A STUDY ON FACTORS INFLUENCING BRAND PREFERENCES IN PURCHASE OF NEW PASSENGER CARS IN KARUR DISTRICT

Dr. P. SENTHILKUMAR
(Deputed from Annamalai University)
Assistant Professor of Commerce
PG & Research Department of Commerce
Government Arts College (Autonomous)
Karur – 639 005
Kaur District
Tamil Nadu

ABSTRACT

In this paper examine the factors influencing brand preferences in purchase of new passenger cars in Karur District. Passenger vehicle sales stood at 3,10,294 units in October 2020, compared with 2,71,737 units in October 2019, registering a 14.19% growth, As per the Federation of Automobile Dealers Associations (FADA). Findings: 1). In the case of gender wise classification, it is concluded that the majority 83.50 per cent of the respondents were falling in the male classification. 2). In the case of age group of respondents, majority 35.50 per cent numbers of were falling in the age group of 50 & above years. 3). In the case of marital level, it is concluded that 86.00 per cent numbers of the respondents were married level. 4). In the case of Family type level, majority 67.50 per cent numbers of the respondents were falling under the nuclear family type. 5). In the case of educational qualification level, it is concluded that the majority 32.50 per cent respondents were educated upto Post Graduate Level, and 6). In the case of type of employment, majority 29.00 per cent numbers of respondents were involving in the professional group.(i.e., Engineers, Lawyers, Doctors, etc.,)

Keywords
Passenger Cars, Brand Preference, FADA, Percent, and Chi-Square Test.
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Introduction

The automobile industry is known to be one of the major pillars of the Indian economy. This is the reason that when the manufacturers were facing a recession, the whole economy was affected. The Indian automobile industry seems to come a long way since the first car that was manufactured in Mumbai in 1898. The automobile sector today is one of the key sectors of the country contributing majorly to the economy of India. It directly and indirectly provides employment to over 10 million people in the country.India became the fourth largest auto market in 2019 displacing Germany with about 3.99 million units sold in the passenger and commercial vehicles categories. India is expected to displace Japan as the third largest auto market by 2021. Several initiatives by the Government of India and major automobile players in the Indian market are expected to make India a leader in the two-wheeler and four-wheeler market in the world by 2020.

Market Size

Passenger vehicle sales stood at 3,10,294 units in October 2020, compared with 2,71,737 units in October 2019, registering a 14.19% growth. As per the Federation of Automobile Dealers Associations (FADA), passenger vehicle sales in November 2020 stood at 2,91,001 units, compared with 2,79,365 units in November 2019, registering a 4.17% growth. Overall, automobile export reached 4.77 million vehicles in FY20, growing at a CAGR of 6.94% during Financial Year 2016- Financial Year 2020. Two wheelers made up 73.9% of the vehicles exported, followed by passenger vehicles at 14.2%, three wheelers at 10.5% and commercial vehicles at 1.3%.

Table No -1 Automobile Production Trends in India

Category	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Passenger Vehicles	3,221,419	3,465,045	3,801,670	4,020,267	4,028,471	3,434,013
Commercial Vehicles	698,298	786,692	810,253	895,448	1,112,405	752,022
Three Wheelers	949,019	934,104	783,721	1022,181	1,268,833	1,133,858
Two Wheelers	18,489,311	18,830,227	19,933,739	23,154,838	24,499,777	21,036,294
Quadricycle*		531	1,584	1,713	5,388	6,095
Grand Total	**23,358,047**	**24,016,599**	**25,330,967**	**29,094,447**	**30,914,874**	**26,362,282**

*Only Oct-March 2016 data is available for 2015-16
Source:https://www.siam.in/statistics.aspx?mpgid=8&pgidtrail=13

Literature Review of Literature

Dr.K.Rajireddy and D.Ravinder (2016) in their article entitled on "Consumer Behavior towards Brand Preference of Passenger Cars in Karimnagar District". This research article examines the brand preference of consumer towards passenger car. 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.

BhaveshSoni and Roshan Ravi (2017), in their study expressed that "A study on Brand Preference in Automobile Segment" The report consists of research on study on brand preference in automobile segment. The automobile industry is getting more profit, due to increases in readily available income both in urban as well as rural area getting easily availability of finance. The research is helpful for the existing and the new entrant in the car manufacturing companies in India to find out customer's expectation and their market offering. Both domestic as well as multinational manufacturer influences current automobile industry. The current research pattern is about the consumer behavior of automobile car customer. Understand what customer wants to buy and about the market. The research consists of the brand preference in automobile segment. This topic focuses on what factors influence to buy a preferred brand. It takes consideration on an average how does a consumer think to about the automobile brand, what is the perception about the brand. In addition, is spending on car dependent on income of consumer. It also considers age, gender and income etc. and mainly depends on the brand image of the company.

Dr. R. Angamuthu (2019),in his study explained that "A study on Brand Preference of Select Passenger Cars in Tiruvannamalai Town". India is one of the largest automotive markets in the world. India provides wide opportunity for every class of car manufacturers. India's GDP is expected to grow at 7.3 per cent in the fiscal year 2018-19. Findings: 1).Majority, 82 percent of the respondents were falling in the male classification. 2). Majority, 46 percent numbers of respondents were falling in the age group of 55 & above years3)

Majority, 42 percent number of respondents was studied up to Post Graduate Level.4). Majority, 75 percent numbers of the respondents were married. 5). Majority, 39 percent numbers of respondents were falling under the number of family members group of below 3. 6). Majority, 44 percent numbers of respondents were involving in the group of Professionals (Engineers, Lawyers, and Doctors Etc.).7). Majority, 43 percent number of respondents were falling in the income group of Rs.1,00,000& above.8). Majority, 46 percent of the respondents were given preference to price, while purchase the new car. Hypothesis: 1). the null hypothesis is rejected and it may be concluded that number of family members and brand preference of the car were significant difference. 2).The null hypothesis is accepted and it may be concluded that occupation of the respondents and brand preference of the car were not significant difference.

Statement of the Problem

The automobile sector in the country will require disproportionate amounts of natural resources which will not only have economic cost implications, but also have strong environmental and social impacts. Future growth will be associated with increased raw material extraction, pollution arising from production, processing of primary materials for production of auto components, GHG emissions during the manufacturing phase, use/operation phase, traffic congestion, etc. Hence this companies face several problems such as Drawing talent, Overloading, Globalization, Sustainability, Urbanization Increasing regulations, Challenges to meet emission norms, Retention of talented workforce, Accidents, Pollutions etc.,

Objectives of the Study

This study is undertaken with the following objectives:

1. To trace the origin and growth of Automobile Industry in India
2. To Study the Socio-Economic factors of the respondents of Karur District, Tamil Nadu.
3. To examine the factors influencing brand preferences in purchase of new passenger car.

To summarize the findings and provide conclusion.

Sampling Design

The Research design for the study is descriptive and analytical in nature. The preset study is restricted to 4 passengers' cars only in Karur District. A convenience sample is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach. The convenience sampling technique is adapted to select the passenger car for the study. The particulars of the passenger cars included in the present study are shown in the below table.

Table No - 2

Sl.No	Name of the Company	Year of Incorporation	Headquarters
1.	Toyota Motor Corporation	1935	Toyota City, Aichi, Japan
2.	Volkswagen	1937	Wolfsburg, Germany
3.	Tata Motors Limited	1945	Mumbai, Maharashtra, India.
4.	Honda Motor Co., Ltd.	1948	Minato, Tokyo, Japan

Hypothesis

The following research hypotheses are framed and tested in the present study:

1. There is no significant difference between number of family members and brand preference of the new passenger cars.
2. There is no significant difference between occupation of the respondents and brand preference of the new passenger cars.

Research Methodology

The present study is based on primary and secondary data. The primary data collected by the way of interview schedule and secondary data collected from journals, periodicals, publications and websites. By virtue of a mass of data obtained from research survey, as well as data from secondary sources collected and presented in the present report, descriptive and analytical was considered most appropriate for the study. The research problems and questionnaire were all framed accordingly. To analyze the collected data, simple percentage method and chi-square test are used.

Chi-Square Test:

It is a statistical test in which the sampling distribution of the t-statistic is a chi-squared distribution. It is a non-parametric test. This test defines if there is a significant difference between the observed and expected frequencies. These tests are framed from a sum of squared errors or with the sample variance. The chi-square test is based on the assumption that the data is independent normally distributed.

The formula is defined as:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Here, O i is the observed frequency and E i is the expected frequency.

Result and Discussion

Table No – 3 Socio - Economic Factors of the Respondents

SL.No.	Particulars of the Respondents	Factors	Number of Respondents	Per cent
1.	Sex	Male	167	83.50
		Female	33	16.50
		Total	**200**	**100.00**
2.	Age	Below 30 Years	22	11.00
		30 to 40 Years	42	21.00
		40 to 50 Years	65	32.50
		Above 50 Years	71	35.50
		Total	**200**	**100.00**
3.	Marital Status	Married	172	86.00
		Unmarried	28	14.00
		Total	**200**	**100.00**
4.	Family Type	Joint family	65	32.50
		Nuclear family	135	67.50
		Total	200	100.00
5.	Educational Qualifications	Higher Secondary Level	38	19.00
		Degree Level	46	23.00
		Post Graduate Level	65	32.50
		Doctorate Level	51	25.50
		Total	**200**	**100.00**
6.	Type of Employment	Government Employee	52	26.00
		Private Employee	40	20.00
		Professionals [Engineers, Lawyers, Doctors etc.,]	58	29.00
		Own Business	50	25.00
		Total	**200**	**100.00**
7.	Monthly Income	Below Rs.50,000	22	11.00
		Rs.50,000 to	45	22.50

		Rs.75,000		
		Rs. 75,000 to Rs.1,00,000	58	29.00
		Above Rs. 1,00,000	75	37.50
		Total	**200**	**100.00**

Source: Primary Data

Gender Wise Classification

The above table shows that 83.50 per cent respondents were falling in the male classification and rests of the respondents were lying in the female classification. It is concluded that the majority 83.50 per cent of the respondents were falling in the male classification.

Level of Age

The above table reveals that the 11.00 per cent of the respondents were lying in the age group of below 30 years, 21.00 per cent were including in the age group of 30-40 years, 32.50 per cent were lying in the age group of 40-50 years and 35.50 per cent were falling in the age group of 50 & above years. Hence majority 35.50 per cent numbers of respondents were falling in the age group of 50 & above years.

Marital Status

The above table exhibits that the 86.00 per cent numbers of respondents were married and rest of the respondents were unmarried. It is concluded that 86.00 per cent numbers of the respondents were married level.

Family Type

The above table reveals that 67.50 per cent numbers of the respondents were lying under the nuclear family type and 32.50 per cent respondents were falling under the joint family level. Hence majority 67.50 per cent numbers of the respondents were falling under the nuclear family type.

Level of Education

The above table explains that 19.00 per cent numbers of respondents were studied upto Higher Secondary Level, 23.00 per cent numbers of respondents were studied upto Degree Level, 32.50 per cent were educated upto Post Graduate Level, and 25.50 per cent numbers of respondents were studied upto Doctorate Level. It is concluded that the majority 32.50 per cent respondents were educated upto Post Graduate Level.

Type of Employment

The above table shows that 26.00 per cent numbers of respondents were working in Government Service, 20.00 per cent numbers of respondents were involving in Private Services, 29.00 per cent numbers of respondents were falling in the groups of professionals (i.e., Engineers, Lawyers, Doctors, etc.,) and 25.00 per cent numbers of respondents were lying in the group of Own Business. Hence majority 29.00 per cent numbers of respondents were involving in the professional group.

Monthly Income

The above table gives the comparable data for the income level and most relate to their brand preference of the cars based upon a summary carried out the study. Among the respondents, 11.00 per cent were involving in the group of below Rs.50,000, 22.50 per cent were lying in the income group of Rs.50,000 – Rs.75,000, 29.00 per cent were involving in the income group of Rs.75,000 – Rs.1,00,000 and finally 37.50 per cent were falling in the income group of Rs.1,00,000 & above. It is concluded that the majority of the respondents were falling under the income group of Rs.1,00,000& above.

Table No – 4 Factors Influencing Brand Preferences in purchase of New Passenger Cars

Factors	Most Important	Important	Neutral	Un Important	Least Important	Weighted Average Score	Rank
Marketing Influence	50	32	65	17	36	3.991597	6
Brand Reputation	104	64	18	10	4	4.197479	12
Imported Technology	84	67	33	13	3	4.02521	10
After Sales service	112	58	16	8	6	4.310924	15
Guarantee/Warranty	93	62	24	15	6	4.386555	16
Technology Advancement	99	78	13	8	2	4.243697	13
Promotional Strategies	67	54	52	19	8	3.718487	2
Friend/Relative Recommendation	58	49	44	35	14	3.848739	4
Level of satisfaction with old car	64	56	37	27	16	4.016807	7
Acquaintance with Retailer	48	44	53	38	17	3.634454	1
Discounts Available	52	46	39	32	31	3.907563	5
Resale value of car in Market	51	48	33	36	32	4.130252	11
Pick and Serve Facility	42	51	50	32	25	3.794118	3
Easily Available Spare Parts	61	56	40	23	20	4.294118	14
Competitive Prices	33	42	48	37	40	4.021008	9
Location of Workshop	62	52	43	24	19	4.018	8

Source: Primary Data

The above table exhibits that the factors affecting purchases of the new car, i.e., acquaintance with retailers is stood as first rank, promotional strategies ranked as second place, pick and serve facility ranked as third place so on, finally guarantee/ warranty is ranked as last place. It may be due that guarantee/warranty are almost same for all brands but acquaintance with retailer really make up the minds of the customers.

Table No –5 Factors influencing purchase of the passenger Cars

Brand opinion	Number of Respondents	Per Cent
Price	52	26.00
Quality	106	53.00
Model	15	7.50
Colour	8	4.00
Seating size	6	3.00
Mileage	13	6.50
Total	200	100.00

Source: Primary Data

The above table reveals that 26.00 per cent of the respondents were given importance to price, 53.00 per cent of the respondents were given importance to quality, 7.50 per cent of the respondents were given preference to model, 4.00 per cent of the respondents were given preference to colour, 3.00 per cent of the respondents were given importance to seating size and 6.50 per cent of the respondents were given preference to mileage. It is concluded that 53.00 per cent of the respondents were given most importance to quality at the time of purchase of new car.

Result of the Hypothesis

1. There is no significant difference between the Number of Family Members and Brand Preference of the Passenger Cars.

2. There is no significant difference between occupation of the respondents and brand preference of the Passenger cars.

Table No –6

S.No.	Calculated Value	Table Value (5% level of significance)	Result
1.	59.08	16.9	Rejected
2.	12.53	16.9	Accepted

Findings of the Study

1) In the case of gender wise classification, it is concluded that the majority 83.50 per cent of the respondents were falling in the male classification.
2) In the case of age group of respondents, majority 35.50 per cent numbers of were falling in the age group of 50 & above years
3) In the case of marital level, it is concluded that 86.00 per cent numbers of the respondents were married level.
4) 4. In the case of Family type level, majority 67.50 per cent numbers of the respondents were falling under the nuclear family type.
5) In the case of educational qualification level, it is concluded that the majority 32.50 per cent respondents were educated upto Post Graduate Level.
6) In the case of type of employment, majority 29.00 per cent numbers of respondents were involving in the professional group.(i.e., Engineers, Lawyers, Doctors, etc.,)
7) In the case of monthly income level, it is concluded that the majority of the respondents were falling under the income group of Rs.1,00,000& above.
8) on the other hand, Factors Influencing Brand Preferences in purchase of New Passenger CarsAcquaintance with retailers is stood as first rank, promotional strategies ranked as second place, pick and serve facility ranked as third place so on, finally guarantee/ warranty is ranked as last place. It may be due that guarantee/warranty are almost same for all brands but acquaintance with retailer really make up the minds of the customers.
9) In the case of factors influencing purchase of the new passengers' cars, it is concluded that 53.00 per cent of the respondents were given most importance to quality at the time of purchase of new car.

Conclusion

The Indian auto industry is expected to see stronger growth in 2021-22, after recovering from the devastating effects of the Covid-19 pandemic with electric vehicle sales — especially two-wheelers — also likely to see positive movements, Ashim Sharma, partner and group head (business performance improvement consulting — auto, engineering and logistics) at NRI Consulting & Solutions India, said.As far as personal vehicles are concerned, the 2018-19 levels would be reached only in 2022-23.Experts say the government needs to find a way to rationalize taxes it collects on petrol and diesel to prevent another round of inflation. The inflationary impact due to the rise in fuel costs is already being felt by millions of consumers in the country, numerous sectors and businesses. At a time when India GDP is all set to register growth after two straight quarters of economic contraction, rising fuel prices could spoil the recovery mood.An increase in international crude oil prices, triggered by production cuts by major oil-producing countries, has led to a sharp rise in petrol and diesel rates in India over the past few months. If price levels remain elevated, another round of high inflation could be triggered. It will directly impact the country's recovery momentum.

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