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Consumer Brand Preference towards Sedan Cars with Special Reference to Erode District

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ABSTRACT: Before Independence India was considered as a market for imported vehicles. In the 1950s the arrival of Tata Motors, Mahindra & Mahindra & Bajaj Auto led to steadily increasing vehicle production in India. In 1953 the government of India and the private sector launched efforts to create an automotive component manufacturing industry to supply to the automobile industry. By the end of 1970s, significant changes in the automobile industry were witnessed. Auto mobile sector has incredible potential in India. The domestic market is large and has the potential to grow further in the future due to high disposable income and positive current low penetration levels. After liberalization, the Indian Automotive industry has emerged as a 'Sunrise sector' in our economy. This study aims to identify the brand preference of consumers and the factors influencing towards sedan cars. Most of the consumers in the study area prefer the brand Maruthi. The major factors influencing the purchase decisions towards sedan cars are Design of the car and word of mouth communication, Technology and durability, Feature and money value, Brand and services.

KEYWORDS: Consumer, brand, sedan car, Preference, automobile, service

I. INTRODUCTION

The automobile manufacturing industry in India dates back to 1948. At that time there were just three companies manufacturing passenger cars i.e. Premier Automobiles in Mumbai, Hindustan Motors (HM) in Kolkata & Standard Motors Products India in Chennai. In early years the Indian automobile Industry faced several challenges and road blocks to growth because in those days automobile manufacturing was subject to restrictive tariff structure, strict licensing and limited avenues for expansion. Due to lack of competition initially the prices of cars were extremely high. And the customers had to wait for a long period of time for car.

Before Independence India was considered as a market for imported vehicles. In the 1950s the arrival of Tata Motors, Mahindra & Mahindra & Bajaj Auto led to steadily increasing vehicle production in India. In 1953 the government of India and the private sector launched efforts to create an automotive component manufacturing industry to supply to the automobile industry. By the end of 1970s, significant changes in the automobile industry were witnessed. After 1970 the automobile industry started to grow, but that growth was mainly driven by scooters, tractors and commercial vehicles.

In 1983, the government of India made a tie-up with Suzuki Motor Corporation of Japan to manufacture low-cost cars in India. The Maruti 800 which is still known rolled out the factory of Maruti Udyog Limited in December 1983 and changed not just India's automobile industry but also the way people commuted and travelled. In 1990s through liberalization initiatives India opened its gates for all the countries and in 1993, the government followed up its liberalization measures with noteworthy reductions in the import duty on automobile components. Today the Indian automobile market has a mix of large domestic automobile players like Tata Motors, Mahindra & Mahindra, Bajaj, Hero Motocorp, Ashok Leyland and major international giants including Suzuki, Honda, BMW, Audi, DaimlerChrysler, Volvo, Hyundai, Toyota, Nissan, General Motors and Ford etc.

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II. LITERATURE REVIEW

Sagar, Ambuj and Chandra (2004) discussed in their paper about how the Indian car industry has advanced technologically driven by a confluence of factors such as intense competition, demanding consumer preferences, government policies and the global strategies of various players. They observed 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. Ravichandran.K and Narayanarajan.S (2004) studied factors determining the brand preference of consumer durables. They concluded that the study that brand preference of consumer durables is largely influenced by a number of factors such as advertisement, price, quality, performance, availability of spares, and after-sales service. Moreover, these factors play a vital role in the decision-making process and in the brand preference. Mandeep Kaur and Sandhu (2006) found the important features a customer considers while purchasing a new car. The respondents perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness. Brown et al (2010) found that the country of origin plays a significant role in the consumers buying behaviour. The brand name, lower price and distributor's reputation completely have a significant impact on the sale of passengers' car. Clement Sudhakar and Venkatapathy (2009) observed that the significance of peer group in the purchase behavior of car pertaining to Coimbatore District. It also revealed the impact of friends which is bigger for the purchase of small sized and midsized cars. Joseph and Kamble (2011) evaluated the behavioral pattern shown by passenger car customers in of Karnataka state. The study is based on the data collected from 525 passenger car owners consisting of professionals, employees of public and private sector, businessmen and agriculturist in Karnataka district. They found that one of the most important factors that influence purchase of passenger cars in India is the availability of auto finance or consumer credit.

In this study the consumer preference towards a particular brand of sedan car, the factors influencing to purchase a particular brand and satisfaction level towards that brand was studied.

III. STATEMENT OF THE PROBLEM

Auto mobile sector has incredible potential in India. The domestic market is large and has the potential to grow further in the future due to high disposable income and positive current low penetration levels. After liberalization the Indian Automotive industry has emerged as a 'Sunrise sector' in our economy. Automobile Sector. According to National Council of Applied Economic Research (NCAER) data, the Brand name plays an important role in consumers' brand perceptions (Ailawadi and Keller, 2004).

This study aims to identify the brand preference of consumers towards sedan cars. More specifically the study attempts to answer the following questions,

- 1) What is the brand preference of the buyers of sedan cars?
- 2) What are the factors influencing in the purchase of a sedan cars?
- 3) Why a customer is loyal to a particular brand?

IV. OBJECTIVES OF THE STUDY

- To know the brand preference towards sedan car in Erode region.
- To identify the factors that influence consumers to buy a particular brand.
- To know the consumers brand loyalty towards sedan cars in Erode region.
- To know the consumer's satisfaction level about the product's performance & after sales services of the dealers.

IV. RESEARCH METHODOLOGY

Purposive sampling method was used to select the samples for the study. The consumer who own the sedan cars were purposively selected for the study, so it is known as purposive sampling. Sample size taken for the study is

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300. The descriptive research was used, especially to describe the characteristics of the consumer's perception about sedan cars. The data was collected from both primary and secondary sources. A Structured interview schedule was used for data collection. The data collected from the respondents had been tabulated and then subjected to statistical analysis to enable judgments. In this study, the researcher applied the tools of Factor Analysis, Weighted average method and ANOVA test.

V. RESULTS AND DISCUSSION

Table 1: Source of information about sedan cars

S.No	Sources of Information	Frequency
1	Telecast media	47
2	Print media	78
3	Internet	102
4	Peer group	76
5	Sales people	210
6	Friends & Relatives	93
7	Word of mouth	34

The above table shows that 210 of the respondents have collected information from sales people, 102 of the respondents have collected information through internet, 93 of the respondents have collected information from friends & relatives, 78 of the respondents have collected information from print media, 76 of the respondents have collected information from peer group, 47 of the respondents have collected information from telecast media and 34 of the respondents have collected information from word of mouth.

Table 2: Purchase Decision

S.No	Purchase decision	Frequency	Percentage (%)
1	Own Decision	115	38
2	Combined Decision	185	62
Total		300	100

The above table shows that 62% of the respondents have made combined decision for the purchase of sedan car and 38% of the respondents have made their own decision.

Table 3: Influencers of Combined Decision

S.No	Influences of combined decision	Frequency	Percentage (%)
1	Spouse	38	21
2	Family members	121	65
3	Friends and relatives	22	12
4	Sales personnel	4	2
Total		185	100

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The above table shows that 65% of the respondents' purchase decisions were influenced by their family members, 21% of the respondents' were influenced by their spouse, 12% of the respondents' were influenced by their friends & relatives and 2% of the respondents' were influenced by their sales people.

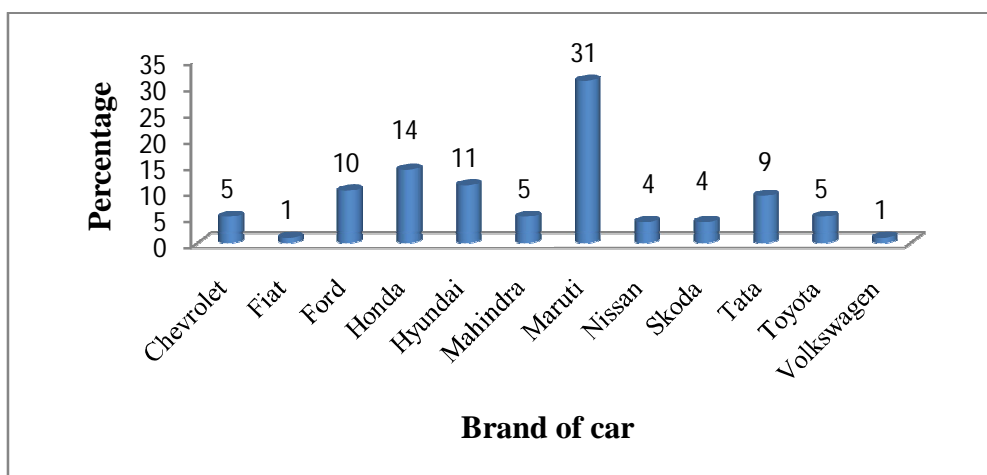
Table 4: Brand of sedan car preferred by the respondents

S.No	Brand of car	Frequency	Percentage (%)
1	Chevrolet	14	5
2	Fiat	3	1
3	Ford	30	10
4	Honda	41	14
5	Hyundai	34	11
6	Mahindra	14	5
7	Maruti	93	31
8	Nissan	12	4
9	Skoda	13	4
10	Tata	28	9
11	Toyota	14	5
12	Volkswagen	4	1
Total		300	100

Source: Primary data collected through questionnaire

From the table it is observed that 31% of the respondents preferred Maruti brand sedan cars, 14% of the respondents preferred Honda brand, 11% of the respondents preferred Hyundai cars, 10% of the respondents liked Ford brand of cars, 9% of the respondents preferred Tata brand of car, 5% of the respondents preferred Chevrolet, Mahindra, Toyota, brand of car, 4% of the respondents preferred Skoda, Nissan and 1% of the respondents preferred Fiat, Volkswagen sedan cars.

Fig 1: Brand of sedan car preferred by the respondents



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Factor Analysis

Factor Analysis is a set of technique which by analyzing correlations between variables reduces their numbers into fewer factors which explain much of the original data, more economically. Hence, factor analysis is a data reduction method. It is a very useful method to reduce large number of variables resulting in data complexity to a few manageable factors.

In this study seventeen attributes which are to be given importance while selecting a CBSE school were considered. Finding the impact of these attributes on perception seems to be difficult. Hence these 15 items are reduced into few important factors by applying factor analysis.

Factor analysis is the method is followed to reduce the complexity of data (items). The following KMO Test ensures the application of the factor analysis to the data under study.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.793
Bartlett's Test of Sphericity Approx. Chi-Square	1132.616
Df	.105
Sig.	.000

The KMO test value 0.793 ensures the sample adequacy for the application of factor analysis. Bartlett's test for Sphericity ensures the overall significance of correlations and correlation matrix.

The table of communalities revealed the fact that all the 15 items contribute sufficiently to factors found. Eigen values more than one indicate there are 4 factors.

The following rotated component matrix gives the various factors obtain by reducing the fifteen items under study.

Table 6: Rotated Component Matrix

	Component			
	1	2	3	4
Shape & style	.777	-.093	.079	.100
Alloy wheel	.727	-.024	.104	.293
Colour	.715	.321	.071	-.098
Word of mouth	.689	.046	.237	.276
Fuel efficiency	-.137	.726	.276	.118
Product durability	-.171	.663	.118	.409
Quality of the product	.103	.634	.151	.337
Technology	.523	.626	.007	-.151
Product features	.131	.533	-.187	.014
Price of the product	-.051	.191	.760	.124
Maintenance cost	.221	.114	.628	.197
Offers & schemes	.449	-.143	.580	.015
Brand name	.285	-.295	.427	-.413
After sales services	.214	.083	.097	.750
Re-sale value	.226	.244	.224	.579

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Table 7: Factors obtained

S.NO	Variance	Factor analysis score	Factor
1	Shape & style	.777	Factor I
2	Alloy wheel	.727	
3	Colour	.715	
4	Word of mouth	.689	
5	Fuel efficiency	.726	Factor II
6	Product durability	.663	
7	Quality of the product	.634	
8	Technology	.626	
9	Product features	.760	Factor III
10	Price of the product	.628	
11	Maintenance cost	.580	
12	Offers & schemes	.427	
13	Brand name	.750	Factor IV
14	After sales services	.579	
15	Re-sale value	.750	

Interpretation:

The factors obtained from the factor analysis can be named as following

Factor I - Design and word of mouth;

Factor II - Technology and durability

Factor III - Feature and money value

Factor IV - Brand and services

Weighted Average

An average in which each quantity to be averaged is assigned a weight. These weightings determine the relative importance of each quantity on the average. Weightings are the equivalent of having that many items with the same value involved in the average.

Table 8: Weighted Average score showing the brand loyalty

Variable No	Particulars	Weighted average score	Rank
X1	I really like my brand of sedan car	4.41	1
X2	This brand gives the sense of belongingness	4.12	2
X3	I would like to speak others about this brand	3.833	3
X4	I am proud to have this brand and to use	3.39	8
X5	More expensive than other brands in this segment	3.42	5
X6	Compared to other brand my brand has high quality	3.42	6
X7	This brand has good resale value	3.7	4
X8	If I replace this brand in future I will purchase the same brand	3.42	7

Source: Primary data collected through questionnaire

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The above table shows that variable X1 secured maximum weighted average score of 4.41 and ranked 1st and its is inferred that the respondents preferred their brand of sedan car because they really like their brand and it gives sense of belongings to them.

ANOVA test

The test of significance based on t-distribution is an adequate procedure for testing the significance of the difference between two sample means. In a situation when we have three or more samples to consider at a time, an alternative procedure is needed for testing the hypothesis that all the samples were drawn from the population with the same mean. The basic purpose of the analysis of variance is to test the homogeneity.

Variance between age group and satisfaction level about the car

Null Hypothesis (H₀) : There is no significant variance between age group of the respondents and satisfaction level about the car.

Alternative Hypothesis (H₁): There is significant variance between age group of the respondents and satisfaction level about the car.

Table 9: ANOVA between age group of the respondents and satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.101	2	2.051	1.959	.143
Within Groups	310.816	297	1.047		

Source: Primary data collected through questionnaire

Interpretation:

The above table shows that the significance value .143 is greater than 0.05. Hence the null hypothesis is accepted. It indicates that there is no significant variance between the age group of the respondents and satisfaction level about the car.

Variance between number of family members and satisfaction level about the car

Null Hypothesis (H₀): There is no significance variance between number of members in the family and satisfaction level about the car

Alternative Hypothesis (H₁): There is significance variance between number of members in the family and satisfaction level about the car

Table 10: ANOVA between number of family members and satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.887	2	4.944	3.420	.034
Within Groups	429.259	297	1.445		

Source: Primary data collected through questionnaire

Interpretation:

The above table shows that the significance value .034 is less than 0.05. Hence the alternative hypothesis is accepted. It indicates that there is significant variance between the no. family members in family and satisfaction level about the car. Based on the number of members in the family of the respondents the satisfaction level about the car differs.

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Variance between brand of car and satisfaction level about the car

Null Hypothesis (H₀): There is no significance variance between brand of car and satisfaction level about the car.

Alternative Hypothesis (H₁): There is significance variance between brand of car and satisfaction level about the car.

Table 11: ANOVA between brand of car now and satisfaction

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.727	2	1.363	2.862	.045
Within Groups	141.470	297	.476		

Source: Primary data collected through questionnaire

Interpretation:

The above table shows that the significance value .045 is less than 0.05. Hence the alternative hypothesis is accepted. It indicates that there is significant variance between the brand of the sedan cars and satisfaction level about the car. It is found that according to the brand owned the satisfaction level of the respondents differ.

Variance between brand of car and satisfaction level about after sales services

Null Hypothesis (H₀): There is no significance variance between brand of car and satisfaction on after sales service provided by the concerned dealers.

Alternative Hypothesis (H₁): There is a significance variance between brand of car and satisfaction on after sales service provided by the concerned dealers.

Table 12: ANOVA between brand of car now and after sales services

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.133	2	.067	.137	.033
Within Groups	144.064	297	.485		

Source: Primary data collected through questionnaire

Interpretation:

The above table shows that the significance value .033 is less than 0.05. Hence the alternative hypothesis is accepted. It indicates that there is significant variance between the brand of the sedan cars and satisfaction on after sales service provided by the concerned dealers. It is found that according to the brand owned the satisfaction on after sales service provided by the concerned dealers.

VI. RECOMMENDATIONS

- ❖ It is suggested to the producers to concentrate on design & technology in order to attract customers.
- ❖ In designing a new car, it is suggested that the manufactures to concentrate on safety features.
- ❖ It's suggested that most of the customer are looking for after sales services before purchasing a car. So dealers should concentrate on after sales services.

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VII. CONCLUSION

Sedan car manufacturers are the major players in the car segment and there is tough competition among Maruthi Suzuki, Hyundai, Tata Motors, Honda, Ford, etc., the authorized dealers for the sedan car companies have initiated many steps towards boosting sales operations. They sell different models to gain more volume and more availability to the customer. So dealers' preference to push a particular brand to the customer play major role in the sedan cars. The dealers' advertising and promotional schemes along with other schemes also affect the customer's willingness. Consumer prefers a global or multinational brand due to quality and technological superior features. Before purchasing a sedan car, consumers also consider the after sales services availability of the company. The present study made an attempt to understand brand preference of consumers towards sedan car purchasing. Most of the respondents preferred the brand Maruthi.

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