



## A STUDY ON FACTOR INFLUENCING THE PURCHASE OF CAR IN KANYAKUMARI DISTRICT

M. R. Prema<sup>1</sup> and Dr. A. G. Segon Roy<sup>2</sup>

<sup>1</sup>(Reg.No:12269), Department of commerce and Research Centre Scott Christian College ( Autonomous )- Nagercoil

<sup>2</sup>Assistant Professor of Commerce , Post Graduate & Research Centre in Commerce, Scott Christian College ( Autonomous ), Nagercoil.

Affiliation of Manomaniam Sundaranar University, Abishekapatti Tirunelveli.



### ABSTRACT:

*The automobile industry is one of the core industries in India economy, whose prospect is deep of the economic flexibility of the economy. With the liberalization of the economy, India has become the playground of major global automobile majors. The automobile industry in India is steadily developing to replicate those of developed countries. The qualitative analysis of the various trends reveals, that the industry offers huge scope even for allied industries and those looking at investing in the auto industry. A total sample size was fixed at 250. The major findings of the study that.*

**KEYWORDS:** automobile industry , developed countries , liberalization , annual production.

### 1.INTRODUCTION:

The automotive industry in India is one of the larger markets in the world. It had previously been one of the fastest growing globally, but is currently experiencing flat or negative growth rates. India's car and commercial vehicle manufacturing industry is the sixth largest in the world, with an annual production of more than 4.5 million units in 2015. According to recent reports, India overtook Brazil and became the sixth largest passenger vehicle producer in the world, grew 18 to 20 percent to sell around three million units in the course of 2017 and 2018.

### 2.OBJECTIVES:

1. To study most preferred brand of car in Kanyakumari district.
2. To analyse factors that motivated for purchasing the car in the study area.
3. To find out features considered for selecting the car in the study area.

### 3.HYPOTHESIS:

1. Consumers of luxury cars consider brand, latest technology and safety features as more important than economic consideration and fuel efficiency.

### 4.METHODOLOGY:

The study is mainly based both on primary data. The primary data was collected from the selected car user through the personal interview method. The secondary data were obtained from Ministry of Road and Transport, journal, magazines newspapers, and books have also been used. Simple random sampling method was used to select the sample. The total sample size was fixed at 250. The mean, standard deviation and co-efficient of variation are applied in the present study.

## 5 DATA ANALYSIS

### 5.1. Brand Preference of New Car:

**Table.1 Brand Preference**

SL.No	Brand Preference	No.of Respondents	Percentage	Rank
1	Ford	23	9.2	IV
2	Hyundai	36	14.4	II
3	Maruti Suzuki	78	31.2	I
4	TATA	29	11.6	III
5	Mahindra	15	6.0	VIII
6	Honda	22	8.8	V
7	Skoda	16	6.4	VII
8	Benz	10	4.0	IX
9	Volkswagen	21	8.4	VI

**Source:** Primary data

The above table.1 shows out of 250 respondents, 31.2% of the respondents prefer Maruti Suzuki, 14.4% of the respondents prefer Hyundai car. 11.6% of the respondents prefer TATA car. 9.2 % of the respondents prefer Ford car. 8.8 % of the respondents prefer Honda car. 8.4% of the respondents prefer Volkswagen cars. 6.4% of the respondents prefer Skoda cars. 6.0% of the respondents prefer Mahindra car and 4% of the respondents prefer Benz. It is inferred that Maruti Suzuki contributed 1<sup>st</sup> rank, Hyundai contributed 2<sup>nd</sup> rank and Benz contributed 9<sup>th</sup> rank.

### 5.2. Factors Motivations for Purchasing New Car:

This table.2 presents and validates comprehensive model to explain variables that motivate a buyer to purchase a new car. Weighted Average Score test has been used to analyze the particular problem. Further, ranking has been done accordingly. And the weights are assigned as “3 to Most Important”, “2 to Indifferent” and “1 to Least Important”.

**Table.2 Factors that Motivated for Purchasing the Car**

Variables (N=250)	MI (F)	ID (F)	LI (F)	WAS	Ranks	Std, Deviation	Variance
Resale Value	146	63	41	3.6974	4	.764173	.537
Time Saving Device	105	80	55	3.3470	7	.796811	.615
Family Members	110	82	58	2.6137	15	.894130	.781
Source of Entertainment	99	81	70	2.6337	14	.884623	.775
Guarantee/Warranty	170	48	32	3.9838	1	.445871	.223
Advertisement	112	90	48	2.6811	12	.862873	.742
Marketing Influence	37	84	129	2.7471	9	.855234	.696
Luxurious Item	104	115	31	3.3514	6	.792475	.589
Symbol of Social Status	144	50	35	3.7835	3	.796893	.518
Spare Parts Availability	102	88	60	2.6659	13	.765589	.768
Good After Sales Service	118	90	42	2.6994	11	.751167	.728
Technology Advancement	109	83	58	3.3931	5	.875914	.575
Friends/Relative	120	97	33	2.7105	10	.769125	.701
Competitive Price	54	117	79	2.9632	8	.821115	.665
Brand Image	167	55	28	3.8111	2	.693655	.448

**Source:** Primary data

From the table.2, it is clear that Guarantee/Warranty is the most important variable with Weighted Average Score of 3.9838 and Standard Deviation of 0.445871 and 0.223 Variance that may

motivate a person to purchase a new car. A family member is the least important variable with Weighted Average Score of 2.6137, Standard Deviation of 0.894130 and 0.781 variance. The results clearly showed that consumers prefer to purchase car for their convenience. They preferably seek Guarantee/warranty, their family convenience etc. More than half of the sample as noted above still sees the purchase of a vehicle as a need to fulfil the primary need of transportation.

### 5.3 Features Looked While Buying Luxury Car

Consumers of passenger car consider safety, latest brand, latest technology and value for money features as more important than economic considerations and fuel efficiency.

**Table.3 Features considered for selecting the Car**

Sl.No	Features considered for selecting the cars	Mean
1	Advance Safety Features	4.02
2	Advance Technology	3.96
3	Standard Price	3.93
4	Latest model	3.93
5	After-sales Service	3.84
6	Brand Image	3.78
7	Interiors	3.76
8	Fashionable Design / Looks	3.73
9	Latest Colour	3.71
10	More Mileage	3.67
11	Sudden Pickup	3.61
12	Good Resale Value	3.58
13	Car Loan facility	3.27
14	Free Registration & Insurance offered	3.14
15	Old Car Exchange Offer	3.08

**Source:** Primary data

The table.3 reveals that five most important features given by the car owners for selecting a car are advanced safety features, advance technology and standard price, latest model and after sales services. The least important factors are old car exchange offer, free registration and car loan facility. Therefore, it is seen that more importance is given to technology rather than economic and other factors. Thus the hypothesis “Consumers of luxury cars consider brand, latest technology and safety features as more important than economic consideration and fuel efficiency” is proved.

### 5.4 Problems Faced by the Car Consumers:

**Table.4 Problems Faced By the Respondents in their cars**

Problems faced in Car	Frequency	Percentage	Rank
Sales & Servicing	50	20.0	II
High Maintenance cost	38	15.2	IV
Lack of Spare Parts	13	5.2	VII
Low Mileage	51	20.4	I
Frequent Breakdown	25	10.0	VI
Outdated Model	27	10.8	V
Lack of Safety Facilities	42	16.8	III
Any Other	4	1.6	VIII

**Source:** Primary data

The table.4 reveals that 'low mileage' is the primary factor chosen by 20.4% of the respondents for disliking their vehicle followed by Sales & Servicing (20%), Lack of Safety Facilities (16.8%), High Maintenance cost (15.2%), Outdated Model 10.8 %, Frequent Breakdown (10%), Lack of Spare Parts (5.2%) and Any Other (1.6%) are the least important factors for the consumers for not liking their car. It is inferred that major problem faced by car consumer is low mileage.

#### 6. FINDINGS:

- ❖ The study shows out of 250 respondents, 31.2% of the respondents prefer Maruthi Suzuki, 14.4% of the respondents prefer Hyundai car and 4% of the respondents prefer Benz. It is inferred that Maruti Suzuki contributed 1<sup>st</sup> rank, Hyundai contributed 2<sup>nd</sup> rank and Benz contributed 9<sup>th</sup> rank.
- ❖ The study shows that Guarantee/Warranty is the most important variable with Weighted Average Score of 3.9838 and Standard Deviation of 0.445871 and 0.223 Variance that may motivate a person to purchase a new car. A family member is the least important variable with Weighted Average Score of 2.6137, Standard Deviation of 0.894130 and 0.781 variance. The results clearly showed that consumers prefer to purchase car for their convenience.
- ❖ The study express that five most important features given by the car owners for selecting a car are advanced safety features, advance technology and standard price, latest model and after sales services. The least important factors are old car exchange offer, free registration and car loan facility.
- ❖ The hypothesis "Consumers of luxury cars consider brand, latest technology and safety features as more important than economic consideration and fuel efficiency" is proved.
- ❖ The study reveals that 'low mileage' is the primary factor chosen by 20.4% of the respondents for disliking their vehicle followed by Sales & Servicing (20%), Lack of Safety Facilities (16.8%) and Any Other (1.6%) are the least important factors for the consumers for not liking their car.

#### 7. SUGGESTIONS:

- ❖ The present study supports that advertisement of car has a significant impact on consumer buying behaviour and suggest that companies to choose for it, because advertising is a vital tool to compete, in this ever changing environment. It benefits to both the manufacturer and the consumers, manufacturer in terms of publicity and consumers in terms of information and awareness about the products.
- ❖ Companies involved in the business of car should give advertisements more frequently on T.V. because it helps increase the loyalty of the consumers who are already using their cars and also the consumers who want to buy a new luxury car gets attracted and becomes confident about his decision. The marketers can focus television based advertisements on all age groups, because presently the entire family involves itself in the purchase decision process and this is backed by peer influence.

#### 8. CONCLUSION

Consumer is the king in today's market. The market is filled up with millions of products. Consumer prefers products which have quality and are termed as luxurious products. Luxury as a concept is an obsession of today's society; luxury apartments, food and cars are flooding the market across the world. The Indian market doesn't remain untouched with such a transition. Flexible payment options, loans etc. have given convenience to consumers to buy luxury goods. 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.

## REFERENCES

- Chidambaram and Alfreed, "A Study on Brand Preference of Passenger Car with Reference to Coimbatore City", Indian Journal of Marketing, Vol.34, p.30, 2007.
- Shanthini Devi.M (2013), "A Study on Customer Satisfaction Towards Maruti Car with Special Reference to Coimbatore City", GRA – Global Research Analysis, Vol.2, Issue.8,p.12-13.
- Nataraj.S (2012), 'Customer Satisfaction in Automobile Industry – An Indian Online Buyers' Perspective of Car Manufacturers Websites', International Journal of Multidisciplinary Research Vol.2 Issue 6, pp.92–107.
- Owolabi Ademola Benjamin, (2014), "Personality Attributes as Predictors of Nigeria Customer Satisfaction towards Automobiles", International Journal of Business and Management Invention, Vol.3, Issue.5, pp.01-07.