Consumer Behavior Towards Brand Preference of Passenger Cars in Karimnagar District

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Abstract:

This research article examines the brand preference of consumer towards passenger car. The detailed analysis of marketing, a consumer behavior and brand preference of passenger car is carried out in Karimnagar district of Telangana state. This study mainly focuses how demographical and behavioral patrons of consumer are affected on brand preference of passenger cars. This article illustrates the analysis and interpretation of data. Finally it concludes with findings and recommendations of the study.

KEYWORDS:

Consumer behavior, passenger car and brand preference.

INTRODUCTION:

In India, until the mid-eighties, consumers had very limited options for passenger cars. In those days people used to buy passenger cars for their luxury and status symbol, 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 been transformed into a necessary ingredient for the Indian middle class families. The Indian Automobile industry has flourished as never before in the recent years. This extraordinary growth that the Indian automobile industry has witnessed as a result of a major factors such as, the improvement in the living standards of the middle class and increase in their disposable income, modern and innovated technology. Moreover, the liberalization steps, such as, relaxation of the foreign exchange and equity regulations, reduction of tariffs on imports and easing the banking policies initiated by Government of India, have played an equally important role in bringing the Indian Automobile industry to a great heights.The Government of India allowed foreign joint ventures in the industry since early 1990. Subsequently, the Indian Government allowed Foreign Direct Investment (FDI) 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.

REVIEW OF LITERATURE:

In order to develop a framework for the study on consumer behavior it is helpful to begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline. A set of dimensions can be identified in the literature, which can be used to characterize and differentiate the various perspectives on consumer research. This study endeavours to put together the antecedents and components of brand preference and tries to create a comprehensive framework for the measurement of the brand preference in the Indian automobile context.

Dorsch et a1, (2000)1 studied Consumer choice behaviour using the five-step process (need-information search- evaluation of alternatives- purchase-post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice.

Kotler, (2003)2 in his study stated that consumer surveys often reveal that quality is one of the important, if not the most important decision factors for consumers and product quality stands for the ability of a product to perform its functions.

Karjaluoto et al. (2005)3 investigated the consumer choice in the context of the mobile phone industry in Finland and the study was conducted to assess consumer motivations in mobile phone choice. Seven estimated factors influencing mobile phone choice were: Innovative services, multimedia, design, brand and basic properties, outside influence, price.

Smita Sharma (2006)4 in her study pointed out the importance of celebrity endorsement in advertisement and concluded that advertisers use endorsers to add excitement and glamour to their brands. Basically, celebrity endorsements give a brand a touch of glamour in the minds of people, and the hope that a famous face will provide added appeal and name recognition in a crowded market.

Dr V.K.Kaushik (2008)5 this study is conducted in South West Haryana which consists of Bhiwani and Mahendragarh districts. The study endeavour is to investigate empirically customer's preference towards a passenger car brand. Pre-purchase and post-purchase behaviour of the customers were evaluated and factors influencing the customers were determined by Perceptual mapping obtained from Multi-dimensional scaling. Overall results indicate that in South West Haryana region customers are more influenced by friends and relatives than dealers and salespersons. Maruti dominates the market with three of its brands namely Maruti 800, Alto and Wagon-R. Brand name, fuel efficiency and price were found to be primary determinants for buying car in this region.

Kumar Gambhiraopet, Prashant Vidya Sagar Talluri (2010)6 this case study focuses on the post-purchase behaviour of Tata Nano buyers. The post-purchase perceptions, dissonance levels and moments of pride have been analysed with the help of primary data collected through video interviews conducted among 8 customers of Tata Nano in Hyderabad, India, in mid-January 2010. The case study runs in the backdrop of the conceptualisation of the Tata Nano car and the roadblocks that cropped up during its production. This case study primarily positioned to discuss the dissonance levels in new products, offers valuable insights.

Prasanna Mohan Raj (2013)7 studied the factors influencing customers brand preference of the economy segment SUV's and MUV's. Data collection was made through direct interaction and customer intercept survey using questionnaire.

Descriptive analysis was used to transform data into understand format and factor analysis was used for identification of factors influencing customer preference. In light of study findings, the preference of a given brand can be explained in terms of six factors namely Product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trustworthiness and customer feeling or association towards brand. There is need for marketers to take these factors into consideration when crafting product innovations in the SUV segment of Automobile market.

Sachin Malke (2015)8 studied the buying behavior of consumer in small car market in pune. The present study deals with various aspects which determine the consumers buying decision towards the small car. I approached the customers of small cars in the city of Pune for the purpose of the present study. I used the convenience sampling method to carry out the present study. The sample size consists of 100 respondents. A well-designed questionnaire was prepared for obtaining the information. The respondents were asked to mark on the five point Likert scale. The scale was administered on the users of various small cars. This study identified Price & fuel efficiency are the important factors which influence small car buying. In addition, when researchers measured the level of satisfaction, it revealed that nearly sixty five per cent consumers are fully satisfied from their brand while around twelve per cent of respondents are not satisfied from their purchasing decision. The study also reveals that price is one of the most important criteria in selection of car. Technology measures in car are least preferred criteria.

STATEMENT OF THE PROBLEM

Consumer choice process is a complex phenomenon. Making a decision to buy a product or services involves many processes. The literature on brand preference studies reveals that for the selection of passenger cars, the customer has to spend much time to evaluate and choose the desired one based on their need and economic condition. The marketing strategies followed by the manufacturer and marketer as well as pre-conceived idea of the buyer also play a vital role in selection of a particular brand and to get more satisfied. Only a limited number of attempts have been made to study the impact of brand preference factors on customer satisfaction. Based on these basic questions, the researcher has developed an interest to study the factors contributing brand preference of passenger cars and its impact on customer satisfaction level.

OBJECTIVES OF THE STUDY

The main objective of the study is to analyze the "Consumer Behavior towards brand preference of Passenger Cars in Karimnagar District". The specific objectives of the study include:

1.To review the automobile industry in India.

2.To study the demographic profile of passenger cars consumers in Karimnagar District.

3.To study the factors influencing the Brand preference of passenger cars.

4.To analyze the level of satisfaction of passenger car consumers.

HYPOTHESIS

H0: There is no influence of age, education qualification, gender, occupation and income status on brand preference.

RESEARCH METHODOLOGY

The study is based on primary data and secondary data. The primary data is collected from Questionnaire and Interview Method. The targets for the primary data were the customers using the various models of passenger cars. The secondary data was collected from company's annual reports, Publications, Journals and, websites.

Sample Size

The size of the sample for study was 120 respondents from Karimnagar District of Telangana State. They were selected using convenient sampling technique.

Tools of Analysis

The analysis and interpretation are made with the help of standard tools like percentages, averages, and chi square test.

Period of Study

Field survey was conducted during the month of May-June 2016. Study Results and Interpretation

TABLE NO. 1: ANALYSIS ON THE BASIS OF AGE

Age Groups	No. of Respondents	Percentages
Less than 25	14	11.66
25-35	23	19.16
35-45	36	30.00
45-55	31	25.83
Above 55	16	13.35
Total	120	100.00

Source: Primary Data

Table No. 1 shows the Analysis on the basis of age, 30 cent of the total respondents are in the age group of 35-45 years, followed by 19.16 per cent in the age group of 25-35 years of age. 11.16 percent of the total is below 25 years. This reveals that maximum respondents are in the age group of 35-45 years.

TABLE 2: GENDER OF THE RESPONDENTS

Gender	No. of Respondents	Percentage
Male	107	89.16
Female	13	10.84
Total	120	100.00

Source: Primary data

Table No.2 shows the gender of the respondent's .majority of the respondents do male with a sample size of 120 constitute 89.16 % and remaining are female respondents.

TABLE NO. 3: ANALYSIS ON THE BASIS OF EDUCATION QUALIFICATION

Qualification	No. Of respondent	Percentage
Below SSC	23	19.17
Inter	8	6.67
Graduate	48	40.00
post graduate	31	25.83
professional degree	10	8.33
Total	120	100.00

Source: Primary Data

Table No.3 shows the analysis of respondents on the basis of education qualification. 40 per cent of the total respondents are graduates, 8.33 per cent of the respondents are Professional degree holders, 19.17 per cent per cent are ssc, 25.83 percent of the respondents are Post Graduates and 6.67 percent of the respondents are intermediate.

TABLE NO. 4: ANALYSIS BASED ON OCCUPATION

Occupation	No. of respondent	Percentage
Professional	37	30.83
Govt. employee	18	15.00
Pvt. employee	43	35.83
Own Business	22	18.33
Total	120	100.00

Source: Primary Data

Table No.4 shows the analysis of occupation of respondents. A maximum 35.83 per cent of the total respondents are private employees, 15 percent are Government employee, 30.83 per cent of the respondents are

professionals, and 18.33 per cent of the respondents have their own business.

TABLE NO. 5: ANALYSIS BASED ON IN-COME

Monthly income	No. of respondents	percentage
Less than Rs.2 lakhs	11	9.17
2lakh – 5lakh	58	48.33
6lakh – 8lakh	32	26.67
8 lakh & above	19	15.83
Total	**120**	**100.00**

Source: Primary Data

Table No 5 shows the analysis of income of respondents. Majority of the respondents 48.33 per cent constitute between 2lakh-5lakh, 26.67 percent of the respondents belongs to the income category of Rs 6lakh – 8lakh, 15.83 of the respondents belongs to the income group of Rs8lakh & above and 9.17 per cent of the employee belong to the income group of less than Rs 2lakh.

TABLE NO. 6: PASSENGER CAR

Source of awareness	No. of respondents	Percentage
Maruti	37	30.83
Tata	28	23.33
Hyundai	22	18.33
Ford	18	15.00
Chevrolet	15	12.50
Total	120	100.00

Source: Primary Data

Table No. 6 shows the Passenger cars used by the car owners. 30.83 cent of the total respondents is using Maruti cars, 23.33 per cent have Tata cars, 18.33 percent of the respondents have Hyundai cars, 15 percent of the respondents have Ford Cars and rests of the 12.50 per cent of the respondents have Chevrolet cars.

TABLE NO. 7: FACTORS INFLUENCING BRAND PREFERENCE

Name of the car	Influencing factors on Brand Preference										Total
	Price		Brand status		Mileage		Low maintenanc		After sales service		
	F	%	F	%	F	%	F	%	F	%	F
Maruthi Suzuki	10	31.25	4	21.05	8	28.57	10	41.67	5	29.41	37
Hyundai	9	28.125	4	21.05	5	17.86	5	20.83	5	29.41	28
Tata	7	21.875	2	10.53	9	32.14	3	12.5	1	5.88	22
Ford	3	9.375	5	26.32	3	10.71	3	12.5	4	23.53	18
Chevrolet	3	9.375	4	21.05	3	10.71	3	12.5	2	11.76	15
Total	32	26.67	19	15.83	28	23.33	24	20	17	14.17	120

Source: Primary Data

Table No.7 shows the Factors influencing brand preference According to the response of customers 15.83 percent of the respondents preferred brand status as important factor influencing brand preference, 26.67 percent of the respondents preferred price as an important factor, 23.33 percent of the respondents preferred Mileage as an important factor, 20 percent of the respondents preferred for low maintenance cost and rest 14.17 per cent preferred after sales service as an important factor in brand preference.

TABLE NO. 8: ANALYSIS BASED ON LEVEL OF SATIAFACTION

Level of satisfaction	No. of respondent	Percentage
Very high	48	40.00
High	38	31.67
Medium	24	20.00
Low	10	8.33
Total	**120**	**100.00**

Source: Primary Data

Table No. 8 shows the level of satisfaction, 40 percent of the respondents are very highly satisfied with the car which they are using, 31.67 percent of the car user are also highly satisfied with the car, 20 percent of the car users are medium satisfied and 8.33 percent of the car users are low satisfied with the performance of their car. This reveals that a maximum of 40 percent of the respondents are very highly satisfied with the car which they are using.

TABLE 9: LEVEL OF BRAND LOYALTY

Change in Brands	No. of Respondents	Percentage
yes	30	25
No	90	75
Total	**120**	**100**

Source: Primary Data

Table No.9 shows the status of the respondents towards the brand loyalty. The response shows that 75 per cent of the respondents do not want to change their brands often, while 25 per cent of the respondents said they may change their car brands.

TABLE 10 CHI-SQUARE TEST RESULTS

Personal Profile	Cal. Value	Table Value	DOF	Ho/ Accepted/ Rejected
Age	14.92	9.49	4	Rejected
gender	73.63	00.00	00	Rejected
Education	44.92	9.49	4	Rejected
Occupation	14.2	7.81	3	Rejected
Income Status	42.33	7.81	3	Rejected

Source: computed

Table No.10 clearly depicts that Ho is rejected and concluded that Personal factors like age, education qualification, gender, occupation and income status have significant influence over the factors influencing brand preference.

FINDINGS:

1.It is observed that 30.83 percent of the consumers using Maruti-Suzuki brands in passenger car industry.
2.It is identified that price is the most important factor while choosing a car; while mileage is the second most important factor.
3.Respondents between the age group of 35-45 years are the largest consumers of passenger cars and there is significant association between the age and brand preference
4. It is found that 40 percent of the respondents are very highly satisfied with the car which they are using.
5.It is recognized that Personal factors like age, education qualification, gender, occupation and income status have significant influence over the factors influencing brand preference.

CONCLUSION:

The Automobile industry has powerfully striven towards globalization, which increasingly affects the policy at all levels. The present study made a systematic effort on studying consumer brand preference towards passenger cars in Karimnagar district by analyzing the factors that influence brand choice of the customers and revealed the impact of brand preference dimensions on customer satisfaction. There is cut throat competitions in the market on price front and so they have to find out better quality and low cost product. Every day technology is changing the shape of world business so Indian automobile industry is also being affected. Especially passenger car industry will face challenges to satisfy consumer needs.

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