitive market, reduction of prices because of lower duties and taxes and progressive indigenization, and rising middle class income levels are likely to further increase industry growth rates.

Study conducted by Malayala Manorama (3) reveals that people will normally like to go for cars with low cost on the one end, whereas another set of high income group of people prefer the costly cars.

Show-off buyers now prefer to have cars with the space, comfort and luxury of a mid-size saloon or sedan as per Shapur (4). With the growing affluence and technological advancement, there develops a certain maturity in taste, as evidenced by the growing popularity of the Indian Hatchback market. The "third box" or the boot space does not seem to have the same importance, which it once had. Many customers buy cars with the space and comfort, as it is easy to negotiate in our ever-increasing congested cities. That is where the premium hatchback commands a respect in its segment. Though they are costing more money, customers buy them for their practicality and the comfort they offer, without sacrificing the feel-good factor.

Motivational measures implemented by the Reserve Bank of India to support the economy and boost up the demand, Indian banks have reduced the interest rate for car loans, which gives a hope for the industry. While the new generation banks in the private sector concentrate their car financing activities in the cities, Public Sector Banks are turning the heat on, in the small and medium towns and rural area, where they have more coverage and influence, as reported by Ajit (5).

II. IMPORTANCE OF THE STUDY

Many models of passenger cars entry into the automobile market, leads to market saturation, companies competing against each other, in sharp contrast to the monopolistic industry behavior. It requires tremendous amount of marketing efforts to retain and grow their market share in this scenario, by adopting quite innovative features and value added services, which are very attractive to the customers. Companies are adopting methods to find out, if smaller families using the two wheelers, can be converted into the car buyers.

Karnataka market is considered to be different from other states, due to its high consumerism. With the boom in IT Industry in late 90's, the expatriates have migrated to the US, Europe, Australia, and other Asian and countries. In this context, it was thought that this study is very relevant to measure the topography of the customer tendencies in the passenger car industry.

The current trend is moving towards acquiring fashionable cars, which is proving to be a status symbol for many households. With the kind of inflow of US dollar and other foreign currencies into the state, which has resulted in influencing the purchasing decisions of the Karnataka households, it is becoming an attractive ground for manufacturers of passenger cars to compete in this promising market, to satisfy the needs of customers to acquire middle and luxury cars. The current trend is to show off their social status by displaying high profile latest model passenger cars in their home portico.

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There are new players as well as new models entering the automobile sector, thereby introducing new narrowed segments in the passenger cars. The study findings will definitely help the manufacturers and marketers of passenger cars to strategize, plan and market their products in the State.

III. OBJECTIVE OF THE STUDY

The objective of the research paper is to explore and conceptualize various parameters, which influence the purchase patterns of passenger cars in the State of Karnataka. The paper also aims to develop a framework to study the behavioural patterns, which might eventually influence the consumer purchase of passenger cars in the State.

IV. RESEARCH METHODOLOGY

The purpose underlying in this research study is for evolving realistic consumerist tendencies, in the passenger car industry. The methodology adopted is to use the exploratory approach. It incorporates three or more views of reality, typically involving a Literature Review of the past research work in the respective area, a qualitative and quantitative study assimilating the power of a consumer questionnaire, and consolidation of these methods and views to obtain confirmatory results and thereby a better understanding of the problem that is being addressed.

Thus, the research methodology adopted in this research study comprises of the following stages:

- Literature Review, that is the secondary research
- An exploratory stage that is the Primary Research, consisting of in-depth interviews and focus on group discussion with Car Dealers of new and second-sale cars, Car Financing Agencies and car owners in the city of Mangalore. Questionnaires were devised to drive the in-depth interview with car dealers of various manufacturers, second-hand car dealers, car financing agencies, and car owners in the city of Mangalore, Karnataka, India.

V. PARAMETERS FOR THE STUDY

Great efforts have been made to evaluate and measure consumer behaviour in general for passenger cars. Following section, details the various consumer behaviour studies undertaken by other researchers in the relevant area, and the important theories of consumer behaviour.

IMPACT OF INTERNET MARKETING ON CONSUMER DECISION PROCESS: E-commerce marketing is becoming the common platform for consumers due to the growth in the Internet Industry. Every buyer in the country's top cities start their search on the world-wide web. As per Amit (6), four out of every ten new car buyers and three in every ten used car buyers, use internet to do initial research, before making the purchase, based on a study conducted by Google. Liu and Bai (7) discuss the various opportunities for car manufacturers and dealers to utilize the internet marketing medium in the five stages of e-marketing buying process - Problem Recognition, Information Search, Evaluation of Alternatives, Product Choice, Final Outcome / Post Purchase.

Following are the various theories of consumer behavior, which will provide a framework to focus on the behavioural patterns of passenger car industry.

CONSUMER BEHAVIOUR THEORIES: Most research in marketing still inhabits the world of cognitive consumers and responsive managers, semi-autonomous buyers and philosophical marketers. The present challenge for marketing researchers is to generate critical interpretations, which alternate with the prevailing normal science component of consumer research: Structural accounts of human activity assume that observed behaviour results from what is happening within the individual. Behaviour is determined, in whole or part, by internal processing of information, or action of mental traits.

Recent research into consumer behaviour, challenges marketing conventions as stated in the research done by Hill (8). He explains that people respond to the information gathered by the senses at an intuitive level, as well as on the basis of rational criteria. He describes the use of bio-feedback systems to evaluate the appeal of product offerings, suggesting that this approach is highly effective in predicting consumer purchase behaviour. He points out that consumers'

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interpretation of product concepts and brand information may be very different from the messages that the company intended to

convey. He recommends that firms wishing to market to the senses, provide simple messages that are memorable, easy to interpret, believable and relevant to consumer needs.

CONSUMER BEHAVIOUR AND PERSONLITY THEORY: According to research, personality is another significant factor that results in consumer's purchase decision. Gordon and Ronald (9) paved the way for a new impetus in consumer behavior based on personality research.

INFLUENCE OF FAMILY ON CONSUMER BEHAVIOR: White (10) comments that people expect to haggle with dealers over price and to receive substantial rebates or incentives as well as low-interest payment plans. He states that with an increase in multi-car households, car marques and advertisers need to target the right audience, taking into account the pester power of children and the importance of life-stage. Despite the fact that women are the primary buyers of most new cars, he admits that the motor trade has traditionally been contemptuous of women's role in the car-buying process.

Ferber in his book on "Selected Aspects of Consumer Behaviour" (11) provides an overview from various disciplines of consumer behaviour in the marketplace. He presents theories of consumer choice, both economic and psychological. Further, he reviews different forms of consumer behavior in the marketplace and includes: 1) decision making in the household - how consumer choice is manifested in the actions of the family unit; 2) patterns of marriage and family formation and dissolution; 3) mobility (geographical, educational, and occupational); 4) saving trends; 5) consumer purchases of durable and non-durable goods; 6) new products and ideas; 7) brand choice; 8) shopping behavior and preferences; and 9) life styles. This book also explains different ways in which psychological factors influence consumer choice. Factors such as television advertising, promotional methods and the role of price in consumer choice are discussed. The final chapters deal with different aspects in the measurement and analysis of consumer behaviour.

CONSUMER BEHAVIOUR AND SELF THEORY: Self Theory refers to an individual's overall thinking process and provides a reference point for the related consumer behaviour as conceptualized by Morris in his research studies. He defined it as a combination of an individual's thoughts and feelings, pointedly referring to himself as an object (12). However, Raj and Russell (13) cautioned that there could be fundamental differences in the concept of self, across different cultural entities. They reported this in their studies on Hindu Indian Immigrants that they are less susceptible to the western view of self as an object. This also clearly shows in the differential self-belief of migrants from Asia, Africa and other countries to USA.

IMPROVED SELF THEORY: Personal vanity and self-emancipation considerations guides consumer needs. People want to have some high esteem in the society, and they seem to think that they can obtain a high societal value, if they own a high value passenger car and attribute the possession of such a vehicle, as a means of achievement in their life. This was conceptualized by Richard *et al* (14). They devised an individual difference variable, which is consisting of personal vanity and achievement vanity.

CONSUMER COMPLAINING BEHAVIOUR: Research suggests that in many cases, companies exert best efforts to address its customers complaints. Many managers, in certain cases, are often exceeds consumer expectations beyond-the-contract or above their prescribed job specification, aimed at striving to address consumer complaints, as notified in the study by Resnik and Harmon [15].

VIRTUAL BRAND COMMUNITY EFFECT: Consumers increasingly use online tools to contact fellow consumers in order to get information on which to base their decisions. This has resulted in growing importance of virtual brand communities. For this reason, it attains importance to explore, some of the effects of participation in a virtual brand community on consumer behaviour. Luis *et al* (16) propose the positive effects of participation in a virtual community on both consumer trust and loyalty to the product, brand or organization around which the community is developed. The survey reveals that participation in the activities carried out in a virtual community may foster consumer trust and loyalty to the mutual interest of the community (the free software in this case). In addition, the study also found a positive and significant effect of consumer trust on loyalty. In this respect, this study has shown that managers may

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foster consumer trust and loyalty by developing virtual brand communities and promoting consumers' participation in them.

RELATIONSHIP MARKETING LINKED TO SERVICE PACKAGE AND PRICE: The prioritization & significance of Relationship Marketing is highlighted by the Research studies conducted by Garbarino and Johnson (17) and Morgan & Hunt (18). Many companies have prioritized their attention and focus to the establishment, development and maintenance of close and lasting relationships with their customers, in order to create a differentiating value addition to their products and/or lowering the product costs to engage in a penetration pricing mechanism. This is corroborated in the studies conducted by Weitz and Bradford [19]. Even in the car industry, which is predominantly driven by the product characterization, classification and orientation, establishing a long-term relationship is being considered to be essential marketing strategy at all distribution levels. Thus, customer knowledge and relationship building, through constantly addressing their needs, are considered to be vitally important selling ingredients to contribute to a car dealer's competitive advantage, as ascertained by Chojkacki (20).

Sharma & Patterson [21] surveyed that car dealers are implementing a strategy to position themselves, more effectively in the market place than before, by means of continuous improvement of quality maintenance through services delivery packages, as car dealers are increasingly being confronted by demanding and technologically knowledgeable consumers, shortened product model life cycles, intensified competition and fragmented market segments.

Moreover, past studies also evaluate concepts of price fairness and customer satisfaction and empirically demonstrate the influence of perceived price fairness on satisfaction judgments. Andreas *et al* (22) seek to study specific factors that influence fairness perceptions, including price perception and consumer vulnerability, in the context of car purchases in major German car dealerships. Their research paper shows that price perceptions directly influence satisfaction judgments as well as indirectly through perceptions of price fairness.

CUSTOMER SATISFACTION AND LOYALTY: Newman and Werbel (23) and by Kasper (24) hypothesized in their papers that customer satisfaction is often used as a predictive measurement of future consumer purchases. Satisfied customers are more likely to resort to repeating purchases in the time of actual instance, as reported by Zeithaml *et al.*, in their studies (25). Moreover, highly satisfied customers will convey their success stories of satisfaction and directly recommend that others try the source of satisfaction, as stated in the studies conducted by Reynolds & Arnold (26) and Reynolds and Beatty (27). Fitzell suggested that such satisfied customers shall become less receptive to the competitor's offerings (28). Whereas, Ball *et al.*, (29), Copeland (30) observed in their study that the customer loyalty is demonstrated by repeated purchase. In practical terms, firms want repeated purchases mainly because such behaviour in consumers can apparently show the customer preference for a brand or product, as stated by Bowen and Shoemaker (31).

Customers, who purchase specific category of products for the first time, were found to focus on the product benefits, and not on the brand as evaluated by Keller (32). According to Keller, the emphasis is on the tangible attributes of the product, which are visible and accountable to the buyer. Customers looking for low-price car, to meet their budget, may necessarily focus on the characteristics of the car, regardless of brand.

BRAND AND RETAIL LOYALTY: Customer satisfaction is the focal point in the whole supply chain management. Multi-dimensional recording of customer loyalty reveals clear differences in the interactions, first, with brand loyalty and, second, with dealer loyalty. In contrast to the opinion widely held in practice, customers in the automotive sector definitely do not perceive the brand and the dealer as one unit. Since similar studies in different countries come to almost the same conclusions, it can be argued that the results are valid in several cultural settings. The results obtained by Frank and Andreas (33) are so fundamental that they can be translated into implications even by internationally operating companies. Arjun and Morris (34) examined two aspects of brand loyalty, purchase loyalty and attitudinal loyalty, as linking variables in the chain of effects from brand trust and brand affect to brand performance (market share and relative price).

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Brands play very important role in the consumer market. They link consumers and the company, and subsequently, consumers may develop loyalty to brands. This study by Geok and Sook (35) proposes that trust in a brand is important and is a key factor in the development of brand loyalty. Factors hypothesized to influence trust in a brand include a number of brand characteristics, company characteristics and consumer-brand characteristics. The findings reveal that brand characteristics are relatively more important in their effects on a consumer's trust in a brand. The results also show that trust in a brand is positively related to brand loyalty. Marketers should, therefore, take careful consideration of brand factors in the development of trust in a brand.

Unlike earlier, now a days, car owners desire to upgrade their models and brands to avail of the new features and environmental changes and comforts of competing brands. On that account, whether to remain loyal to their existing brand / product or to switch over to a new brand / product is a million dollar question that bother many car owners. This provides an opportunity for many automobile manufacturers and retailers for innovation. In this confusing scenario, some of the car buyers switch from one brand to another at trade-in time, whereas some other car owners display consistent choice of sticking to their brand / product from purchase to purchase, as hypothesized by Sambanandam and Lord (36). When it comes to the product evaluation stage, quality products, positive showroom acoustics, ambience, positive showroom experience and a consistent and formidable after-sales-service, are all essential and central to the loyalty formula, and manufacturers have been concentrating considerable efforts in these directions, as illustrated by Illingworth (37).

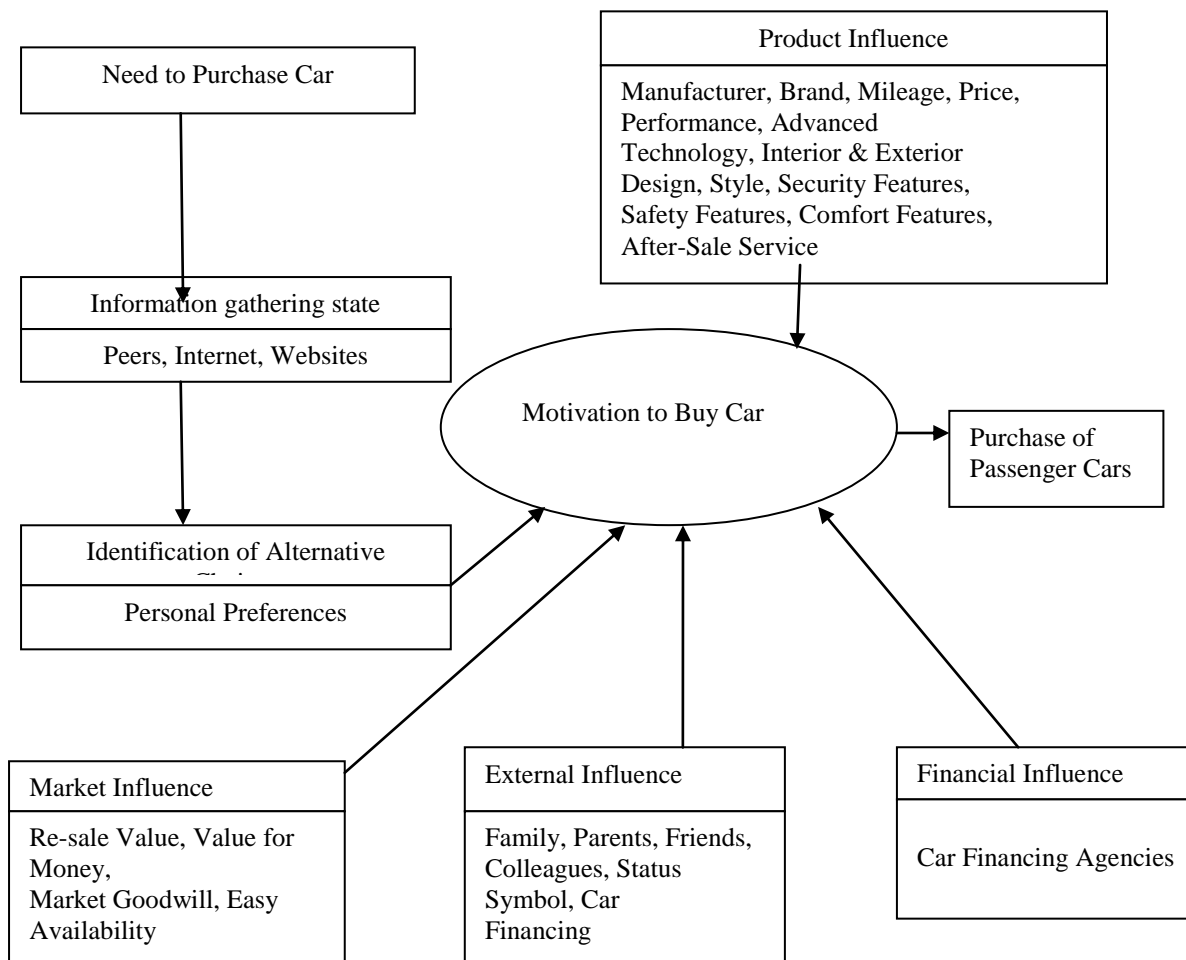
Michael's (38) research investigated brand loyalty by examining actual past behaviour and its impact on future behavioural intentions: in terms of expectation to purchase same / other brand from same / another retailer as well as willingness to recommend the brand and retailer to another customer known to him. Findings indicate that purchase expectation / intention remain a valid research matrix. It would appear that the brand / consumer interface offers greater predictive ability than the retailer / consumer interface. Willingness to recommend a brand to another consumer does not seem to be influenced by past behaviour, but the higher the respondent's expectation to purchase the brand, the higher will be their willingness to recommend the brand. Same will be applicable to retailer recommendation.

VI. RESULTS AND DISCUSSION

In this study, the information received through the secondary research material is consolidated. The research involves extensive field work by depth interviews of the car dealers of various manufacturers, second-sale car dealers, car owners, and car financing agencies in the city. The questionnaire on Car Dealers is shown in Annexure 1, Questionnaire of Car Financing Agencies is shown in Annexure 2, and Questionnaire on Car Customers is shown in Annexure 3. Based on the data collected and assimilated, the researcher conceptualized the framework of consumer purchase behaviour of passenger cars. The author further developed parameters for further research study and consolidation and identified further areas of study for his full scale research work.

FRAMEWORK ON CONSUMER BEHAVIOUR PATTERNS OF PASSENGER CARS: The following section shows the diagrammatic view of the representation of the framework so developed in Fig 1.0

FIG 1.0: FRAMEWORK OF CONSUMER BUYING BEHAVIOUR OF PASSENGER CARS



VII. PARAMETERS AND SCOPE FOR FURTHER RESEARCH

Following are the summaries and parameters, based on the secondary literature analysis and primary data through the depth interview of car customers, dealers and car financing agencies.

1. Passenger car market is becoming prominent in Karnataka due to its limited road and parking space availability. Major players in the market have launched their small car variant in the market, enthused by the excellent response elicited by Tata's Nano car.
2. Sedan and Higher Sedan executive models are really growing and gaining momentum in the state.
3. Customer focus is a major differentiator in the passenger car industry, wherein the customer looks for personalized care and after sales service with the manufacturer / distributor.
4. Since there is a major percentage of commoditization in the automobile industry, due to the many choices of brands available, manufacturers have to look internally, if they are making enough growth in the industry, whether it is due to their incompetence or reduced levels of customer satisfaction.
5. Peer group is the greatest influencing factor for the youth in their car purchase decision.

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6. Middle class customers, who seek to enhance their ego, Influenced by their children, who are well informed about the rapid technological changes happening in the auto car segment, in their car purchase decision **(39)**.

7. In a highly customised car market, differentiation based on traditional parameters such as engine, performance and power, is giving way to comfort in driving, interior and exterior design and the like. This is corroborated by a similar study conducted by Cogito Consulting **(39)**.

8. The proportion of women car buyers, which has increased three times in the recent years. Companies have started to dig deep into the Indian women's psyche and attention for details. Marketers may need to look at the needs of women customers, who are increasingly growing in the segment. There is also a substantial influence of women in the car purchase decision of the family. The trend has replicated in Karnataka as well, where we can see many women driving the car in the city and towns **(40)**

9. Internet plays a key role in marketing and communication strategies of car manufacturers. Internet has witnessed increased brand building efforts by car companies over the past few years.

VIII. SUGGESTION

This research intends to undertake further studies with formal schedule for data collection with the help of formatted questionnaire, which is planned to be administered to car passengers in the State of Karnataka. The sampling units are planned to be selected through a stratified sampling technique, to select major stratified districts within the state, and then a random sampling technique will be adopted to select sampling units within the selected stratified units for conducting the research schedule administration. The data collected will be submitted to statistical tools for a thorough quantitative analysis, to validate the authenticity of the proposed framework / model for evaluating consumer behaviour patterns of car passengers in the State.

The secondary data analysis is conducted through the materials collected from EBSCO, EMERALD and CAPITALINE online research journals. Supplementary materials on the worldwide passenger car industry and the research work conducted on the specific area of consumer behaviour of passenger cars are available in some of the published work in these international journals.

Further information / materials on Indian Automobile Industry, small cars, and Karnataka economy, Karnataka business scenario etc. can be obtained from the following online supplementary materials:

- (a) Automobile industry - Surf India **(41)**
- (b) India Web Directory – list of companies in automobile category **(42)**
- (c) Society of Indian Automobile Manufacturers **(43)**
- (d) Sale and exports of passenger cars in India **(44)**

IX. CONCLUSION

As in other industries, the scenario in domestic Indian Automobile Industry is quite different from the Global Automobile Industry. The industry actually developed in two clear stages - .the Maruti era (1983 onwards) and the post-liberalization era (1992 onwards).

Compared to the global automobile sector, where substantial research has been done, very little empirical research has been conducted on the Indian automobile industry.

Moreover, no organized study has been conducted in the area of passenger car industry, with specific reference to the State of Karnataka.

Due to its unique and synchronous consumer behavioural nature, Karnataka State is always considered as one unit by Car Manufacturers, whereas in other states, it is always considered as different units as per various considerations.

With the boom of many latest car manufacturers launching their products in the Karnataka state, the study will definitely benefit the stakeholders of car manufacturers, dealers and financing agencies. The study result could also be utilized by these stakeholders, to formalize and strategize their policies towards an effective marketing strategy.

The parameters developed in this paper and the model which has been conceptualized would be further utilized in an extensive research study and quantitative analysis, which will be undertaken subsequently.

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ANNEXURE

ANNEXURE 1: FOCUS GROUP DISCUSSION QUESTIONS – DEALERS

QUESTIONNAIRE - DEALERS

Date of the discussion: Time Taken: _____

Car manufacturer: _____

Name of the Interviewee and contact details – e-mail, mobile etc: _____

Dealer Name: _____

Dealer Address: _____

Car Brand: _____

Car Models: _____

Sales Calls – Through telephone / walk in customers?

1. When customer comes in / contacts for discussion of the car model, what are the issues they generally ask for?
- 1) Fuel consumption 2) Price 3) Comfort factors 4) Security features 5) Entertainment feature 6) Safety features 7) Any other - specify
2. Do they ask for car financing options available with your agency and the bank / other sources for it?
3. Have you come across customers, who buy cars as a status symbol to them? What is their %, as per your opinion?
4. Has the price of the car become a deciding factor in such discussions?
5. Do you think that the passenger car has become a commodity item (explain the term commodity)? If so, why do you consider it that way?
6. If the car is a commodity item, what are the differentiating factors you use generally, for your brand, and for the models in particular?
Brand: _____
Model: _____
7. Have you come across customers, who demand fuel efficiency as the only consideration for buying cars? How do you tackle such customers?
8. Does brand as a differentiating factor, helped you selling your cars?
9. What are the external influences that the customers are linked to, when they seek to buy cars?
1) Family 2) Friends 3) Market goodwill 4) Car finance availability 5) Taxes, insurance 6) Others – specify : _____
10. Do you think that after-sales service is a dominant influencer in deciding the brand and of car by customers?
11. Do you think that the market value of a brand and model, will affect the purchase of the car?
12. List main advantages of buying your brand and models
13. Does your brand have an exclusive internet web page with all details on company, brand, model, price and all other details?
14. Is there any other information / issue that you would like to raise, which can help this area of research?

ANNEXURE 2: FOCUS GROUP DISCUSSION – CAR FINANCING

Date of the discussion: Time Taken: _____

Name of the Interviewee and contact details – e-mail, mobile etc: _____

Financing Agency Name: _____

Agency Address: _____

Car Brand for loans: _____

Car Models for loans: _____

Acquisition and Sales Process:

1. How do you publicize your car financing package?

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2. What are the features of your car loan package?
3. Do your customers approach you directly for the loans or do they come through the car dealers?
4. Does your agency have an agreement with selected car manufacturers or dealers to have car financing packages for their customers?
5. Do you think that after-sales service is a dominant influencer in deciding the car loan agency by customers?
6. List main advantages of buying your car financing package
7. Do you think that interest rate as the prime factor for customers to take car loans?
8. Do you have penalty clause, for pre-mature termination of the loan? Do you think it a deterrent for customers in availing car loans?
9. Do your bank / Agency have an exclusive internet web page with all details on car financing and terms with all other details?
10. Is there any other information / issue that you would like to raise, which can help this area of research?

ANNEXURE 3: QUESTIONNAIRE FOR CAR CUSTOMERS

Date of the discussion: Time Taken:

Car manufacturer: _____

Car Brand: _____

Car Model: _____ Since when:

Segment: A / B / C / D / MPV

Q 1) I bought a car because: (Tick multiple options):

- 1) Need for upgrade from two-wheeler to four-wheeler
- 2) Need of the business firm (in case of running a business of your own)
- 3) Peer pressure from other family members owning a car
- 4) Upgraded the model to suit personal ambition
- 5) Family wanted a car for attending functions, social gathering
- 6) Banks / Loan companies approached with a ready offer, hence motivated to buy it
- 7) Wanted to travel long distance on personal / business trips
- 8) To suit my social standings
- 9) Peer pressure from friends / neighbours
- 10) In convenience in public transport for family journeys
- 11) Any other reason – Specify it.

Q 2) Information gathering before the purchase decision: (Tick multiple options)

- 1) Search in Internet websites of the manufacturer
- 2) Information received from friends
- 3) Information received from office colleagues
- 4) Opinion from family members
- 5) Advertisement in news papers / magazine
- 6) TV commercials on car models and brands
- 7) Auto shows of manufacturers
- 8) Visit to dealers / distributors
- 9) Any other method – Specify it

Q 3) Considerations which made the decision in favor your purchased brand:

- 1) Fuel Efficiency 2) Price 3) Comfort factors 4) Security features 5) Entertainment feature 6) Safety features 7) Prestige value 8) Ready availability of bank loan 9) Differentiating factors of the model - Specify it -----
- 10) Brand image 11) Dealer Offers / Freebies 12) Market goodwill 13) After-sales Service 14) Market value of the brand

Thank the customers for their time, help and support.