

Analysis of Marketing on Car Consumers

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Abstract – Marketers can exist only when they are able to understand consumer's needs and satisfy them. The modern marketing concept for successful management of a firm requires marketers to consider the consumer as the focal point of their business activity. Although it is important for the firms to understand the buyer and accordingly, evolve its marketing strategy, the buyer or consumer continues to be an enigma — sometimes responding the way the marketer wants and, on other occasions, just refusing to buy the product from the same marketer. For this reason, the buyer's mind has been termed as a black box, which should be opened by the seller to be a successful marketer. Understanding how consumers make purchase decisions can help marketing managers in several ways. For example, if a manager knows, through research, that fuel mileage is the most important attribute for a certain target market, the manufacturer can redesign the product to meet that criterion. If the firm cannot change the design in a short run, it can use promotional effort to change consumers' decision making criteria. For example, an automobile manufacturer can advertise a car's maintenance — free features while downplaying fuel mileage.

Keyword – Management, Consumer, Marketing

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INTRODUCTION

The automobile industry today is the most lucrative industry. Due to the increase in disposable income in both rural and urban sector and easy finance being provided by all the financial institutes, the passenger car sales have increased at the rate of 38% per annum in June 2005-06 over the corresponding period in the previous year. Further competition is heating up in the sector with a host of new players coming in and other like Porsche, Bentley, Audi, and BMW all set to venture in the Indian markets. One factor that could help the companies in the marketing of their product is by knowing and creating a personality for their brands. India's passenger car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 3.9 million units in 2011.

The automobile industry of India is one of the largest in the world, contributing 7.1% to the Gross Domestic Product (GDP). As a person moves up the ladder in his income, his/her first priority is to buy a car. It is becoming more of an necessity nowadays to own a car than a luxury. Presently, a 100% Foreign Direct Investment (FDI) is allowed in this area meaning the foreign investors do not need any prior permission from the government of India. The sales of private vehicles grew by 9.17% commercial vehicles by 3.03% and 2 wheelers by 8.29% during the period

April- January 2017. During the financial year 2016-17 a total of 37, 91, 540 units of passenger vehicles; 8, 10, 286 units of commercial vehicles; 7, 83, 149 units of three-wheelers and 1, 99, 29, 485 units of two-wheelers were produced as shown in table 1. The world standing for the Indian auto mobile sector, as per the Confederation of the Indian industry is the largest three-wheeler market, second largest two-wheeler market, tenth largest passenger car market, fourth largest tractor market, fifth largest commercial vehicle market and fifth largest bus and truck segment. In India, a total of Rs. 92, 218.42 crore or 5.02% of the total FDI inflows in India, from April 2000 to March 2017 has been towards the automobile industry.

Some of the previous studies done in various zones in India like West Haryana, New Delhi, Jaipur and Kerala on car purchasing behavior have reported changing trends as per changing times as also the effect of multinationals on the Indian automobile market. Most studies have reported the advent of newer technology as the biggest decision maker in this aspect. Whereas Television advertising is amongst the biggest influencers other medium like word of mouth, magazines and ratings also have their weightage. Some research have studied factors like family needs, fuel efficiency, pricing, safety and social status as important in automobile buying behavior of the consumer

whereas others have also focused on value for money, affordability and brand personality along with the impact of manufacturer's websites in this decision making process. The husbands in families have been found to be major decision makers while purchase of cars.

Domestic and Foreign Vehicle Manufacturers:

Passenger Vehicles

The main domestic manufacturers of passenger vehicles are as follows:

- Maruti Udyog
- Tata / Telco
- Mahindra / Mahindra
- Hindustan Motors

Foreign competitors manufacturing locally including **Hyundai, Ford, General**

Motors, Honda, and Toyota

Car demand has seen a turnaround since mid-2001 thanks to heavy discounts and cheaper finance. A large number of new models, both locally assembled and imported, have also revitalized the market.

In terms of volumes:

- The A/B segments are where India's strength and future lies. The A/B segment accounts for over 65% of the total passenger vehicles produced. Competition in this segment is stiff with Maruti the market leader with around 55% market share. New models from Telco (Indica), Hyundai (Santro) and Fiat (Palio) however are eroding Maruti's long standing dominance in this segment.
- The mid / luxury range is developing with the introduction of Ford (Ikon),
- Hyundai (Accent/Sonata) and Skoda (Octavia), although the volumes are not significant.
- The UV segment remains sluggish with growth at just over 1%.
- The clear market leader, Mahindra (44% market share) posted increased sales of 9% in the first 3 quarters of 2002/03. Toyota and Telco domestic UV business remains flat.

Commercial Vehicles

The main Indian companies in the Commercial Vehicle segment are:

- TATA Engineering and Locomotive Company (TELCO)
- Ashok Leyland
- Bajaj Tempo Ltd
- Eicher Motors Ltd
- Swaraj Mazda

There is only one international company currently manufacturing CVs in India, Volvo but again volumes are not large. Other global players are active, although in partnership with one of the domestic manufacturers. E.g.:- IVECO (manufacturing their range of trucks in association with Ashok Leyland). There has been a significant turnaround in this segment over the last 18 months with over 30% growth being seen in terms of both production and sales. This sector has received a huge boost with India's massive demand from the infrastructure sector (particularly roads), cyclical fleet replacement by fleet owners and an upturn in the cement and steel sectors.

Brand personality of cars

Are you what you drive? That is what are companies seem to be asking and in the same breath trying to convince you about. In other words, are you the Hyundai accent owner who commands immediate respect wherever she goes (including from the potential father-in-law) or are you the suave executive from the Chevrolet ad who is ever ready to share a moment with loved one? With a plethora of new models in the market, and generic benefits (such as space or fuel efficiency) of a particular car segment hardly a distinguishing factor between car models, marketer are increasingly differentiating on the emotional pay-off a particular car model/brand provides to the customer. This, of course, varies from the segment to segment and also on how long a particular model has been in the market. For instance, while advertising for entry level or smaller cars tends to focus more on the rational or functional benefits of the vehicles, the differentiations is increasingly on the emotional benefits when it comes to high end cars. "Generally, it has been seen as one move up the value chain, the differentiate on is more on the emotional pay-off. People buy car as an extension of their personality rather than just features. A car, in India, helps build up show off, social esteem value. The advertising would also vary according to the segment.

REVIEW OF LITERATURE

A study by Yogyata Datta (2016) attempted to analyse Automobile Industry from the various aspects such as evolution and emergence of an

Automobile Industry, used car segments and auto finance. The study analysed the viability of car manufactures entering the Indian market and their investment in India.

The study, "Scenario of small cars segment: A study with reference to Chennai City" by Maran K. (2012) deals with the market share and marketing strategy, technical and financial performance of the manufactures of small cars segment. He has pointed out that the ancillary industries which supply components to the manufactures often failed to adhere to the delivery schedule causing production problems. He has also found that higher maintenance cost of small cars due to inflation, high cost of spares and components and adverse conditions which prevailed in the town and semi-urban areas led to postponement of purchase of small cars as the problems faced by the small car owners.

Chidambaram K, Rajan A.S and Mino A. (2013) conducted a study on brand preference of passenger cars with reference to Coimbatore City in Tamilnadu and concluded that most of the respondents in Coimbatore City are aware of many popular brands of passenger cars. The 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 the like.

A study by Abirami Devi K. (2012) attempted to assess the consumer attitude, level of satisfaction and the problems faced by the owners of small cars with reference to Chennai city. Only those who drive and own the vehicle were selected as respondents for the study. From the findings of the study, it is inferred that very less complaints were made by Hyundai Santro owners followed by Telco Indica. In the area of product features, Maruti and Santro are given a joint first place.

Sivakumar S. (2015) in his study "A comparative study on performance analysis between TVS and Hero Honda Motor Company Ltd" .he is highlighted that the overall performance of Hero Honda Motor Company Limited is better than that TVS Motors Company Limited. Ranganathan (2015) conducted a study on consumer markets and buying behaviour of cars and found the most of the respondents are forward towards 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 premised. People have rated the pricing to be reasonable, but resale value of santro is very low as compared to other brands.

OBJECTIVE OF THE STUDY

1. To judge the satisfaction level of car owners of different brands.

2. To offer suggestions from the light of the findings of the study.

RESEARCH METHODOLOGY

The research aims to examine the buying behavior of consumer for passenger cars in India. 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	Agriculturist	-	-
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.	Education Level	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
Total		50	100

Table 4: Consumer's Income

S. No.	Monthly Income	No. of respondents	Percentage
1	Less than Rs 10,000	-	-
2	Rs.10,001-Rs.15,000	-	-
3	Rs 15,001-Rs20,000	5	10
4	Rs.20,001-Rs.25,000	5	10
5	Above Rs.25,000	40	80
	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

Type of Engine

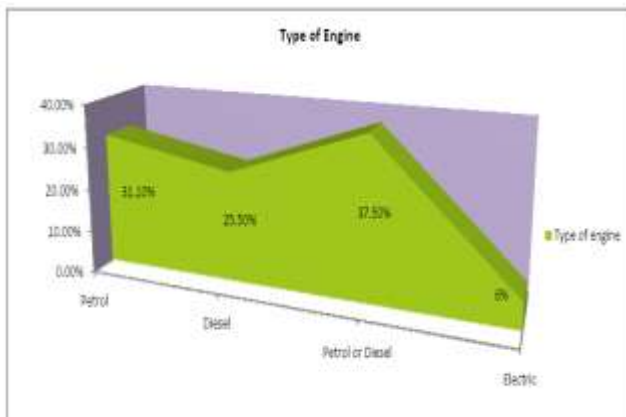


Fig 1: Engine preferred by the respondents

Purchase behavior of customers

For determining the pre-purchase behavior 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	15	30
4	Ford	2	4
5	Renault	2	4
6	Skoda	1	2
7	Mahindra	5	10
8	Others	-	-
	Total		

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.

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 psychological. Rising 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 India 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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