Consumer Behaviour towards Passengers' Cars : A Study in Meerut Region

Mohit Saharan

Research Scholar, Faculty of Commerce & Businees Administration, D. N. College, Meerut.

Dr. R.K. Singhal

Former Head, Faculty of Commerce & Businees Administration, D. N. College, Meerut.

Abstract

This paper explores the consumer behaviour towards passenger cars in Meerut region. The scope of the study is limited to certain important behavioural aspects like information search and evaluation, brand preference and brand loyalty and factors of motivation. Understanding the customer's satisfaction of the product will help the automobile manufacturer in developing their products to meet customer's needs and designing the proper marketing programs and strategy.

Keywords: Consumer Behaviour, Automobile Industry, Purchase decision, Brand choice.

Classification-JEL : L11, L22, P46

1. INTRODUCTION

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. India's passenger car and commercial vehicle manufacturing industry is the seventh largest in the world, with an annual production of more than 24.96 million units in 2017. According to recent reports, India overtook Brazil and became the seventh largest passenger vehicle producer in the world (beating such old and new auto makers as Belgium, United Kingdom, Italy, Canada, Mexico, Russia, Spain, France and Brazil), grew 16 to 18 percent to sell around twenty three million units in the course of 2016 and 2017.In addition, several initiatives taken by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the Two Wheeler (2W) and Four Wheeler (4W) market in the world by 2020.

MandeepKaur and Sandhu (2006) attempted to find out the important features which a customer considers while going for the purchase of a new car. The study covers the owners of passenger cars living in the major cities of the State Uttar Pradesh and Delhi NCR. The respondents perceive that safety and comfort are the most important features of the passenger car followed byluxuriousness. So the manufacturers must design the product giving maximum weight age to these factors.

Many comprehensive theories/models have been developed within the field of consumer behaviour(HARWARD and SHETH 1969; NICOSIA 1966). Models have also been developed for specific context, such as for family decision making and information processing. These theories have played an important role by detailing how various factor influence consumer behaviour. An extensive review of literature

reveals that there is no simple framework that lends itself to a comprehensive study of consumer behaviour. The paradigm proposed four sequential stages to represent the purchase and consumption processes. These four stages are named as Access, Buyingbehaviour, Consumption Characteristics and Disposal.

2. LITERATURE REVIEW

Chidambaram and Alfread (2007) postulates that there are certain factors which influence the brand preferences of the customers. Within this framework, the study reveals that customers give more importance to fuel efficiency than other factors. They believe that the brand name tells them something about product quality, utility, technology and they prefer to purchase the passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price.

Satya Sundaram (2008) analyzed how the competition makes the automobilemanufacturer to launch at least one new model or a variant of the model every year. This survey also pointed out that diesel cars are becoming popular in India and the announcement of reductions in excise duties by the government has helped to some extent to boost the demand.

Clement Sudhakar and Venkatapathy (2009) studied the influence of peer groupin the purchase of car with reference to Coimbatore District. It was also found that the influence of friends is higher for the purchase of small sized and mid-sized cars.

Brown et al (2010) analyzed the consumers" attitude towards European, Japaneseand the US cars. The country–of–origin plays a significant role in the consumers" behaviour. The brand name, lower price and distributor's reputation completely have a significant impact on the sale of passenger car.

However, the present study differs from the above, in that, the buyer behaviour in Meerut Region is sought to be analyzed here. The scope and the area of the study are unique in nature.

3. OBJECTIVE OF THE STUDY

The objectives of this study are to identify different sources of information used by the buyers and their role while making a purchase decision

4. RESEARCH METHODOLOGY

The research aims to examine the buying behaviour of consumer for passenger cars in Meerut Region. As the universe of the study is large, the researchers have decided to select sample respondents by adopting the Simple Random Sampling Technique. A total of 100 Interview schedules were prepared and out of this, only 80 interview schedules were filled up and collected. A scrutiny of these schedules led to the rejection of 30 interview schedules on account of incomplete responses. Thus, 50 completed interview schedules were used for the present study. (Table 1)

TABLE 1
Distribution of consumers by Age

S.No	Age	No. of Respondents	Percentage
1	Less than 25 Yrs	5	10
2	25-35 Yrs	5	10
3	35-45 Yrs	15	30
4	45-55 Yrs	10	20
5	Above 55 Yrs	15	30
	Total	50	100

TABLE 2
Consumer's Occupation

S.No	Occupation	No. of Respondents	Percentage
1	Aqriculturist	-	-
2	Businessman	5	10
3	Employed in Govt. Service	15	30
4	Employed in Pvt. Service	10	20
5	Professional	10	20
6	Housewife	-	-
7	Others	10	20
	Total	50	100

TABLE 3
Consumer's Education

S. No	Occupation	No. of Respondents	Percentage
1	No Formal Education	-	-
2	School Level	-	-
3	Graduate	5	10
4	Post Graduate	15	30
5	Professional	25	50
6	Others	5	10
7	Total	50	100

TABLE 4
Consumer's Income

S. No	Monthly Income	No. of Respondents	Percentage
1	Less than Rs. 10000	-	-
2	Rs. 10001-15000	-	-
3	Rs. 15001-20000	5	10
4	Rs. 20001-25000	5	10
5	Above Rs. 25000	40	80
6	Total	50	100

TABLE 5
Number of Own Cars

S.No	No of Own Cars	No. of Respondents	Percentage
1	1	20	40
2	2	30	60
3	3		
	Total	50	100

5. PURCHASE BEHAVIOUR OF CUSTOMERS

For determining the pre-purchase behaviour of the customers, they were asked about the sources of information while purchasing new product and who influenced their decision. Majority of respondents were found to be relying upon friends and advertisements.

TABLE 6
From where did you get the information about this brand?

S.No	Sources	No. of Respondents	Percentage
1	Advertisement	15	30
2	Friends	15	30
3	Relatives	5	10
4	Dealers	5	10
5	Others	10	20
	Total	50	100

TABLE 7
Who influenced your purchase decision?

S.No	Factors to be Influenced	No. of Respondents	Percentage
1	Self	20	40
2	Wife/Husband	10	20
3	Children	5	10
4	Parents	10	20
5	Friends	5	10
6	Peer Group	-	-
7	Others		
	Total	50	100

TABLE 8
Brand Name

S.No	Brand Name	No. of Respondents	Percentage
1	Hyundai	20	40
2	Honda	5	10
3	Maruti Suzuki	15	30
4	Ford	2	4
5	Renault	2	4
6	Skoda	1	2
7	Mahindra	5	10
8	Others	-	-
	Total	50	100

6. TEST OF HYPOTHESIS

The consumer behaviour towards passenger cars was analyzed with the help of following respondent's profile

Occupation, Usage of car, Income and Brand Name Chi Square test = $(O-E)^2/E$

7. RESULT AND DISCUSSION

Degree of freedom = $(C-1)(r-1) = 5$

For 5 degree of freedom at 55 level of significance =9.49 Calculated value=28.88 Table value =9.49

The calculated value 28.88 is greater

than the table value 9.49 and the hypothesis is rejected. Hence, there is significant relationship between the occupation and usage of car.

Chi-square test

Degree of freedom = (C-1) (r-1) = (4-1) (3-1) = 5

The calculated value 35.64 is greater than the table value 9.49 and the hypothesis is rejected. There is significant relation.

TABLE 9
Occupation and the Usage of Car

Occupation	Personal Use	Social Status	Total
Businesssman	-	5	5
Govt Service	5	-	5
Private Sector	12	-	12
Professional	20	-	20
Others	8	-	8
Total	45	5	50

TABLE 10
Expected Frequency (on the basis of table 9)

Occupation	Personal Use	Social Status	Total
Businesssman	4.5	.5	5
Govt Service	4.5	.5	5
Private Sector	10.8	1.2	12
Professional	18	2	20
Others	7.2	.8	8
Total	45	5	50

TABLE 11
Chi-Square Test (Table 9 & 10)

O	E	(O-E)	(O-E)2	(O-E)2/E
0	4.5	-4.5	9	2
5	4.5	.5	1	.22
12	10.8	1.2	2.4	.22
20	18	2	4	.22
8	7.2	.8	1.6	.22
25	.5	4.5	9	18
0	.5	-.5	1	2
0	1.2	-1.2	2.4	2
0	2	-2	4	2
0	.8	-8	1.6	2
		Total		28.88

TABLE 12
Expected Frequency

Income	Hvundai	Maruti Suzuki	Honda	Other	Total
Rs. 15001-20000	3	-	2	5	5
Rs. 20001-25000	7	-	3	-	15
Above Rs. 25000	-	25	5	5	30
Total	10	25	10		50

TABLE 13
Expected Frequency

Income	Hvundai	Maruti Suzuki	Honda	Other	Total
Rs. 15001-20000	1	2.5	1	.5	5
Rs. 20001-25000	3	7.5	3	1.5	15
Above Rs. 25000	6	15	6	3	30
Total	10	25	10	5	50

TABLE 14
Chi-Square Test (Table 12 & 13)

O	E	(O-E)	(O-E)2	(O-E)2/E
3	1	2	4	4
7	3	4	16	5.33
-	6	-6	36	6
-	2.5	-2.5	7	2.8
-	7.5	-7.5	15	2
25	15	10	100	6.67
2	1	1	1	1
3	3	0	0	0
5	6	-1	1	.17
-	.5	-.5	1	2
5	1.5	3.5	7	4.67
-	3	-3	3	1
				35.64

8. FINDINGS

Consumers in this region are influence by various factors such as culture, family, reference, age and life style. The most important factor that influences the consumer to use passenger car is the price of the cars, social status and durability.

9. CONCLUSION

Consumer Behaviour consists of all human behaviour that goes in making purchase decisions. An understanding of the consumer behaviour enables a marketer to take marketing decisions which are compatible with its consumer needs. There are four major classes of consumer behaviour determinants and expectations, namely, cultural, socio-economic, personal and psychologicalRising income has enhanced the purchasing power and more and more people are able to afford a car. Customer demands are dynamic, but its consideration is necessary for every company to make existence in to the market. In place like Meerut Region car has become a symbol of social status also.

Customers are purchasing the cars not only as a means of transport but as a status symbol also.

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