



## A Study on Customer Awareness and Brand Preferences Towards Small Cars in Coimbatore District

### KEYWORDS

Small Cars, Awareness, Preferences

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### ABSTRACT

India is an important small car market for many automobile manufacturers where people love to ride small cars in their daily lives. Since there are several car brands existing in the market, attempt is being made to know which small cars are more popular, preferred and purchased by the customer. Now expectation and the level of satisfaction of customer is an essential one for withstanding a brand. The factors influencing the customer for purchasing branded small cars are low cost of ownership, good mileage and pick-up, easy and low cost of maintenance, performance and convenience etc. In this context, it could be worth to study the customer's awareness and brand preference towards various small cars. For this purpose Kendall's rank correlation and factor analysis are used as the important tools for the study

The fundamental fact in the modern world is the revolution in the means of transport and communication. Automobile industry occupies a vital role in the industrial sector of any nation irrespective of the level of economic development of the nation concerned. After Liberalization there has been a steep rise in the income which has pushed up the purchasing power of the middle class, higher middle class and of course, the rich. There is tremendous pent up demand for cars, which are being considered as necessity rather than a luxury in many places, particularly among corporate executives, professionals and small scale businessmen as well. Small cars in India are the most common mode of personal vehicle well suitable to the economic state and transport conditions in India.

### NEED OF THE STUDY

In this busy world, Transportation plays a vital role in this technical world. Each and every individual depends on effective transportation, without which it was unimaginable. There is number of transport facility available, in that cars play a major part. Since there are several car brands existing in the market, attempt is being made to know which small cars are highly preferred and factors which influences customers to buy the same. This gives an idea for the researcher to study the customer awareness and brand preference towards small cars under existing situation.

### STATEMENT OF THE PROBLEM

India is an important small car market for many automobile manufacturers. Since there are several car brands existing in the market, attempt is being made to know which small cars are more popular, preferred and purchased by the customer. The factors influencing the customer for purchasing branded small cars are low cost of ownership, good mileage and pick-up, easy and low cost of maintenance, performance and convenience etc. In this context, it could be worth to study the customer's awareness and brand preference towards various small cars.

### OBJECTIVES OF THE STUDY

1. To study the customer's awareness and preference towards various branded small cars.
2. To study the factors influencing the customer in choosing the branded small cars.

### METHODOLOGY

The primary data were collected from 300 respondents. The study was undertaken with special reference to Coimbatore city. It is an industrial town and second largest city in the state of TamilNadu. It has earned the title "Detroit of the South".

### TOOLS USED FOR ANALYSIS

1. Percentage Analysis
2. Factor Analysis
3. Rank Analysis- Kendall's Coefficient.

### REVIEW LITERATURE

Charles (2011) Toyota's play started! For the first time Toyota is going to enter within ten lakhs car market by the name "ETIOS", with this it also jumps into India's budgetary car market. Toyota - World's number one car maker, while entering into India's small car market it gives heavy competition to Maruti, Hyundai, and Tata.

Jacobson, Eugene; Kossoff, Jerome (2013) It is hard to predict what the year ahead will bring, but the competition to shape consumer perceptions and buying behaviors will rage on. For established brands, the challenge remains to stand out from rivals, while being true to the core values. For small outfits like Smart and Tesla, the key is to build on their reputation and not be overshadowed by the larger players. The year-to-year changes do show that no company can sit on its laurels.

There is a healthy competition in the Indian small car market which has intensified since the Indian government decided to boost the small car sector. Due to this reason, excise duties have also been reduced. Demand for small cars has increased due to aspiration lifestyle of people which makes them strive to purchase a car early in life. Moreover these cars are more affordable and utilitarian

From the study, it was concluded that most (43%) of the respondents are under the age group of 25years and below, Majority (62%) of the respondents are male. Most (37%) of the respondents, belong to the income group of Rs.30, 000 and below. The preference of the customers as per the study stated that mostly people prefer purchasing small cars for necessity other than convenience and comfort, compulsion or status and prestige.

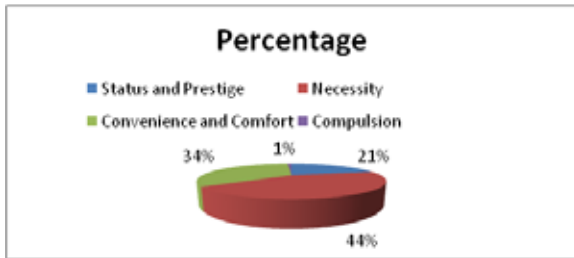


Chart 1: Preference of small cars

**Awareness of small cars**

Maximum of the respondents are aware of Maruti 800 (97.33%), Alto (97%) and Swift (96%) car models in Maruti Suzuki. (94.33%) of the respondents are aware of i10 car model in Hyundai. (66.67%) of the respondents are aware of Palio Stile car model in Fiat. (71.33%) of the respondents are aware of Jazz car model in Honda. (94%) of the respondents are aware of Indica V<sub>2</sub> car model in Tata. (87.67%) of the respondents are aware of spark car model in Chevrolet. (75.33%) of the respondents are aware of F-Abia car model in Skoda. (89.67%) of the respondents are aware of Figo car model in Ford. (78.33%) of the respondents are aware of Micra car model in Nissan. (69.67%) of the respondents are aware of New Polo car model in Volkswagen.

**Factors influencing the preference of small cars**

There are so many factors influencing the respondent to prefer the small car. The following table reveals the Eigen values of factors influencing to prefer small cars.

Table showing Eigen values of factors influencing to prefer small cars

S.No	Factors	Eigen Value	% Of Total Variance	Cumulative % Of Total Variance
1	Low cost	2.91	24.25	24.25
2	Good Mileage	1.32	10.99	35.24
3	Easy Driving	1.09	9.10	44.34
4	Brand Name	1.07	8.92	53.26
5	Technology	1.02	8.46	61.72
6	Easy Maintenance	0.87	7.28	69.00
7	Good Customer Service	0.82	6.83	75.83
8	Design Of Vehicle	0.72	6.03	81.87
9	Pick Up	0.61	5.08	86.95
10	Re Sale Value	0.57	4.74	91.69
11	Loan Interest Facility	0.55	4.56	96.25
12	Availability Of Colours	0.45	3.75	100.00

From the first part of the result analysis, it is apparent that the initial Eigen values for the first, second, third, fourth and fifth factors are 2.91, 1.32, 1.09, 1.07 and 1.02 respectively. That is, Eigen value is above "one" for first five factors, in turn indicating that these factors are valid factors. The percentage of variance explained by each of these

factors is 24.25, 10.99, 9.10, 8.92 and 8.46 with cumulative percentage variance of 61.72 per cent.

The Eigen values in the remaining factors are less than 1. So, they need not be given importance. By way of taking these first five factors into account of analysis, it is equal of taking all the common features of the whole 12 factors. It is concluded from the above table that the five factors are identified as important factors and they have the essence of all items.

**Factors influencing the preference of small cars with extracted factors (After varimax rotation)**

Factors	1	2	3	4	5
Low cost	0.49	-0.43	-0.15	0.05	0.39
Good Mileage	0.07	0.02	0.02	0.92	0.02
Easy Driving	-0.04	0.25	0.12	0.00	0.80
Brand Name	0.19	0.74	-0.15	0.13	0.12
Technology	0.09	0.69	0.15	-0.02	0.18
Easy Maintenance	0.06	0.44	0.30	0.35	-0.07
Good Customer Service	0.45	0.53	0.18	-0.22	-0.09
Design Of Vehicle	0.09	0.11	0.79	0.16	-0.08
Pick Up	0.22	0.01	0.74	-0.14	0.25
Re Sale Value	0.65	0.20	0.13	-0.04	-0.33
Loan Interest Facility	0.77	0.05	0.09	0.08	0.06
Availability Of Colours	0.61	0.27	0.21	0.11	0.11
explained variance	2.91	1.32	1.09	1.07	1.02
% of total variance	24.25	10.99	9.10	8.92	8.46
cumulative % of total variance	24.25	35.24	44.34	53.26	61.72
Factor label	Economic	Good will	Performance	Dependability	User friendly

From the results of factor analysis after varimax rotation, Eigen values of valid factors have changed to 2.91, 1.32, 1.09, 1.07 and 1.02 and at the same time leaving the total variance the same (61.72%). After rotation, the percentage variance explained by first, second, third, fourth and fifth factors are 24.25, 10.99, 9.10, 8.92 and 8.46.

From the perusal of factor loadings, it is understood that the items resale value, loan interest facility, availability of colour and low cost are fully loaded in first factor, in the second factor technology, easy maintenance, good customer service are highly loaded, in the third factor design of vehicle and pick up are fully loaded, in the fourth factor good mileage is highly loaded and in the fifth factor easy driving are highly loaded. Based on the findings of the items the first, second, third, fourth and fifth factors are identified as Economic, Good will, Performance, Dependability and User friendly factors.

**RANK CORRELATION ANALYSIS**

Table showing rank and mean rank of the car brands

Car Brands	Rank	Mean Rank
Maruti Suzuki	2	3.28
Tata	4	3.40

Hyundai	3	2.81
Chevrolet	5	2.68
Ford	1	2.83

N	300
Kendall's W	.041
Chi-Square	49.032
Df	4
Sig.	*

\*Significant at 5% level.

According to the above table Kendall coefficient (W) is 0.041. The Friedman ANOVA chi-square is 49.032 with significant at 5 % level. Hence it indicates that there is agreement in giving ranks to the items among respondents. Therefore the mean scores of each item are valid for final conclusion.

From the percentage analysis it is understood that ford is ranked one, Maruti Suzuki ranked two, Hyundai ranked three, Tata ranked four and Chevrolet ranked five.

### FINDINGS

From the perusal of factor loadings, it is understood that the items resale value, loan interest facility, availability of colour and low cost are fully loaded in first factor, in the second factor technology, easy maintenance, good customer service are highly loaded, in the third factor design of vehicle and pick up are fully loaded, in the fourth factor good mileage is highly loaded and in the fifth factor easy driving are highly loaded. Based on the findings of the items the first, second, third, fourth and fifth factors are identified as Economic, Good will, Performance, Dependability and User friendly factors.

### Rank analysis

There is agreement in giving ranks to the items among respondents. Therefore the mean scores of each item are valid for final conclusion. From the percentage analysis it is concluded that Ford is ranked one, Maruti Suzuki ranked two, Hyundai ranked three, Tata ranked four and Chevrolet ranked five.

### SUGGESTIONS

Small car manufactures should concentrate on the following points to improve their sales and to satisfy the customer needs.

- \* Some respondents are not aware of few car models, so their advertisements should reach all the people.
- \* The main expectation of the young customers in small cars are
- \* Stylish look
- \* Good performance
- \* Pick up
- \* Easy maintenance
- \* Different colours etc.,
- \* Whereas middle age customers prefer
- \* Low cost

- \* Good mileage
- \* Resale value
- \* Easy driving
- \* Brand name etc.,
- \* dealers and auto consultancy should provide more information and details regarding each car models in the specific car brands to the customers.
- \* Innovative designs, updated technology and more new facilities can be introduced.
- \* Fiat should increase brand awareness and promotional activities among people.
- \* Tata should work upon reducing maintenance cost, increase other attributes, performance, fuel efficient etc.
- \* Ford should reduce its spare parts cost and servicing cost.
- \* Hyundai should work upon increasing performance, fuel efficiency by which its resale value can be increased.
- \* Maruti should try to maintain its market by continuously providing good attributes, also should introduce less price cars.

### CONCLUSION

There is always a craze on small cars for all people, as it gives lot of features like compact size with small turning radius, convenient for traffic roads, etc. And also nowadays cost of the fuel going on increasing, so people moves to fuel efficient car i.e., small cars, which gives high mileage. Before few years Maruti Suzuki, Hyundai, Tata are the top moving small car companies, but now Ford with Figo, Nissan with Micra, Volkswagen with New Polo etc., are giving high competition in the small car market. Their competitions are not ended with those few companies, but there are also other luxurious car companies are planning to produce small cars soon. The increasing trend in the usage of small cars may rise in the fourth coming years, so to meet the upcoming competition; the existing car brands should maintain their brand name.