



“A Study of Brand Preferences for Buying Small Car Segment in Chandkheda Area of Ahmedabad City”

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ABSTRACT

Indian Automobile small car market is witnessed by the presence of many national and multi-national manufactures post liberalization 1991. The availability of many alternatives within the city provides an opportunity to the consumers to make a rational decision after considering all the options. Today is an era which is characterised by a consumer’s market where the manufacturers and marketers not only takes into consideration the consumer orientation to make them satisfied but goes one step ahead of achieving consumer delight. Consumers look for those differentiating parameters, which may help them to make a best decision and can be proved as value to money proposition for them. It makes more important to analyse the consumer perceptions and behaviour of the small car owners which will give the feedback pertaining to designing the marketing strategies. The objective of this paper is to investigate those differentiating parameter and effect of reference group that influence the consumer buying behaviour of car owners within the city of New Delhi. The primary data was collected from 191 respondents, located in New Delhi using convenience sampling. The results revealed the strong influence of attributes like price, fuel efficiency in buying decision and importance of reference group.

KEYWORDS

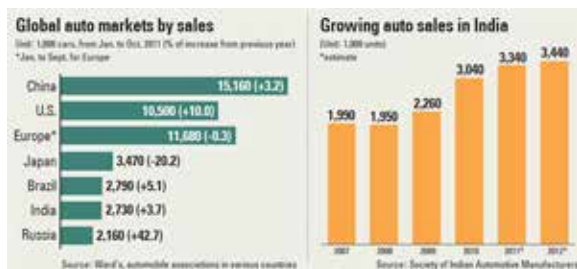
Buying decision, Information source, Influencer, Small car, Price, Product attributes, Reference group

Introduction

Each of us, in some way or the other, is a consumer. The process through which we buy products and services is different for every one of us and for every category of the product. Today’s market is driven and dominated by consumers and that is the reason he is considered the King. Thus, the decision of a preferred brand or product depends solely on the choice of consumers. Understanding the buying behaviour of the target market is the essential task of marketing manager under modern marketing (kotler, 2009)

It is not easy to predict the complex mind of the consumers as each individual is a unique product of genetics, environment and experience. If this riddle is solved then that may yield vast fortunes and if solved inaccurately may lead up in the situation of loss and that to of millions of rupees. For this reason, the buyer’s mind has been categorised as a black box, which should be opened by the seller in his favour to be a successful marketer. Consumer behaviour considers the many reasons—personal, situational, psychological, and social—why people shop for products, buy and use them, sometimes become loyal customers, and then dispose of them. Today even marketers pay for search advertising, or ads that appear on the Web pages, as likes to find out what kind of things interest a consumer. Businesses often try to influence a consumer’s behaviour with things they can control such as the layout of a store, music, grouping and availability of products, pricing, and advertising. Some of the factors results in a temporary influence and others are long lasting.

A Brief Profile: The Automobile Industry in India



Automobile Industry in India

With a scintillating 2.3 million units produced in 2008 the Indian automobile industry bagged the position of being the ninth largest in the world. Following economic liberalization, Indian domestic automobile companies like Tata Motors Maruti Suzuki and Mahindra and Mahindra expanded their production and export operations in and across the country and since then the industry has only shown signs of growth. The automobile industry comprises of heavy vehicles (trucks, buses, tempos, tractors), small cars, and two-wheelers. The Indian automobile industry seems to come a long way since the first car that was manufactured in Mumbai in 1898. The automobile sector today is one of the key sectors of the country contributing majorly to the economy of India. It directly and indirectly provides employment to over 10 million people in the country. The Indian automobile industry has a well established name globally being the second largest two wheeler market in the world, fourth largest commercial vehicle market in the world, and eleventh largest small car market in the world and expected to become the third largest automobile market in the world only behind USA and China.

Indian Automobile Export market

India is a very favorable market for small cars be it production, sales or export. Since the Indian automobile industry is the largest manufacturer of small cars companies like Hyundai and Nissan Motors export about 2,40,000 and 2,50,000 annually. India emerged as Asia’s fourth largest exporter of automobiles, behind Japan, South Korea and Thailand. The Indian automobile exports registered a 22.30 percent growth in the year 2009. The growth trend was as follows: Two Wheelers- 32.31 percent, Commercial Vehicle - 19.10 percent and Small Cars grew by - 19.10 percent.

Key automobile manufactures in India

1. Maruti-Suzuki
2. Hyundai
3. Toyota
4. Tata Motors
5. Honda
6. Ford Motors
7. Chevrolet
8. Volkswagen
9. Renault
10. Nissan

Literature Review

The studies by Banerjee, Ipsita (2011) , investigated about Car Acquisition & Ownership Trends in Surat city of motorized vehicle owning households. It concluded that household income is the prime factor of the number and size of cars that household buys, besides that family size is proved to be irrelevant factor as it was found that smaller vehicles were preferred even by larger family.

The study by White (2004) , discussed the factors those plays a vital role in choice of car buyers and observed that consumer negotiate with dealers over price and pursue them to every extent to avail incentives as well as low-interest payment plans. He concluded that with an increasing trend of multi-car households, car dealers and advertisers should target the right audience, taking into consideration the power of children and the impact of life stage. Even after the fact that women are the primary buyers of most new cars, study concluded, the motor trade has traditionally been contemptuous of women’s role in the car-buying process.

OBJECTIVES OF RESEARCH

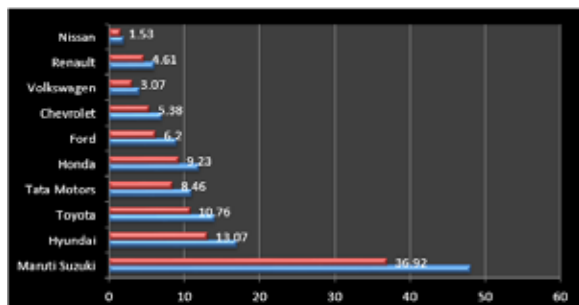
- To establish the role of Reference groups in a consumer buying decision of a Small car
- To associate the effect of Price on consumer buying decision of a small car
- To examine the Product attributes that influence the consumer buying decision for a Small car

RESEARCH METHODOLOGY

The study has focused the small car owners in Chandkheda Area of Ahmedabad city, as a universe population. The users of all the brands of small cars were considered. For collecting primary data, structured questionnaire has been used. The convenience sampling method was used to collect the responses from 130 car users.

Data Analysis

Small Car Brand	Respondents	
	Number	%
Maruti Suzuki	48	36.92
Hyundai	17	13.07
Toyota	14	10.76
Tata Motors	11	8.46
Honda	12	9.23
Ford	9	6.2
Chevrolet	7	5.38
Volkswagen	4	3.07
Renault	6	4.61
Nissan	2	1.53



Major Finding

The Above Graph Shows that Maruti Suzuki is the Leading Brand in small Car Segment with the highest percentage i.e 37% comparing with other brand. Hyundai and Toyota occupy the Second and Third Position Respectively. The Gujarati Consumer Favours the Maruti Suzuki Brand due the Highest

Mileage, Competitive Pricing and most important factors in After sales service.

CONCLUSION

The investigation of the paper has revealed that the reference group plays an important role in buying decision of small cars. Friends, family and relatives reference has been found to have significant source of information and influencers in the small car buying. Also, Price-off amongst the promotional offers and fuel efficiency in the small cars are found to be the foremost reasons for the preference by the customers. Besides, the friends, family and relatives as main influencer, users also trust the information available on internet. All the features/attributes are considered to be vital by the consumers. Among attributes, the three most important ones are fuel efficiency, price and powerful engine. Small car manufacturers should improve their product in terms of fuel-efficiency and improve technology to improve the mileage in order to attract more customers. Consumers felt that if the price of the small car is ignored, they will prefer premium level, stylish and powerful small car. Thus, if manufacturer use the same style for medium and lower end Small cars, it will be easy for marketers to attract customer.

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