
Research Papers



CONSUMER BEHAVIOUR: A STUDY OF INFLUENCE OF SPECIAL FEATURES OF PASSENGER CARS IN COIMBATORE DISTRICT

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Abstract

In India, in the past decade the process of globalization and the growth of Information Technology (I.T) industries results in an increase in the income level, standard of living and purchasing power of the people. So, the middle income group felt owning a car a luxury but now they realized it as necessity. The members of nuclear family need a car for attending their office and leaving their children to schools and colleges. For the government employees, the introduction of sixth pay commission resulted in a considerable increase in their salary which make them shift from two wheelers to four wheelers. In the above context, a research is warranted to make an attempt to assess the buying behaviour of passenger cars in the Coimbatore district.

Introduction

The automobile industry plays a vital role in enabling India to attain global leadership among others. It is the largest industry in the world with the revenues of about 1.8 trillion USD (1). India has become a hub for the automobile market for South-Asia. It is nearly six decades old and it helps in developing the Indian economy and also providing income, employment and best services to the public.

It provides 12 per cent employment in manufacturing sector while compared with the countries such as Malaysia 50 per cent, Korea 62 per cent and China 31 per cent (2). Currently the automobile industry employs more than 2 lacs persons in vehicle manufacturing, 2.5 lacs persons in component companies and more than 10 million at different levels of the vehicle linkages (3).

The total production of passenger vehicles in India was 4156784 units AND sales was 4240732 and export of passenger cars were 25.4

per cent during the year 2009-10 (4). This makes India as one of the few countries outside of the United States, Europe, Japan and Korea with proven capabilities to design and build automobiles (5).

Rising per capita income and changing demographic distribution are conducive for growth. India has highest proportion of population below 35 years. Nearly, 70 per cent of the people were added to the working population.

These are the positive indications of the passenger cars remaining dominant in Indian market. The pushing forces which create demand for passenger cars are reduction of excise, customs and import duties, easy finance at lower rate of interest, favorable government policies, lack of transport systems and growing awareness of the need for a better means of transportation. These factors led people to shift from two wheelers to four wheelers.

Objectives of the Study

The following are the main objectives are framed for the present study,

- 1. To study the influence of sources of information to buy the passenger cars.
- 2. To examine the pre-purchase behaviour of buyers of passenger cars.
- 3. To analyze the influence of special features of passenger cars.

Research Design and Methodology

Area of the Study

This study concentrates only on Coimbatore district of Tamil Nadu. Compared with the other districts of Tamil Nadu, Coimbatore is regarded as industrially developed and it also witnessed considerable change after the entry of IT industries. It is the second largest district in the state and it is a major industrial city in India situated extreme west of Tamil Nadu. According to 2001 census, it had a population of 1.85 million (Male 52 per cent and Female 48 per cent) and literacy rate of 78 per cent higher than the national average of 59.5 per cent (6). It is higher revenue earning district in Tamil Nadu and also called the 'Manchester of South India'.

Sources of Data

In this study both primary and secondary data were collected and used.

Primary data

The present study involves empirical survey method. First hand data were collected from the field through interview schedule.

Secondary data

The secondary data were collected from related Journals, Magazines, Text books, Reports of Society of Indian Automobiles Manufacturers (SIAM), Auto Policy Mission issued by Ministry of Heavy Industries and Public Enterprises and Auto Component Manufacturers Association (ACMA). Automobile Mission Plan 2006 to 2016 and Auto Policy issued by Ministry of Heavy Industries, Government of India for 10 years.

Sampling size

In this study convenient random sampling method was used to collect the data from 500 respondents in Coimbatore district.

Influence of the Sources of Information

The information received by the buyers

before making purchase of passenger cars are listed in the table given below.

Table No. 1
Sources of Information

Sources	Level of Influence					
	Low		Medium		High	
	No. of Respondents	%	No. of Respondents	%	No. of Respondents	%
(i) Family Members	45	9.00	139	27.80	316	63.20
(ii) Friends and Relatives	95	19.00	188	37.60	217	43.40
(iii) Neighbours	178	35.60	204	40.80	118	23.60
(iv) Agencies	166	33.20	179	35.80	155	31.00
(i) Advertisement	124	24.80	166	33.20	210	42.00
(ii) Sales Representatives	171	34.20	207	41.40	122	24.40
(iii) Dealers	168	33.60	218	43.60	114	22.80
(v) Displays	146	29.20	202	40.40	152	30.40
(i) Mass Media	147	29.40	178	35.60	175	35.00
(ii) Consumer Rating Agencies	196	39.20	172	34.40	132	26.40
(iii) Examining/Test Drive	180	36.00	178	35.60	142	28.40

Source: Primary data

The above table 1 shows that the sources of information influenced to buy a car among the respondents.

The sources of information are broadly classified into three categories i.e, Personal Sources, Commercial Sources and Public Sources.

Among the Personal Sources family members are influenced more (63.20 per cent) followed by friends and relatives (43.40 per cent) neighbours are influenced less (23.60 per cent) rather than agencies (31.00 per cent). So, the family members are more influenced and play very important role when they go far purchase of a car.

Among the Commercial Sources, advertisements influenced more (42.00 per cent) followed and displays (30.40 per cent) which was displayed the features and qualities of cars in various places in and around the district. Sales representatives influenced more (24.40 per cent) rather than dealers (22.80 per cent). It is concluded that advertisements play very important role among the commercial sources to buy a car by the respondents.

Among the Public Sources, mass media influenced more (35.00 per cent) rather than examining/test driving (28.40 per cent) and consumer rating agencies (26.40 per cent). The buyers give more weightage to mass media when they go for the purchase of a car

Influence of Special Features of Passenger Cars
Using influence of the twenty seven features of car among the buyers such as Price (X1), Pickup (X2), Quality (X3), Safety (X4), After sale services (X5), Brand image (X6), Capacity of the vehicle (X7), Easy maintenance (X8), fuel consumption /

Mileage (X9), Style (X10), Technical collaborations (X11), Body shape (X12), Colour (X13), AC and Climate control system (X14), Power steering (X15), Central / Remote locking (X16) Power windows (front side and back side) (X17), Decco metre / Trip metre (X18), Body coloured bumpers (X19), Low fuel warning lamp (X20) Clutch foot rest (X21), Pulling power (X22), Leg room (X23), Shoulder room (X24), Head room (X25), Anti submarine – front seats collusion (X26) Steering wheel adjust (Rack & Reach) (X27) factor analysis is performed and the results are presented in the following tables. Table 2 gives the rotated factor loadings, communalities, Eigen values and the percentage of variance explained by the factors. Out of the 27 features of cars, 5 factors have been extracted and these 5 factors put together explain the total variance of these variables to the extent of 62.585 per cent. In order to reduce the number of factors and enhance the interpretability, the factors are rotated. The rotation increases the quality of interpretation of the factors. There are several methods of the initial factor matrix to attain simple structure of the data. The varimax rotation is one such method to obtain better result for interpretation is employed and the results are given in table 3.

Table No. 2						
Rotated Factor Loadings of Influence of Special Features of Passenger Cars						
Features of cars	Factor					Communality
	1	2	3	4	5	
X1	0.114	0.155	0.100	0.088	0.783	0.668
X2	0.139	0.462	0.142	0.125	0.653	0.696
X3	0.077	0.623	0.182	0.109	0.483	0.672
X4	0.102	0.769	0.136	0.122	0.173	0.665
X5	0.094	0.752	0.118	0.14	0.058	0.611
X6	0.151	0.717	0.196	0.104	-0.021	0.586
X7	0.213	0.620	0.295	0.088	0.100	0.535
X8	0.143	0.500	0.414	0.061	0.213	0.491
X9	0.158	0.277	0.648	0.059	0.240	0.583
X10	0.226	0.312	0.627	0.128	0.023	0.558
X11	0.252	0.177	0.694	0.193	-0.036	0.615
X12	0.145	0.172	0.725	0.276	0.071	0.658
X13	0.121	0.130	0.584	0.465	0.062	0.593
X14	0.181	0.113	0.227	0.714	0.178	0.639
X15	0.253	0.108	0.237	0.768	0.117	0.735
X16	0.290	0.174	0.151	0.763	0.054	0.722
X17	0.499	0.267	0.182	0.460	-0.162	0.592
X18	0.529	0.226	0.186	0.358	-0.286	0.575
X19	0.654	0.248	0.189	0.315	-0.14	0.644
X20	0.715	0.235	0.165	0.243	-0.047	0.655
X21	0.734	0.144	0.182	0.139	0.088	0.620
X22	0.740	0.150	0.230	0.070	0.130	0.645
X23	0.822	0.066	0.176	0.022	0.087	0.720
X24	0.829	0.073	0.107	0.048	0.089	0.714
X25	0.794	0.081	0.054	0.169	0.075	0.674
X26	0.734	0.045	0.092	0.191	0.067	0.590
X27	0.560	0.015	0.028	0.159	0.322	0.444
Eigen val.	5.903	3.538	2.956	2.739	1.762	16.900
% of var.	21.863	13.103	10.949	10.143	6.526	62.585
Cum% var.	21.863	34.966	45.915	56.059	62.585	

Table No. 3
Clustering of Influence of Special Features of Passenger Cars into Factors

Factor	Features of car	Rotated factor loadings
I. (21.863%)	X17	0.499
	X18	0.529
	X19	0.654
	X20	0.715
	X21	0.734
	X22	0.740
	X23	0.822
	X24	0.829
	X25	0.794
	X26	0.734
	X27	0.560
II. (13.103%)	X3	0.623
	X4	0.769
	X5	0.752
	X6	0.717
	X7	0.620
	X8	0.500
III.(10.949%	X9	0.648
	X10	0.627
	X11	0.694
	X12	0.725
	X13	0.584
IV. (10.143%)	X14	0.714
	X15	0.768
	X16	0.763
V. (6.526%)	X1	0.783
	X2	0.653

The clustering of influence of special features of passenger cars in to factors are classified in the table 3. There are five factors were identified as being maximum percent of variance accounted. The 11 features of car namely, X17, X18, X19, X20, X21, X22, X23, X24, X25, X26 and X27 were grouped together as factor and it accounts for 21.863 percent of the total variance. The 6 features X3, X4, X5, X6, X7 and X8 constituted the factor II and it accounts for 13.103 percent of the total variance. The 5 features, X9, X10, X11, X12 and X13 constituted the factor III and it accounts for 10.949 percent of the total variance. The 3 features X14, X15 and X16 was grouped together as factor IV and it accounts for 10.143 percent of the total variance. The 4 features, X1, X2, X3 and X4 constituted the factor V and it accounts for 6.526 percent of the total variance. Thus the factor analysis condensed and simplified the influence of 27 features of the passenger car and grouped into 5 factors explaining 62.585 percent of the variability of all the 27 features of the passenger cars.

Conclusion

Finally members, friends and relatives are the main motivators to purchase the Passenger Cars. The company's management should put in more efforts to increase the market share in terms of introducing more innovative colours and new models. Since, most of the customers are of the feeling that maintenance cost is pretty high, the management should take efforts in reducing and create awareness among customers by showing them how cheap it is to maintain Maruthi B segment cars when compared to its competitions.

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