



ORIGINAL RESEARCH PAPER

Commerce

Competitive advantages of TATA NANO CAR

KEY WORDS:

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Introduction

The tata is a rear-engine, 3 meters long, four-passenger city car build by tata motors, aimed primarily at the Indian market. The car is very fule efficient, achieving around 26 kilometers per liter on the highway and around 22 kilometers per liter in the city. The car has a price tag of just Rs 1 lakh the same price as the DVD player in a lexus. Hence makting it easily affordable for a middle class family. TATA Nano is a dream come true for average Indian now the medium class pelope can also enjoy the ride of four wheeler.

The car has achieved its low price by minimizing cost on unnecessary 'luxuries ', the basic Nano comes without front and rear fog lights, without a heater or air conditing , without anti-lock brakes, only one single windscreen wiper, manually operated windows, manual steering with no air bags, tiny 12" wheels, plastic body parts joined with adhesive instead of more conventional metal and welding.

In addition, Tata has come up with practical ways to reduce car weight and thereby trim down the overall cost. It uses comparatively small and light engine, a 623cc two-cylinder petrol engine made of aluminum , unlike conventional engines which are made out of cast iron. The engine of Tata Nano is strategically placed at the car leaving the front section for luggage, that too with the capacity of a briefcase. This is the most significant element in bringing down the weight and the overall cost of the car . Other factor that contribute towards the weight reduction are the usage of hollow steering wheel shafts, plastic body panels and smaller tubeess tires. As result of these measures,Tata Nano weights only about 590kg. lesser weight and fewer parsts mean less raw material and lower cost for tata nano. The manufacturers of the TATA Nano car aiming to provide an affordable mode of transport to their initial target market of lower income families in india.

OBJECTIVES OF THE STUDY

1. To evaluate customer perception towards the "Tata' s Nano" car.
2. To know about factors influencing the purchase decision of "NANO" CAR
3. To generate customer feedback on the general performance of Tata's Nano with that of maruti-800.

REVIEW OF LITERATURE

William B Dodds (1991) investigated the effects of the intrinsic cues of price brand and store information on consumer perception of product quality. They found that price had a positive effect on perceived quality but anegative effect on perceived value and respondent 's willingness to buy. Samson itamer (1992) has observed that purchase decisions are determined on the basis of both absolute attributes of the alternatives and their relative positions within the particular choice set under consideration. He has futher suggested that consumers are less likely to choose alternatives that are offered with unneeded features or premium even when the features do not reduce the value of the proct in any way. Aradhana Krishna (1994) viewed that buyers purchase behavior can be influenced not only by what price they expect in future.

Gerald D bell (1967) studies how a new car buyer feels about his purchase and what factors determine his reaction when he begin living with his new car. The finding of this investigation suggests

the effect of a customer s self confidence his personality and the quality of service he receive upon his cognitive dissonance. Edward L Grubb and greg hupp (1968) test a methodology for measurement of self concept and consumer behavior in comparable terms and therefore to further substantiate the relationship of self theory to consumer behavior. The author suggest that the owner of a specific make of automobile perceive themselves as having self concepts similar to those of other who own the make of an automobile. Darlin Doman (1983) in the article has mentioned that satisfied new car buyers discuss their experiences with eight people dissatisfied buyers complain to an average of twenty two people.

C.W park et al (1994) assessing the consumer knowledge has observed that consumer knowledge is an important construct in understanding consumer behavior such as information search and information processing. Increase in self assessed knowledge was associated with decrease in utilization of sales people 's recommendation.

RESEARCH METHODOLOGY

The research conducted is a descriptive research. This is descriptive in nature because the study is focused on fact finding investigation in a well structured form and is based on primary data. Primary has been used in the form of a questionnaire and telephonic interview in order to collect data. The following sources such as magazines and data through inter sources was conducted. The sample chosen to collect data consisted of fifty respondents. The data collected is used for final analysis and interpretation (primary data source: 2010). Statistical tools like percentage analysis and chi-square were used to analyze the data.

Management & technology

Chi square test

Hypotheses:

Null Hypothesis

Ho –there is relation between annual income and Nano model purchased by the respondents

Alternate hypothesis

Ha – There is no relationship between the annual income and nano model purchased by the respondents

s.no		NANO	NANO CX	NANO LX	TOTAL
1	LESS 1 LAKH	6	3	1	10
2	1 LAKH -8 LAKH	0	12	8	20
3	8-LAKH-15 LAKH	2	7	1	10
4	15-LAKH- ABOVE	0	0	5	5
5	NONE	2	3	0	5
	TOTAL	10	25	15	50

S.NO	Observed	Expected	O-E	(O-E)2	(O-E)2/E
1	6	2	-3	9	4.5
2	0	4	-4	16	4
3	2	2	0	0	0
4	0	1	-1	1	1
5	2	1	1	1	1
6	3	5	-2	4	0.8
7	12	10	2	4	0.4
8	7	5	2	4	0.8

9	0	2.5	-2.5	6.25	2.5
10	3	2.5	0.5	.25	0.1
11	1	3	-2	4	1.3
12	8	6	2	4	0.6
13	1	3	-2	4	1.3
14	5	1.5	3.5	12.25	8.1
15	0	1.5	-1.5	2.25	1.5
				Calculated value	27.9

Chi square table value is 15.507
 Purchase of the car on occupation

Inference

From the above table we can find that the chi square value is 15.507

Degrees of freedom : (no of rows-1)* (no of columns-1)

Degree of freedom (df): (3-1) *(5-1)
 : 2*4
 DF:8

Probability-0.05 (5%)
 Chi square table value is 15.507

ADVANTAG OF TATA NONO CAR

- Low price & stylish
- High fuel efficiency
- Brand name
- First innovation
- 35 patents for innovation
- Environmental friendly- green house effect
- Variomenta gear system – magnifies torque
- Tested successfully for crumple zones

CONCLUSION

The study on perception of customers on tata Nano car paves way to understand the acceptance level of the respondents towards the product. The main factor that attracted and influenced the purchase decision of nano is its price the name as product features are created a big wave in the Indian automobile market not only standing inline with the B segment in four wheeler market but also with the two wheeler segment on the price factor though there are drawbacks pertaining to the comfortness and space they also feel that nano is performing better than its main competitor maruti 800 the study has helped to gain knowledge about the most talked low cost car tata nano. From the study it is understood that tata 's initiative to come up with such a car must be appreciated.

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