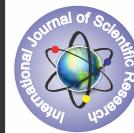


## A STUDY ON FACTORS INFLUENCING CUSTOMER BUYING BEHAVIOR WITH RESPECT TO CAR IN LAKSHMI FORD, THANJAVUR



### Marketing Management

**KEYWORDS:** Customer, Buying Behaviour, Market.

**T.VIGNESH**

Final year MBA, Periyar Maniammai University, Thanjavur.

**P.GURU**

Assistant Professor, Department of Management Studies, Periyar Maniammai University, Thanjavur.

### ABSTRACT

*In present marketing scenario, the study of Buying Behavior has become essential. Customers are the kings of markets. Without customer no business organization can run. All the activities of the business concerns end with customer and customer Satisfied. Customer behavior study is based on customer buying behavior, with the customer playing the three distinct roles of user, payer and buyer.*

*Customer buying behaviour has become an integral part of strategic market planning. In order to develop a framework for the study customer behaviour it is helpful to begin by considering the evolution of the field of customer research and the different paradigms of thought that have influenced the discipline. As described in this article, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate the various perspectives on customer research.*

*This paper is a study on the customer buying behavior on automobiles at Thanjavur. This study identifies the various options people require while buying cars particularly Lakshmi Ford.*

### INTRODUCTION

It is a globally accepted fact that in recent times, marketers have become dynamic and the customer has control over the strategic decisions made by the insurance companies. Companies are put to challenge to understand the pulses of new age policyholders and their buying pattern. India, in this scenario is no exception. It is being a nation of diverse cultures and traditions, understanding the customer buying pattern become a hard task. With the advent of globalization and the sequel changes in the country, many Multinational Insurance Corporations have started making a foray into Indian insurance market due to its sky-scraping potential.

Business environment today is turbulent as never before and the service industry as promising as never before. In this era of intense competition where customer is the king, success depends a lot on the efficiency of the managers in delivering what they have promised and the responsibility lies on the organisations to develop such a culture where business ethics are followed, value for the services is provided and quality services are offered to achieve higher level of customer Satisfied. For achieving customer Satisfied understanding dynamic customer behaviour is essential. As true believers in the marketing concept marketer should try their best to meet needs of customer. Service firms should follow a proactive approach i.e. begin the service and Satisfied management process before they even come in contact with customers and also be reactive i.e. look forward for customers to complain, welcome them and tell them what to do. This study is an attempt to develop a thought on how to focus on enabling and keeping promises in service firms because how promises are kept is a clear indication of how strong and for how long shall the customer relationship be. The service sector dominates the Indian economy today, contributing to more than half of our National Income. Since services are intangible in nature and cannot be checked before the purchase is actually made therefore, it is very critical to deliver what has been promised to the target customer. Customer behaviour studies play an important role in framing marketing and in deciding marketing strategies.

### LITERATURE REVIEW

Studies on customer behaviour particularly in the Indian context are limited some of such important studies are briefly reviewed in the following papers.

In the next stage, customer searches information related to desired product or service (Schiffman and Kanuk, 2007). Information search process can be internal and external. While internal search refers to

the process where customers rely on their personal experiences and beliefs, external search involves wide search of information which includes addressing the media and advertising or feedbacks from other people (Rose and Samouel, 2009).

Once the relevant information about the product or service is obtained the next stage involves analyzing the alternatives. Kotler and Keller (2005) consider this stage as one of the important stages as the customer considers all the types and alternatives taking into account the factors such as size, quality and also price. Backhaus et al (2007) suggested that purchase decision is one of the important stages as this stage refers to occurrence of transaction. In other words, once the customer recognized the need, searched for relevant information and considered the alternatives he/she makes decision whether or not to make the decision. Purchasing decision can further be divided into planned purchase, partially purchase or impulse purchase as stated by Kacen (2002) which will be discussed further in detail in the next chapters.

Finally, post-purchase decision involves experience of the customer about their purchase. Although the importance of this stage is not highlighted by many authors Neal et al (2004) argues that this is perhaps one of the most important stages in the customer decision making process as it directly affects the customers' purchases of the same product or service from the same supplier in the future. The most noteworthy writers that serve as academic advocates of The Five Stage Model of customer decision making include Tyagi (2004), Kahle and Close (2006) Blackwell et al. (2006), and others.

### OBJECTIVES OF THE STUDY

- To understand the Buying behaviour of Customer towards car in Lakshmi Ford.
- To know the means of finance preferred by the customers.

### STATEMENT OF THE PROBLEM

In Indian car industry, small car segments have played a very crucial and significant role due to its economy, efficiency and effectiveness. Due to invasion of foreign cars into Indian markets, the pace of competition has hiked. This has brought into market, number of Brands and their variants competing to with each other. All these factors have resulted in flux in the minds of the customers as to which brand to go for. In other words, Brand-switching is gaining the momentum. So to position the brand in the minds of the customers the company or dealer should keep the track of this shift in preferences. Hence the main purpose of this study is to find the "CUSTOMER BUYING

BEHAVIOR WITH RESPECT TO CAR IN LAKSHMI FORD Thanjavur City”.

**PURPOSE OF STUDY**

The purpose of the study is to know the Brand preferred by the customers and change in buying behavior can be estimated by this study. The marketing strategies can be designed in accordance with this change. It will be helpful for the managers to make decisions. Hence, this study should be conducted.

**SCOPE OF THE STUDY**

The main purpose of the study is to know the “FACTORS INFLUENCING CUSTOMER BUYING BEHAVIOR WITH RESPECT TO CAR IN LAKSHMI FORD, Thanjavur City”. This study will provide solutions to the management by understanding customer’s feedback.

Through this study management will know:

- The reason why people option a buying four-wheeler.
- To know the features considered by the customers while purchasing a car.
- To know the most preferred brand by the customers.
- The scope of the study is restricted up to the Thanjavur city.

**RESEARCH DESIGN**

**Sampling Technique:**

Sampling is the selection of some part of an aggregate to totality on the basis of which a judgment about the aggregate or totality is made. Convenient sampling was used in this project.

**Sample Size:** 84

**Method of Data collection:** Questionnaire

**Tool for Analysis:**

Simple percentage tools have been to analyze the data. The data has been interpreted with the help of bar diagrams

**LIMITATIONS OF THE STUDY**

- The study period is limited for 21 Days only.
- The results applicable to the limited period only.
- It is not the fact that respondents may give true answers. Only the customer’s viewpoint has been studied.

**DATA ANALYSIS AND INTERPRETATION**

**TABLE 1: CUSTOMER SERVICES AT LAKSHMI FORD**

| Customer services at Lakshmi ford | No. of respondents | Percentage  |
|-----------------------------------|--------------------|-------------|
| Excellent                         | 68                 | 81%         |
| Good                              | 15                 | 17%         |
| Better                            | 1                  | 2%          |
| Poor                              | 0                  | 0%          |
| <b>Total</b>                      | <b>84</b>          | <b>100%</b> |

**INTERPRETATION**

81% of the respondents feel Customer services is excellent at Lakshmi Ford, 17% of them feel good whereas, 2% of them feel that the customer services is better

**FIGURE: 1**



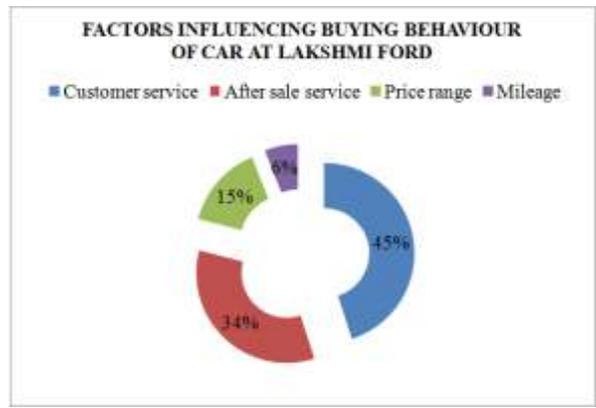
**TABLE 2: FACTORS INFLUENCING BUYING BEHAVIOUR OF CAR AT LAKSHMI FORD**

| Factors Influencing buying behavior of car at Lakshmi Ford | No. of respondents | Percentage  |
|--|--------------------|-------------|
| Customer service   | 37                 | 45%         |
| After sale service   | 28                 | 34%         |
| Price range  | 13                 | 15%         |
| Mileage  | 6                  | 6%          |
| <b>Total</b>   | <b>84</b>          | <b>100%</b> |

**INTERPRETATION**

45% of the respondents say that Customer services is the main factor which influences our buying behavior of car at Lakshmi Ford, 34% of them say after sales service, 15% of them say price range whereas 6% of them say mileage.

**FIGURE: 2**



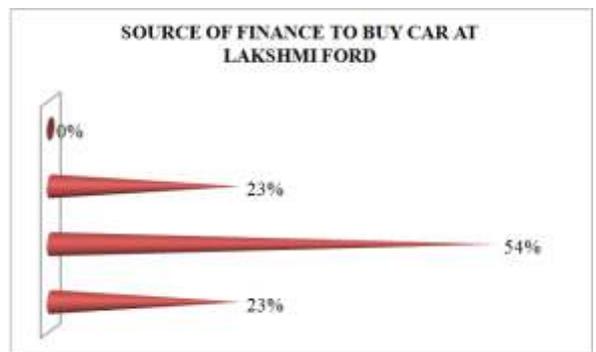
**TABLE 3: SOURCE OF FINANCE TO BUY CAR AT LAKSHMI FORD**

| Source of Finance     | No. of respondents | Percentage  |
|-----------------------|--------------------|-------------|
| Employee Loan         | 19                 | 23%         |
| Bank Loan             | 45                 | 54%         |
| Own money             | 20                 | 23%         |
| Car Finance Companies | 0                  | 0%          |
| <b>Total</b>          | <b>84</b>          | <b>100%</b> |

**INTERPRETATION**

45% of the respondents say that their main source of finance for buying a car at Lakshmi Ford is Bank Loan, 23% of them say employee loan, and 23% of them say own money.

**FIGURE: 3**



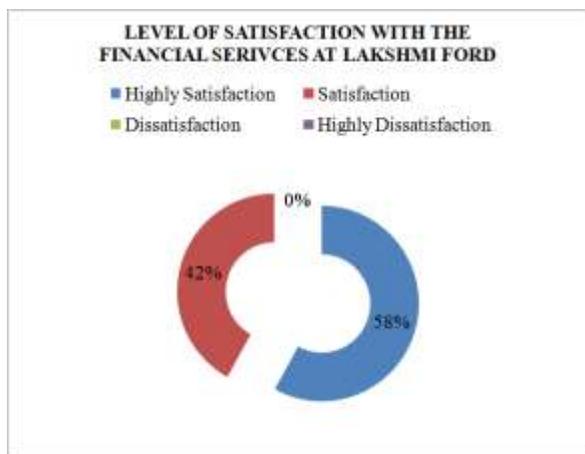
**TABLE 4: LEVEL OF SATISFACTION WITH THE FINANCIAL SERVICES AT LAKSHMI FORD**

| Level of Satisfaction with Financial services | No. of respondents | Percentage  |
|---|--------------------|-------------|
| Highly Satisfied                              | 49                 | 58%         |
| Satisfied                                     | 35                 | 42%         |
| Dissatisfied                                  | 0                  | 0%          |
| Highly Dissatisfied                           | 0                  | 0%          |
| <b>Total</b>                                  | <b>84</b>          | <b>100%</b> |

**INTERPRETATION**

58% of the respondents are highly satisfied with the finance services offered at Lakshmi Ford whereas 42% of the respondents are satisfied with the financial services.

**FIGURE: 4**



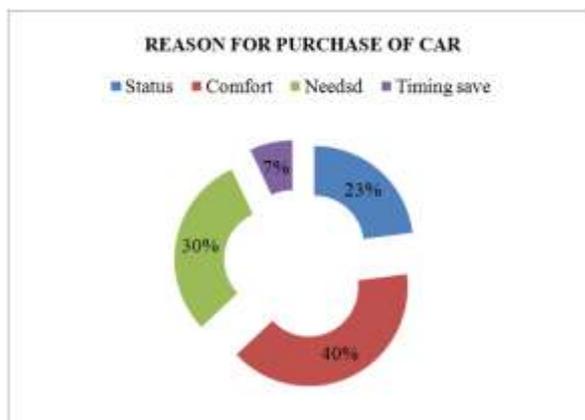
**TABLE 5: REASON FOR PURCHASE OF CAR**

| Reason for purchase of car | No. of respondents | Percentage  |
|----------------------------|--------------------|-------------|
| Status                     | 20                 | 23%         |
| Comfort                    | 33                 | 40%         |
| Needs                      | 25                 | 30%         |
| Save travel time           | 6                  | 7%          |
| <b>Total</b>               | <b>84</b>          | <b>100%</b> |

**INTERPRETATION**

40% of the respondents say that they purchase a car for their comfort, 30% of them say for their need, 23% of them say for their status whereas 7% of them say that purchase of car saves their travel time.

**FIGURE: 5**



**ASSOCIATION BETWEEN CUSTOMER SERVICES AT LAKSHMI FORD AND FACTORS INFLUENCING BUYING BEHAVIOR OF CAR AT LAKSHMI FORD**

**Null Hypothesis (H<sub>0</sub>):** There exists no significant association between customer services at Lakshmi ford and Factors Influencing buying behavior of car at Lakshmi Ford

**Alternative Hypothesis (H<sub>a</sub>):** There exists significant association between customer services at Lakshmi ford and Factors Influencing buying behavior of car at Lakshmi Ford

**TABLE: 6**

| Customer services                          | Customer Service | After sale Services | Price range | Mileage  | Total     |
|--|------------------|---------------------|-------------|----------|-----------|
| <b>Factors Influencing buying behavior</b> |                  |                     |             |          |           |
| Excellent                                  | 27               | 24                  | 12          | 5        | <b>68</b> |
| Good                                       | 9                | 4                   | 1           | 1        | <b>15</b> |
| Better                                     | 1                | 0                   | 0           | 0        | <b>1</b>  |
| Poor                                       | 0                | 0                   | 0           | 0        | <b>0</b>  |
| <b>Total</b>                               | <b>37</b>        | <b>28</b>           | <b>13</b>   | <b>6</b> | <b>84</b> |

Calculated value = 8.0880

Degree of freedom = 9

At 5% significant level of the table value is 16.919

Calculated value < Table value (8.0880 < 16.919), Null hypothesis (H<sub>0</sub>) is accepted & Alternative hypothesis (H<sub>a</sub>) is rejected.

There exists no significant customer services at Lakshmi ford and Factors Influencing buying behavior of car at Lakshmi Ford,

**SUGGESTIONS**

- It is found that in this segment the important features considered by the customers while buying a car are mileage, price & maintenance. So manufacturer has to consider these aspects to attract and retain customers thus making an effort to build a good brand image.
- Discount on accessories and spare parts also act as influencing factors for purchase decision. So dealer can give discounts on spare parts and accessories, after sales for a period of a year or two to stimulate the customers.

**CONCLUSION**

By doing this study I was able to analysis the buying behavior of the customer prefer the Quality, Features, Models & Price while buying cars in Lakshmi Ford, Thanjavur. By concentrating on these aspects & constantly upgrading the said features, The Company can increase its customer base.

## REFERENCE

- Bagozzi, R. & Warsaw, L. (1990) "Trying to Customer" *Journal of Customer Research* 17, (2) pp. 127 - 140. | Backhaus, K. Hillig, T. and Wilken, R. (2007) "Predicting purchase decision with different conjoint analysis methods", *International Journal of Market Research*. 49(3). Pp.341-364. | Blackwell, R., Miniard, P. and Engel, J. (2006) "Customer behavior", Mason: Thompson | <https://www.linkedin.com/pub/samuel-rose/33/41b/260s> | [https://www.linguistics.fi/julkaisut/SKY2007/zabrodsckaja\\_book%20REVIEW](https://www.linguistics.fi/julkaisut/SKY2007/zabrodsckaja_book%20REVIEW)