



## An Analysis of buying behavior of 'MBA Professionals' towards MNC vis a vis Domestic brand of cars - With special reference to Jamnagar & Rajkot

### KEYWORDS

Buying Behavior, Factors affecting buying behavior, Consumer ethnocentrism, Country of Origin

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**ABSTRACT** *The automobile sector of India roughly manufactures 11 million vehicles in a year in composite form of two wheelers, three wheelers, commercial vehicles and passenger vehicles. Passenger car segment can be segmented as cars falling in Hatchback, Sedan and Multi Utility Vehicles. The boom in passenger car segment can be attributed to the increasing per capita disposable income of Indian consumers and especially of the upper middle class segment. The Indian automobile sector is witnessing a great shift from commercial vehicles to passenger cars as there has been an increasing demand of passenger cars and especially family cars since last decade.*

*This paper is an attempt to probe into a niche segment of consumers and to find out whether the "country of origin" of the brands of cars, make a significant impact positively or negatively towards the buying behavior of the consumer in different geographical areas.*

### Introduction:

The automobile sector of India roughly manufactures 11 million vehicles in a year in composite form of two wheelers, three wheelers, commercial vehicles and passenger vehicles. In spite of the fact that the industry is mainly dominated by two wheeler segment as two wheelers has become the necessity of the middle class segment, in recent period, there has been a tremendous growth especially in the passenger car segment.

Passenger car segment can be segmented as cars falling in Hatchback, Sedan and Multi Utility Vehicles. The boom in passenger car segment can be attributed to the increasing per capita disposable income of Indian consumers and especially of the upper middle class segment. This income is expected to raise by 106% by the year 2015.

The Indian automobile sector is witnessing a great shift from commercial vehicles to passenger cars as there has been an increasing demand of passenger cars and especially family cars since last decade.

India is emerging as a great and juicy market for the automobile sector around the world and that is the reason, the Indian markets are flooding with a large number of automobile companies introducing their brands in it.

This especially has empowered the consumer, who is left with a lot of choices before making a buying decision towards purchasing a car. This paper is an attempt to probe into a niche segment of consumers and to find out whether the "country of origin" of the brands of cars, make a significant impact positively or negatively towards the buying behavior of the consumer.

For simplifying the work, the author has chosen the "MBA Professionals" segment to test and research.

### Research Methodology:

#### Statement of problem:

With the rise in number of competitors in automobile industry, the consumer has a choice to choose between

same class of cars allowing almost the same facilities. An attempt should be made to know whether the same class of segment shows different buying behaviors in different geographical area.

#### Objectives of the Study:

To analyze the impact of country of origin of the brand of cars on the buying behavior of "MBA Professionals" in the cities of Jamnagar & Rajkot

To understand the presence of correlation between the perceived qualities of the car and its country of origin in the minds of "MBA Professionals" in the cities of Jamnagar & Rajkot

#### Type of Research:

Exploratory & Descriptive

#### Sample Size:

100

#### Sampling Unit:

MBA Professionals working in corporate field with a work experience of more than 5 years

#### Sampling Method:

Non Probability Convenient Sampling method

#### Hypothesis Statements:

$H=0$  : There is no impact of country of origin of the cars on the buying behavior of MBA Professionals in Jamnagar

$H=0$  There is no impact of country of origin of the cars on the buying behavior of MBA Professionals in Rajkot

#### Hypothesis Testing 1:

The first hypothesis to be put to test is "There is no impact of country of origin of the cars on the buying behavior of MBA Professionals in Jamnagar". The author has used linear regression analysis to judge the impact of one independent variable on another.

Two sets of questions were administered; where in, one set of questions were used to judge the knowledge and point of view of the respondents towards the country of origin of the cars, which comprised of variable "Y" which is to be kept independent.

The other set of questions were used to judge the buying behavior based on the point of view of the country of origin of the respondents, which comprised of variable "X" which is to be kept dependent.

The answers of respondents were measured on a five point scale of Strongly agree (SA), Agree (A), Neutral (N), Disagree (D) and Strongly disagree (SD)

**Table 1:**

Y	SA	A	N	D	SD
Are you aware/ do you take information about the coo of the car before making buying decision	18	12	5	8	7
I feel possessing MNC cars gives a better image in society	9	9	20	11	1
Does the country of origin of the cars becomes a selection criterion before u make decision to buy a car	18	6	10	12	4
I feel amused watching someone driving a multinational brand of car	6	4	25	3	12
Why country of origin of the cars does becomes a selection criterion	10	21	5	5	9
Total	61	52	65	39	33
X					
I purchased or I will purchase an MNC car because I was/am looking for better in safety features	21	12	2	10	5
I purchased or I will purchase an MNC car because I was/am looking for better speed and control	8	6	20	11	5
I purchased or I will purchase an MNC car because I was/am looking for better comfort and luxury	8	24	8	6	4
I purchased or I will purchase an MNC car because I wated/want to feel differt from other car owners	5	12	20	12	1
I like to buy a car which is famous in entire world	10	11	10	10	9
Total	52	65	60	49	24

**Table 2:**

X	Y
52	61
65	52
60	65
49	39
24	33
<b>Regression Statistics</b>	
Multiple R	0.75
R Square	0.56
Adjusted R Square	0.41
Standard Error	10.5
Observations	5

**Interpretation:**

From the above statistical analysis, it is seen that the R Sqaure is 0.56 which is near to positive 1, which makes it to conclude that in Jamnagar city there is a positive significant impact of the views regarding the country of origin of cars over the buying behavior of the MBA Professionals.

**Hypothesis Testing 2:**

The another hypothesis that was put to test is "There is no impact of country of origin of the cars on the buying behavior of MBA Professionals in Rajkot". The author has used linear regression analysis to judge the impact of one independent variable on another.

Two sets of questions were administered; where in, one set of questions were used to judge the knowledge and point

of view of the respondents towards the country of origin of the cars, which comprised of variable "Y" which is to be kept independent.

The other set of questions were used to judge the buying behavior based on the point of view of the country of origin of the respondents, which comprised of variable "X" which is to be kept dependent.

Are you aware/ do you take information about the coo of the car before making buying decision	12	16	3	8	11
I feel possessing MNC cars gives a better image in society	8	5	25	8	4
Does the country of origin of the cars becomes a selection criterion before u make decision to buy a car	12	10	5	14	9
I feel amused watching someone driving a multinational brand of car	2	2	30	4	12
Why country of origin of the cars does becomes a selection criterion	8	14	13	3	12
Total	42	47	76	37	48
X					
I purchased or I will purchase an MNC car because I was/am looking for better in safety features	27	4	1	8	10
I purchased or I will purchase an MNC car because I was/am looking for better speed and control	4	2	24	9	11
I purchased or I will purchase an MNC car because I was/am looking for better comfort and luxury	10	22	8	6	4
I purchased or I will purchase an MNC car because I wated/want to feel differt from other car owners	22	9	2	12	5
I like to buy a car which is famous in entire world	18	10	6	8	8
Total	81	47	41	43	38
X	Y				
81	42				
47	47				
41	76				
43	37				
38	48				
Regression Statistics					
Multiple R	0.3343				
R Square	0.1117				
Adjusted R Square	-0.184				
Standard Error	16.522				
Observations	5				

**Interpretation:**

From the above statistical analysis it can be seen that the R Square is 0.11 which is very far to positive 1 and near to 0, where 0 represents neutrality. From this data we can conclude that the there is very negligible impact of country of origin of the cars over the buying behavior of the MBA Professionals in Rajkot.

**Conclusion:**

This small research was an attempt to know the impact of the COO of cars on the buying behavior of a particular segment of the society in two different areas. The re-

searcher also attempted to find out whether the same segment of the society has same kind of responses and behavior towards particular stimuli.

From the analysis it was found that MBA Professionals in Jamnagar give importance to the COO of the cars before they buy any car while the same segment in Rajkot do not give due importance to the same. We can conclude that even a same target segment from different areas can show different buying behaviors.

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