

Perception and Attitude of Customers On automobile Companies in India: An empirical study

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ABSTRACT

In India, most of the small cars market are affordable and attracted by the middle class people. There is need to study and analyse the influence of various demographic characteristics on the perception and attitude of customers in small car segment and to examine the customer perception towards selected small car brands (Alto, Swift, Eon & Grand i10). By considering the demographic profile of the prospective customers, their buying behaviours can be analysed. This would help small car manufacturers in producing and vending right product to the right customer.

This study will help the new car market entrant companies in India to find out the potential gaps between the customer expectations and the present market contributions. The study also provides deeper understanding of why consumer intends to buy small cars. Therefore, marketing managers in Automobile industries may exploit the results of this study to develop more purchase from their target consumers.

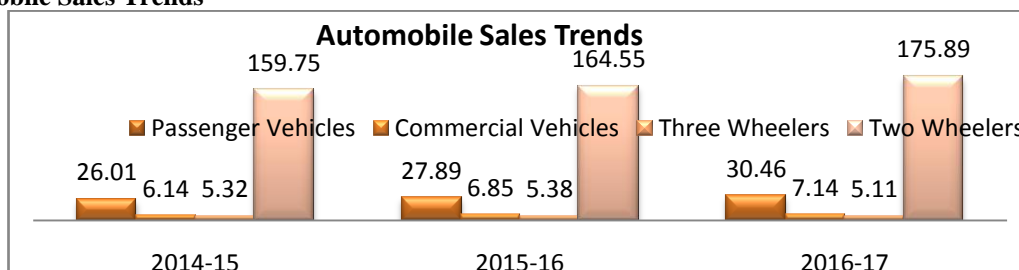
Key words: Automobile industries, Small car brands, Buying behaviours.

I. INTRODUCTION

Motor cars are the symbol for social status as well as now days it has become a **necessity**. **Attitude** is a state of mind or a tendency to proceed in a particular way due to both an individual's know-how and personality. **Perception** is closely related to attitudes. Perception refers to the process by which individuals take to mean and organize impression to produce a meaningful experience of the world. Perception and Attitude leads to **Buying Decision** (Consumer Behaviour).

In 4000 and 3000 B. C, the human foot was the first type of transport and has invented various forms of transport by the use of animals. Wheels were invented in Iraq in 3500 B.C. In 16th century, transportation is made by horses in Egypt. In 19th century travel by railways revolutionized open in 1825. Karl Benz and Gottlieb made the first car in 1885. In 1898, the first motor car on the streets of India was appeared. In the early 1900, the first taxi cabs seen in Bombay. 1910 and 1920's witnessed the automobile industry made a beginning by set up assembly plants in Bombay, Kolkata and Chennai and there on. Today, the automobile industry is one of the largest industrial sectors with a turnover that contributes to roughly 7 per cent of India's GDP.

Automobile Sales Trends



The above information shows the sales of Passenger Vehicles during April 2015, 2016 and 2017 grow by 9.23 %.

Source: siamindia.com

Automobile Industry in India

The four wheelers vehicles includes passenger cars, multi-utility vehicles, sports utility vehicles, light, medium and heavy commercial vehicles, etc. India ranked **second** in the global two-wheeler market, **fourth** biggest commercial vehicle market in the world, **Eleventh** in the international passenger car market and **Fifth** pertaining to the number of bus and truck sold in the world.

STATEMENT OF THE PROBLEM

Globalization and liberalization made competition among the variety of automobile industries which are focus concentration in capturing the Indian markets. Cars though considered as luxury and comfort once, now occupies a part of day-to-day life and has become a necessity. People are not to spend their money on luxuries have now changed their attitude that now its more of necessities than luxuries. For the producers, it is necessary to be a successful marketer it is absolutely essential to read the minds and perceptions of the buyers of cars.

II. REVIEW OF LITERATURE

Subadra, Murugesan & Ganapathi (2010) Conducted a study on consumer perception and behaviour on car owners in Namakkal District, TN. Data were collected through interview schedule from 327 car owners. Found strong association of consumer demographics characteristics and preferred product attributes and satisfaction. Also found influence of income and lifestyle on overall satisfaction level

Choy John et al. (2011) studied the effect of perceived quality, perceived value and perceived risk on consumer purchase decision towards cars in Malaysia. A questionnaire survey was conducted at Klang Valley to consumers' age between 23 – 65 years old by using convenience sampling method. Questionnaires were distributed to 200 respondents at the sampling location. Results showed the positive association between the three factors mentioned previously with purchase decision.

Gautam Raj Kumar (2014) Studied the factors affecting the purchases behaviour of an automobile consumer. The study conducted in northern states comprising Punjab, Haryana, Himachal Pradesh, Delhi and Chandigarh. With the sample of 250 customers who purchased (Volkswagen, Hyundai, Maruti and Honda cars) considered for purpose of study. The variables like safety, looks, shape, features and interior image and presales and post sales policies are influenced and compelled the customer to select and buy the car.

Shailesh (2014) examined the buyer behavior in reference to car purchase intentions and automobile marketing strategies in Uttar Pradesh. 400 car buyers completed self-administered surveys regarding their attitudes toward car purchasing in Uttar Pradesh. The car purchasing behavior of the buyers were identified by 39 items and captured in five dimensions. The study identified and validated five dimensions of car buyers' purchase intentions are labeled as safety & security, quality, performance, value and technology.

Priya & Ravi (2015) made an exploratory approach to identify the key factors that influence the women consumers while selecting the appropriate four wheelers especially in B segment cars. They analyzed the customer's preferences in buying a car by data collected through questionnaire from 50 consumers in Bangalore. The study found various factors that are responsible for the changing purchase preference of the consumer. From the variables – Safety, Maintenance, Mileage, Easy mode of financing and easy driving are found to be pointed influencing buying preference of consumers.

RESEARCH METHODOLOGY

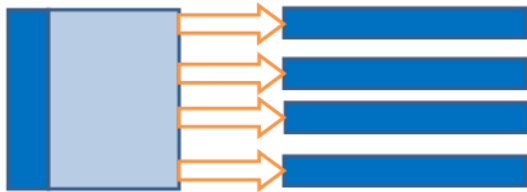
In this study, Research type followed Exploratory & Descriptive. Data Collected through Structured Questionnaire and Personal Contact method. Sample size collected 762 while distributed 1000. Sampling method are adopted Convenience sampling (Non-probabilistic), Statistical Tools used are Mean, Standard Deviation, T test, Chi-square test, ANOVA, Reliability Analysis, Correlation & Linear Regression Analysis

DATA SOURCES

Both secondary and primary data collected about Customers of Maruti Suzuki and Hyundai who own small cars bands (i.e. cars having less than 1500 cc and Ex-show room price less than 5 lakh) who purchased after Jan' 2015, Dealers, Sales Managers and Service Managers.

Sample collected from two companies i.e., Hyundai and Maruti companies among selected small cars brands like Eon, Grand i10, Alto 800 and Swift were selected respectively from four districts Chittoor, Anantapur, YSR Cuddapah and Kurnool sample collected each 100 in Chittoor district and each small car model 50 samples from rest of the districts.

MODEL OF THE STUDY



OBJECTIVES

1. To analyse the influence of various demographic characteristics on the perception and attitude of customers in small car segment.
2. To examine the customer perception towards selected small car brands (Alto, Swift, Eon & Grand i10).

HYPOTHESES

Hypotheses on Influencing Factors while purchasing a Small Car

H1: There is a significant perceptual difference between different aged customers towards various influencing factors while buying cars.

H2: There is a significant perceptual difference between customers with different educational qualifications towards various influencing factors while buying cars.

H3: There is a significant perceptual difference between customers of different income groups towards various influencing factors while buying cars.

H4: There is a significant influence of purpose on perception towards various factors of a car.

H5: There is a significant influence of size of the family on the perception towards various factors of a car.

III. DATA ANALYSIS

Table no.1 Demographic Characteristics

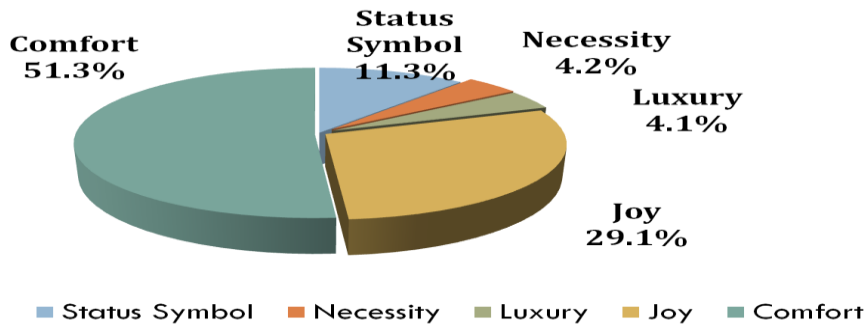
	Groups	Frequency (N = 762)	Percent
Gender	Male	587	77.03
	Female	175	22.97
Age of the Respondents	Less than 30	159	20.87
	30 – 40	340	44.62
	More than 40	263	34.51
Educational Qualifications	Below Graduation	93	12.20
	Graduation	190	24.93
	Post-Graduation	479	62.86
Occupation	Professional	127	16.67
	Govt. Employee	103	13.52
	Private Employee	532	69.82
Annual Income	Below 5 Lakhs	190	24.93
	5 – 10 Lakhs	213	27.95
	Above 10 Lakhs	359	47.11
Marital Status	Unmarried	161	21.13
	Married	268	35.17
	Married & having Children	333	43.70
Size of the Family	Less than 3 members	158	20.73
	3 members	149	19.55
	4 members	123	16.14
	Above 4 members	332	43.57
Adult members in the Family	Less than 3 members	202	26.51
	3 – 5 members	310	40.68
	More than 5 members	250	32.81

The Demographic data collected reflects the results of various parameters of the sample respondents are on the basis of gender 77.03% male are interested in purchases of small car. 44.62% respondents are between 30-40 years age groups are aware of all the small car brands. 62.86% of the

respondents are of Post-Graduation as they are having knowledge about the brands and its features. Most of the Private Employees i.e. 69.82% are attracted to buy small cars. 47.11% annual incomes of respondents are above 10 Lakhs. 43.70% are married & having Children, based on Size of the

Family 43.57% are above 4 members in a family and 40.68% are adult members in the Family who are interested to buy small cars.

Purpose of Car



The **Factors Influencing the Small Car Purchase** are considered as **Technical Factors** like Driving Comfort, Engine Capacity, Road Grip, Latest Technology, Customization and Safety. **External Factors** like Exterior Design, Interior Design, Internal Space, Trunk Space and Colour. **Price & Maintenance Factors** like Fuel Economy /

Mileage, Maintenance Cost, Price, Savings/ Discounts/ Promotion, Low Down Payment, EMI/ Loan Option and Resale Value. **Service Factors** like Availability of Spare Parts, After Sales Service & Dealer & Service Network and **Brand Factors** like Brand Image, Status Symbol, Easy Availability and Advertisement.

HYPOTHESES TESTING – H1

Table no.2 Perceptual difference – age – Influencing factors

ANOVA	F	Sig.
Technical Factors	1.263	0.283
External Factors	1.755	0.174
Price & Maintenance	0.264	0.768
Service Factors	0.164	0.848
Brand Factors	0.246	0.782
Overall Factors Score	0.866	0.421

* Significant at 0.05 level

H1 is rejected that means there is no significant perceptual difference between different aged customers towards various influencing factors while buying cars.

HYPOTHESES TESTING – H2

Table no.3 Perceptual difference – Qualifications – Influencing factors

ANOVA	F	Sig.
Technical Factors	1.588	0.205
External Factors	3.568	0.029*
Price & Maintenance Factors	1.437	0.238
Service Factors	0.145	0.865
Brand Factors	6.836	0.001*
Overall Factors Score	3.482	0.031*

* Significant at 0.05 level

H2 is accepted that means there is a significant perceptual difference between customers with different educational qualifications towards various influencing factors while buying cars.

HYPOTHESES TESTING – H3

Table no.4 Perceptual difference - Income - Influencing factors

ANOVA	F	Sig.
Technical Factors	3.754	0.024*
External Factors	1.060	0.347
Price & Maintenance Factors	1.658	0.191
Service Factors	3.901	0.021*
Brand Factors	0.709	0.492
Overall Factors Score	2.289	0.102

* Significant at 0.05 level

H3 is rejected that means there is no significant perceptual difference between customers of different income groups towards various influencing factors while buying cars.

HYPOTHESES TESTING – H4

Table no.5 Perceptual difference - Purpose - Influencing factors

ANOVA	F	Sig.
Technical Factors	46.988	0.000*
External Factors	3.994	0.003*
Price & Maintenance Factors	77.012	0.000*
Service Factors	20.104	0.000*
Brand Factors	9.675	0.000*
Overall Factors Score	39.366	0.000*

* Significant at 0.05 level

H4 is accepted that means there is a significant influence of purpose on perception towards various factors of a car.

HYPOTHESES TESTING – H5

Table no.6 Perceptual difference - Family Size - Influencing factors

ANOVA	F	Sig.
Technical Factors	13.507	0.000*
External Factors	10.156	0.000*
Price & Maintenance Factors	4.393	0.004*
Service Factors	0.932	0.425
Brand Factors	10.170	0.000*
Overall Factors Score	7.063	0.000*

* Significant at 0.05 level

H5 is accepted that means there is a significant influence of size of the family on perception towards various factors of a car.

Analysis of brand wise effect of various factors

Table no.7 ALTO vs EON and SWIFT vs GRAND i 10

Factors	Alto		Eon		Swift		Grand i10	
	Mean	S. D.	Mean	S. D.	Mean	S. D.	Mean	S. D.
Technical Factors	3.88	0.552	3.52	0.475	3.43	0.506	3.81	0.464
External Factors	3.43	0.712	3.23	0.498	3.30	0.592	3.92	0.506
Price Factors	4.11	0.484	3.17	0.934	3.67	0.633	3.48	0.552
Service Factors	4.13	0.542	3.12	0.829	3.57	0.706	3.42	0.672
Branding Factors	3.67	0.595	3.36	0.683	3.76	0.654	3.60	0.634
Overall Score	3.83	0.423	3.30	0.418	3.53	0.423	3.68	0.296

Table no.8 Attitude towards specific brands

S. No	Statements	Alto	Eon	Swift	i 10
		Mean Values			
1	I like this Brand	3.24	2.95	3.23	3.13
2	I recommend this brand to others	3.32	3.23	3.42	3.16
3	I personally like to have this brand	3.61	3.64	3.66	3.49
4	This brand is good	3.41	3.25	3.85	3.41
Overall Attitude		3.39	3.27	3.54	3.28

Table no.9 Attitude towards Small Cars

Attitude towards Small Cars	Mean
I will prefer a low engine capacity car to get high fuel efficiency	3.85
Due to traffic on roads, I will prefer a small car	3.91
For the parking convenience on roads the small car is my choice	4.00
I am happy to purchase a small car as the number of models available in this	4.19
My disposable income permits me to buy only a small car	4.31
I am ok with small car as I have a small family	4.36
I need a car mainly to attend office, or short trips with family	4.33
Repair facilities are available conveniently	4.36
Increased women employment has increased the sale of the small cars	4.59
Improved road conditions increased the demand of a small car	3.43
The price of the car is prime consideration in choice of my car	3.46
With my present and near future income I can afford only small car	3.54
The lower cost of repair/maintenance of small cars has influenced my choice	3.70
Replacement of parts and accessories are cheaper for small car	3.72
The price of the small car is low due to use of less sophisticated technology used	3.68
Overall Attitude Score	3.96

IV. FINDINGS OF THE STUDY

- Customer Profile are Married Graduates of age above 30 years with annual income greater than 5 lakhs having family size of 4 members.
- The demographic factors such as age, income, family size found having significant relationship on attitude towards small cars.
- Driving Comfort and Fuel economy found to be important influencing factor while purchasing small cars.
- Hyundai Cars were perceived technically superior compared to Maruti Suzuki Cars by the respondents.
- Maruti Suzuki Cars were perceived 'Value for money' cars and 'Made for India' compared to Hyundai Cars.
- The demand for small car segment is increasing because of the growing number of nuclear families as well as parking problems. Hence the manufacturers should find out the needs, wants, tastes and preferences of the consumers in order to design the new car models.
- India is witnessing significant changes in the economic and social status of women. This may be a new market area where the companies have to focus in near future.
- Mileage matters in automobile industry. Due to steady increase of petrol/diesel prices, Fuel efficiency becomes a key factor to attract middle class customers. It can be suggestible to manufacturer to improve fuel efficiency or design cars with alternative fuel such as CNG, LPG or BATTERY.

V. SUGGESTIONS

- The key driving factor of the Indian car market is the availability of car finance on easy instalments and reasonable interest rates with low down payment. Hence, the dealers should tie-up arrangements with the authorized bankers to boost sales.
- It is suggestible to Maruti Suzuki to improve safety, internal space and exterior design to its car brands.
- For Hyundai, Service network should be improved and maintenance cost should be minimized by offering free service camps, membership discounts or coupons.

VI. CONCLUSION

The findings from this study could provide some important information to the small car manufacturers, dealers and marketers, and this information could be used to develop the deterministic marketing tactics and strategies, and to design new model cars based on the perceptions and attitudes of target customers.

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