A Research on Customer Preference towards Car: With Special Reference to Visnagar City of Gujarat

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ABSTRACT Many international automobile companies are trading & manufacturing in India because of Liberalization, Privatization and Globalization Policy. The availability of many brands in Visnagar provide different options to a customer. These manufacturers represent the same value proposal and provide highly modified products. Present study is conducted on 100 car users from Visnagar city. The purpose of this paper is to highlight customer preferences towards cars. Various social factors influence the car purchase decision in the small car market. 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 Visnagar city.

KEYWORD Customer preference, Car Market, Automobile Industry, Personality Theory, Factor Influence, Customer Satisfaction, Customer Relationship.

Introduction

Now a day, the transport facilities are well-developed. These cars are a 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 have enhanced and owning a car has become a status symbol which people like to show off. So, the researcher has chosen to know the consumer preferences using car in Visnagar city.

In this Modern world, transport plays an important role. Road transport plays a larger role in the recent years. The user prefers this because of its availability, adaptability to individual needs, door to door services and reliability. At present, 80 percent of passengers move by roads. Road transport has been useful which connects railway 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. Now a day's, with well-developed transport facilities; these cars are becoming a very essential mode of transport to travel from one place to another place.

The study regarding consumer preference towards cars was made with respect to selected car owners in Visnagar city. The area of consumer preference is one of the most interesting areas because it is concerned with understanding consumer with regard to why an individual acts in a 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. Increasing awareness of new products has made consumer choosy. There by consumer's preference value has been changing very fast now a day.

Consumer Preference

In olden days Premier Padmini and Ambassador Cars were very popular in India. In recent years many companies have introduced many models in the Indian car market, so users tend to change their cars more often. They select cars according to their tastes and the availability of funds.

Customer predilections are prospects, relishes, cost effectiveness, motivations and inclinations that drive customer purchasing decisions. They complement customer needs in expounding customer deportment. For example, a customer needs shoes and they'd prefer a particular style, brand and color. Appealing to the predilections of customers is a rudimental marketing technique that is subsidiary for branding, product development, distribution and customer experience.

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, neighbors, school's religious institution and socialization in general. Similarly, various factors influence formation of a brand

personality, they are either product related or non-product related factors.

Meaning of Brand

A brand is a distinguishing name and/or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors who would attempt to provide products that appear to be identical. (Aaker, 1991)

Branding

Branding has become one of the most important aspects of business strategy. Yet it is also one of the most misunderstood. Branding is sometimes considered to be merely an advertising function. And many managers and business writers hold the view that branding is about the management of product image, a supplementary task that can be isolated from the main business of product management. This note provides an alternative perspective, arguing that:

- Branding is a strategic point of view, not a select set of activities.
- Branding is central to creating customer value, not just images.
- Branding is a key tool for creating and maintaining competitive advantage.
- Brands are cultures that circulate in society as conventional stories.
- Effective brand strategies must address the four distinct components of brand value.
- Brand strategies must be "engineered" into the marketing mix. This note develops a set of concepts and frameworks to guide the design of brand strategies.

Importance of the Study

Now a day's, all people have used two wheelers. More than two members cannot travel in two wheelers. So, people may often prefer cars for comfortable and family drive. So the researcher needs to identify or test which brand of car has the highest demand in Visnagar city. So this needs to be an important one. There are two types of situations There are two types of situations

1. Consumption

2. Purchases situation

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

Statement of the Problem

The people bought either a Premier Padmini or Ambassador in 1980. The annual sales of the car were around 30000 cars per annum. Selling at this level has been a great task. Over the years, Maruti became the market leader as it was superior in quality as compared to that of Ambassador and Premier Padmini. The supply of the car variants was lesser as compared to the demand in the Indian markets.At that time only three basic models of cars were available for the customer and they were Premier Padmini, Ambassador and Maruti. Customer is left with lesser choices as these products lack in quality as more focus was given in providing cheaper car products to Indian consumers. Success of the company during that time was determined in terms of production and sales and the parameter of product quality was ignored during those days.

Later due to the adoption of free trade policy by India more MNC entered the Indian Car market and now a day's small cars like Santro, Maruti Alto and Nano gradually improves its market share in Visnagar city.'

Objectives

The project is undertaken with the following objectives:

1. To find out the customer preference on brand

2. To find out the socio-economic status of the customer towards cars

3. To find 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

Review of Literature

Ranganathan (2005) conducted a study on consumer markets and buying behavior of car customers and found that most of the customers demanded efficient mileage in a car. He further suggested that Hyundai Cars should be designed in such a way that the actual fuel efficiency obtained is the same as that being promised. People have rated the pricing to be reasonable, but resale value of santro is very low as compared to other brands.

Dhanalakshmi (2007) undertook "A study on consumer perception and brand preference towards small cars in Erode district", stated that the new players who are capable of attracting customers by offering lower price and the established car companies have to redefine their relationship with the dealers.

Kaushik & Kaushik (2008) in their article "Buying behavior of passenger cars - A study in south west Haryana", stated that the most of the respondents in Haryana were aware of many popular brands. The car's buyer believe that the merchandise name and fabrication of the merit, in relation to the use of the benefits, is related to the introduction.

Koushik (2008) in his article "customer satisfaction: An analysis of Kinetic Honda" Stated that the advanced lean burn technology optimized the fuel-to-air ratio in the engine.

The favourite features like auto gears, auto start, and hyper suspensions are considered by the consumers when they go for purchase.

Hundal, & Grovar (2010) analysed in their study that Tata Nano was one of the longest awaited and most talked about automobile debuts in India. It is known as people's car. It is an engineering marvel to come out of India in terms of cost efficiency, fuel efficiency and space efficiency. This paper is an attempt to study the consumer behavior and also his perception towards car in the post-launch period. Factors that motivate buyers to purchase this car have also been studied.

Table-1 Occupation of the Respondents

Occupation of the Respondents	Occupation of the Respondents	Percent
Business	51	51.0
Profession (Teacher, Doctor, Lawyer)	32	32.0
Others (Engineering)	17	17.0
Total	100	100

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	No. of Respondant	Percent
Fuel Efficiency	29	29.0
Updating Car	32	32.0
Trouble Free	23	23.0
Less Maintenance	16	16.0
Total	100	100

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 Prefrance	No. of Respondant	Percent
Ford	2	2.0
Hyndai	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
Voksvagon	5	5.0
Total	100	100

The 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 Visnagar city.

Table-4 Reason for Choosing Particular Brand

Reason for choosing Brand	No. of Respondant	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

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.

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Purpose of Using Car	No. of Respondant	Percent
An Asset	26	26.0
A Prestige Symbole	2	2.0
Family Travel	47	47.0
Convenience	25	25.0
Total	100	100

The above table shows that 47% of the respondents use 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 Respondant	Percent
Loan	41	41.0
Ready Cash	31	31.0
Installment	28	28.0
Total	100	100

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 installment.

Table 7 Occupation of the Respondents & Brand Preference Cross tabulation

Occupation of the Respondents	Brand Preference									Total
	Ford	Hyndai	Maruti Suzuki	TATA	Mahindra	Honda	Fiat	Benz	Volkswagon	
Business	1	3	9	18	2	5	5	6	3	52
Profession	1	3	5	10	2	1	3	5	2	32
Others	0	2	1	8	1	2	1	1	0	16
Total	2	8	15	36	5	8	9	12	5	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

Table 8 Chi-Square Test: Occupation of the Respondents & Brand Preference Cross tabulation

Perticulars	Value	Df
Pearson of Chi-Square	7.174(a)	16
Likelihood Ratio	8.663	16
Linear-by-Linear Association	0.442	1

From the above table, The chi-square (x2) table value at 16 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.

Table 9 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	0	27	11	63
21000-30000	1	0	9	6	16
31000-40000	0	1	9	6	16
31000-40000	0	1	2	2	5
Total	26	2	47	25	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.

Table 8 Chi-Square Test: Monthly Income of the Respondents & Purpose of using Car Cross Tabulation

Perticulars	Value	Df
Pearson of Chi-Square	28.268(a)	9
Likelihood Ratio	29.728	9
Linear-by-Linear Association	11.776	1

The chi-square (x2) 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 (H1) Alternative hypothesis is accepted. Therefore, purpose of using car depends upon monthly income of the respondent.

Summary of Finding

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

Conclusion

Among the various brands of cars viz., Maruti 800, Maruti alto, Tata Indica, Hyundai Santro, Wagon R, Zen Estilo and Swift in Visnagar city, 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 basic 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 Visnagar city, 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 Visnagar city.

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