CHAPTER 6

SUMMARY OF FINDINGS AND

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A summary of findings of the research study has been presented in this chapter. The findings of the research study relate to the following aspects.

1. Findings relating to the theoretical and conceptual aspects of consumer (buyer) behavior.

2. Major aspects of socio-economic scenario of the study area (Dakshina Kannada District).

3. Profile of respondent car owners selected for the study.

4. Findings relating to the buyer behavior of respondent car owners in the study area.

In addition to the findings on the above aspects the present chapter has provided a few suggestions, which would help the car manufactures & dealers in improving their marketing operations.

1.1 Consumer behavior is more complex when he intends to purchase expensive durables like automobiles (cars) because such purchases are likely to involve more buyer deliberation and more participants. The buyer will pass through learning process characterized by first developing beliefs about the product then attributes and then making a thoughtful purchase choice. These product involve a decision making unit consisting of more than one person viz initiator, influencer, decider, buyer and user.

The behavior of consumer depends on geographic, economic, demographic, psychological, psychographics and socio-cultural factors.

1.2 The study of consumer behavior includes What they buy? Why they buy it? When they buy it? Where they buy it? How often they buy it? How often they use it? & How they dispose it? The research on consume behavior encompasses the

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behavior that consumers display in searching for purchasing, using, evaluation and disposing of products and services that they expect will satisfy their needs.

1.3 Economic factors that influence consumer behavior include price, income, distribution of income, competition with substitutes, utility and consumer preference. Other factors that influence consumer behavior are culture, attitude, social values, life styles, personality, size of family, education, health standards etc.

1.4 In the purchase process consumers pass through stages like problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior.

1.5 Understanding buying behavior of target consumers is an essential task of marketing managers. If marketers understand consumer behavior they can predict how consumers are likely to react to various informational and environmental cues and they can shape their marketing strategies accordingly. Consumers too could benefit from the insight into their own consumption related decisions. They can become better, wiser consumers.

1.6 An extensive review of literature has convinced the researcher that several demographic and dispositional characteristics of individuals and many other factors tend to influence the purchase behavior of car customers and are quite varied and complex over time and across space.

2.1 Behavioral studies have assumed growing importance in the context of consumer oriented marketing planning and management. Studies on buying behavior of consumers have indicated that there is often little planning and deliberation in purchase decisions according to Tousey Clark and Clark. Most consumer behavior is habitual behavior. All behaviour that consumer displays in searching for, purchasing, using, evaluating and disposing of product and services that they expect will satisfy their needs is consumer behaviour.
2.2 Wants and behavior of persons are profoundly determined by culture. Sets of values are acquired through family and cultural background. Subcultures including nationalities, religious, racial group etc. make-up important market segments and marketers often design products and marketing programs tailored to their needs.

2.3 Social stratification taking the form of caste system or the form of social classes influence people in developing similar values, interests and behavior, social classes show distinct product and brand performances in many areas including automobiles.

2.4 Economists assume that consumers consider price as the most effective vehicle of motivating purchases. Important economic factors that determine consumer behavior relate to

1) Personal income and Disposable Income.
2) Discretionary Income.
3) Family Income.
4) The availability of consumer credit.

All these income variants of consumers determine greatly their performances and buying behavior for different group of consumer goods including automobiles.

2.5 Number of economists propounded the conventional theory of utility and consumer choice in the last half of 19th century. The theory was refined later on by Marshall in his ‘Principles’ (1890), Pareto’s ‘Manuel’ (1906) marked the next stage though he recognized Marshall’s theory to meet his practical equilibrium technique. Next stage commenced with the publication of articles by Johnson (1913) and Slutsky (1915) up to the emergence of Hicks (1939).

Economic theories explain the pattern of consumer behavior in general and in particular when changes occur in those economic phenomena, which
influence consumer purchases such as income and price. Economic theories do not explicitly recognize the possibility that an individual's exogenous and endogenous variables such as motives, attitudes, personality and social factors play an important role in shaping consumer behavior.

2.6 Social groups like reference groups' & family, and social roles and structures and life style influence consumer's behavior. Marketers try to identify target customer reference groups. The influence of reference groups on the target customers in relation to both product and brand choice is found strongly in case of consumer durables like automobiles and color televisions. Marketers should try to determine how to reach and influence the opinion leaders in these reference groups.

2.7 Consumers' buying behavior is influenced by four major psychological factors - motivation, perception, belief and attitudes and learning.

Three best-known theories of motivation are associated with the names of Sigmund Freud, Abraham Maslow and Fredrick Herzberg. These theories have implications for consumer behavior and marketing strategies. The psychoanalytic model of Freud laid emphasis on the instinct of individual and his psychology as the cause for individual behavior in particular way. Abraham Maslow has tried to explain the consumer behavior through his theory of hierarchy of needs. Herzberg developed two-factors that distinguished dissatisfiers (factors that cause dissatisfaction) and satisfiers (factor that cause satisfaction).

Other psychological factors influencing consumer behavior include –

1) Perception
2) Personality Traits
3) Attitudes
4) Self Concept
5) Gestalt Approach and
6) Cognitive dissonance
2.8 Consumer/buyer behaviour models propounded by Nicosia, Howard & Sheth, The EKB (Engel, Kollat and Blackwell or Miniard) model, Stimulus –Response model & types of consumer buying behaviour provides different dimension of buyer behaviour.

2.9 Consumers move from one stage to another in order to complete their decision making for a variety of consumer product. These stages are –

1) Problem Recognition
2) Information Search
3) Evaluation of Alternatives
4) Purchase Action and
5) Post Purchase Behaviour.

2.10 Economic and marketing implications of consumer durables goods are significant because demand for them is more volatile. Current demand for durable goods is separated in terms of –

1) Replacement of old products and
2) Expansion the total stock.

Sales of such commodities are hypersensitive to small changes in demand.

2.11 Major characteristics of consumer durables are –

1) High Unit Cost
2) No Repeat Sales
3) Storability
4) Postponability
5) Involves more thinking
6) Need service backing
7) More volatile demand
8) Sales related to established reputation and
9) Needs demonstration, trial etc.

2.12 Important issues involved in the marketing of consumer durables relate to product pricing, distribution, personal selling, advertising, research and development, servicing and packaging.

Product pricing for consumer durables is largely cost-oriented. The market leader in a market characterized by oligopoly sets price of small number of suppliers.

Only a few sellers/dealers are needed for the distribution since there is no-impulse buying and the need for after sales service leads to this type of distribution.

Personal selling is an important component of communication mix that marketers have at their disposal for marketing consumer durables. Personal selling is effective through careful training in the knowledge of product attributes.

Better merchandising through strategic display does help in bringing more customers to the store.

Advertising is an important item in the communication programme of a company.

Inadequate investment in R and D by manufactures of consumer durables is a glaring inadequacy in India. R and D should be pressed into areas of effecting cost saving in the manufacturing of consumer durables.

Servicing is an important component of the marketing of consumer durables.

Protective packaging plays an important role in the marketing of consumer durables.

3.1 Dakshina Kannada is a coastal district of Karnataka with a long coastline of 60 kms and is situated between 12°, 57° and 15°, 50° North latitude and 74° and 75° East Longitude. The district has long beautiful beaches, mysterious islands, unbelievable varieties of flora, challenging mountains and many more.
3.2 Vijayanagar Empire administered the district during 1580. Later in 1773 Hyder Ali annexed it to Mysore state in 1773 and subsequently his son Tippu Sultan ruled the area. The area came under the British rule after the battle of Mysore in 1799. The district became part of Karnataka state in 1956 and was divided into Dakshina Kannada and Udupi in 1997.

3.3 The district has diverse languages, rituals and customs. Though Kannada is the official language the district has multiple mother tongues such as Tulu, Konkani and Baari and a variety of Kannada dialects.

By the side of its colorful realms of Bhufa and Naga cults were added strands of Jain and Nath sects, the Islamic Sunni and Sufi traditions, the Christianity of Catholics and Basel Mission besides, and Aramaic worship of what are now reckoned as Hindu gods and goddesses.

3.4 The district is transforming from an agrarian to an industrial pattern. All the customs, costumes, rituals etc associated with the old profession and culture too are undergoing change.

3.5 The district is far ahead of other districts in the state as far as the social development indexes are concerned. High literacy levels, low rate of infant mortality, high life expectancy, health status of women are some of them. Educational institutions have almost equal strength of female students. In universities girls out number boys.

3.6 The district with a total land area of 4770 sq.kms. has a total population of 1897730 as per 2001 Census. The rural and urban population was 1168428 and 729302 respectively. The density of population of the district was 416 per sq.km.

3.7 Literacy rate in the district was 83.4% of which male literacy rate was 89.7% and female literacy rate was 77.2%. Literacy rates in the rural areas were 79.7% and in the urban areas the literacy rate was 89.1%.
3.8 The working population in the district was 946390 of which male workers were 546404 and female workers were 399986.

3.9 The district has 161237 hectares of sown area. There are 119330 marginal land holdings with 47140 hectares, 33039 small holdings (46330 hectares), 14471 semi-medium landholdings (39107 hectares), 5168 medium land holdings (29381 hectares) and 599 large holdings (10457 hectares). The major crops of the districts include paddy, cereals, gram, tur and pulses. The area under araca nut cultivation is 27209 hectares. Area under cashew nut cultivation is 29585 hectares, 15684 hectares under coconut cultivation and 3115 hectares under bananas cultivation. Sugarcane is grown on an area of 95 hectares in the district. Among the non food crops like coco is grown on 817 hectares and rubber id grown on 10113 hectares. A net area under all crops is 131438 hectares in the district.

3.10 There are 407 factories in the district of which 8 are chemical units, 10 are engineering units and 389 are other factories. A total number of 26859 workers are employed in these factories.

A large number of small scale industries are established in the district. There are 14405 SSI units in the district employing 109843 workers.

3.11 The district has 309 commercial bank branches, 11 Grameena Banks and 36 other banks. There are 47 branches of urban co-operative banks. The district has 687 other co-operative banks. There are 112 agricultural credit co-operative societies, 280 milk producers’ co-operative societies. The district has 5 regulated markets and 4 submarkets.

3.12 There are 258551 vehicles in the district. There are 161895 motor cycles, 42721 cars, 4827 cabs, 18923 autorickshwas, 2550 omni buses, 602 trucks and trailers, 134 ambulances, 13680 goods vehicles and 13219 other vehicles in the district.

3.13 The district has 162.82 km. of broad gauge railway route length with 10 railway stations. The total road length in the district is 9448.72 kms. The district has 172 kms of national highways, 571.68 state highways, 651.39 kms of major district
roads, 51.05 kms of other roads, 48.99 kms of forest roads and 7953.61 kms of panchayat roads.

3.14 The district has 486 post offices, 4 telegraph offices, 147 telephone exchanges, and 175283 telephones. The district is well served by print and electronic media.

3.15 There are large number of educational institutions in the district viz. 1313 primary schools, 337 high schools, 114 PU Colleges, 78 general colleges, 10 medical colleges, 6 polytechnic, 5 engineering colleges, 5 dental colleges, and 81 libraries. There are two universities – Mangalore University and Manipal University.

3.16 Large number of hospitals, primary health centers, community health centers and dispensaries provide health facilities. There are family welfare centers, drug shops and blood banks in the district.

3.17 The total gross income of the district was Rs.721374 lakhs while the net income was Rs.642811 lakhs in 2001-02. Major sources if income of the district were agriculture, mines and minerals, manufacturing, construction, transport, electricity gas and water supply, communication, trade, hotels and restaurants, banking and insurance and other services.

4.1 The profile of the 525 respondent car customers (owners) of different car models in the study area indicates that large majority of them belonged to 31 - 50 age groups ie. the most productive years in one's life. Majority of 52.4 percent of them were in the age group of 31 - 40 years and 22.4 percent belonged to the age group of 41 - 50 years. A very small percent of 6.5 were in the young age group of 21 - 30 years. Respondents in the advanced age group of 51 - 60 and above were less than 20 percent of the total. Majority of mid & high priced cars owners were in the age group of 31 - 40.

4.2 The occupational status of majority of car owners covered by the study was own business/profession (41.5%), followed by car owners who were working in government institutions (20.3%). There is some evidence to indicate a definite trend between occupation of respondents and the cost of the cars they owned.
Majority of 100 (57.1%) respondents who were occupied with their own business/profession owned cars in the price range of Rs. 400000 - 600000, as well as substantial number of 82 (46.8%) respondents had cars in the price range of Rs. 600000 - 900000. Majority of 11 respondents who were factory owners had high priced cars of Rs. 600000 - 900000. Majority of 82 (75.7%) respondents who worked in govt. institutions had low priced cars of Rs. 200000 - 400000. Majority of 37 (21.1%) agriculturist owned high priced cars.

4.3 Maximum number of respondent car owners were degree holders (42.6%) followed by those possessing professional degrees and PG. Those holding Ph.D degree were few in number among the respondents (4.2%). A trend of close relationship between lower educations of respondents owning car in the lower price range. Similarly respondents with higher education especially professionals owning high priced cars is noticed in majority of cases. This may be due to high income levels and also for social status.

4.4 Large majority of 92.5 percent of respondent car owners were married while a few respondents (7%) were single. Majority of married respondents owned cars in the price range of Rs. 400000 - 600000 & 600000 - 900000, and majority of respondents who are single owned cars in the price range of Rs. 200000 - 400000.

4.5 Majority of respondent (24.6%) had been married for a period of 15 - 20 years, followed by those who were married for more than 20 years (21.3%), substantial number of respondents (20.3%) were married for 5 - 10 years and others (17.9%) were married for 1 - 5 years.

4.6 Maximum of 365 respondent car owners (69.5%) belonged to nuclear families followed by 121 respondents (23%) belonging to joint families 39 respondents (7.4%) belonging to extended families.

Majority of respondents belonging to nuclear families owned cars in the price range of Rs. 400000 - 600000, as well as in the price range of Rs. 600000 - 900000. Those who belonged to joint families more or less owned equal number
of cars in the all the price range categories. Majority of those belonging to extended family owned cars in the price range of Rs. 200000 - 400000.

4.7 Large majority of 383 respondents (73%) belonged to families with 3 - 5 members, followed by 90 respondents belonging to family size of 6 - 8 members (17.1%). Lesser number of 34 respondents (6.4%) had more than 8 members in their families. Small number of 17 respondents (3.2%) had only 2 members in their families while 1 respondent had 1 member in his family.

The data regarding the car price of the respondents and the family size does not reveal any uniform trend of relationship between the size of the family and the price of the car owned by them.

4.8 Majority of 109 (20.8%) respondent car owners was in the range of Rs. 4.5 - 6 lakhs. A substantial number of 104 (19.8%) respondent car owners family income was in the range of Rs. 7.5 - 9 lakhs. While 101 (19.2%) respondents earned Rs. 6 - 7.5 lakhs, 97 (18.5%) respondents car owners earned Rs. 3 - 4.5 lakhs annually. There were 59 (11.2%) respondents & 55 (10.5%) respondents whose annual family income was above Rs. 9 lakhs & was below Rs. 3 lakhs respectively.

The data on annual family income and the cars owned by respondents in different price ranges indicate that respondents with higher family income have purchased cars of higher price ranges and vice-versa.

4.9 Double earners of families income among the respondents are more (209) accounting for 39.8 percent followed by those who mentioned single earner families (203) and multiple earners (113) accounting for 38.6% and 21.5% respectively. Majority of respondents with single earner member had owned cars with price range of Rs. 200000 - 400000 while those with dual earner families had purchased cars in the price of Rs. 400000 - 600000. Respondents with multiple earning members in their family had owned cars in the price range of Rs. 600000 - 900000.
4.10 Majority of respondents (221) accounting for 42% had semi-urban upbringing, 178 respondents accounting for 33.9% had rural upbringing while 126 respondent's (24%) upbringing status was urban. Majority of respondents who had rural upbringing owned cars in the price range of Rs. 200000 - 400000, as well as substantial number owned cars in Rs. 400000 - 600000 category also. Respondents with sub-urban upbringing owned almost equal number of cars in all price range categories, while majority of those with an urban upbringing status owned cars in the price range of Rs. 600000 - 900000. Respondents with urban upbringing may be more stylish and progressive in their attitude as compared to their counter parts with semi-urban and rural upbringing status which resulted in purchase of high priced cars.

4.11 Hindus among the 525 respondents were in large majority (407) accounting for 77.5 percent followed by Muslims (72) constituting 13.7 percent and Christians (46) accounting for 8.8 percent. A religious composition of the respondents is based on the common trends of religious division of the population in the area.

4.12 The social involvement of the respondents is marginal as 85.7 percent of them had no association with social clubs. Of the 14.3 percent of those who had association with social clubs majority of them were members of Rotary clubs (42.7%) and Lions Clubs (38.7%) while the rest (18.7%) were members of other social clubs.

4.13 Regular reading has been mentioned by 63.8 percent of the respondents while 33.9 percent of respondents indicated occasional reading. A few respondents (2.3%) mentioned that they never read. News paper reading has been indicated by large number of 333 (99.4%) respondent car owners who read regularly. 162 (48.3%) respondents read magazines of general interests. Sports magazine is read regularly by 63 (18.8%) respondents, women's magazine by 9 (2.6%), business magazines by 97 (28.9%) & other reading materials by 8 (2.3%). Occasional reading was mentioned by 33.9 percent of respondents. 146(82%) respondents read news papers occasionally. 77(43.2%) respondents read magazines of general interest. Sports magazines are read by 62(34.2%) respondent, while 31(17.4%)
read women's magazines. Business magazines are read occasionally by 17(9.5%), & other reading materials are read occasionally by 11(6.1%) respondents.

4.14 The varied interests of the car owners covered by the study responses indicate that the car owners have more than one interest. 376 (71.6%) respondents have interest in traveling while 412 (78.4%) respondents have interest in music, 102 (19.4%) in theatre, 56 (10.6%) in trekking, 296 (56.3%) in studies. 408 (77.7%) respondents are interested in sports, 396 (75.4%) in arts while 212 (40.3%) enjoys eating out, 110 (20.9%) long drives and 36 (6.8%) browsing the net. The respondents are quite dynamic and progressive. They are involved in very many things to keep themselves active.

5.1 Respondent car owners were classified into three categories depending on the original price of the car they owned. The categories were car price range 1. Rs. 200000 - 400000 2. Rs. 400000- 600000 3. Rs. 600000 - 900000. 175 respondent car owners were chosen in each price range category, making a total of 525 respondents. 7 cars were selected in each price range.


5.2 Depending on various factors customers tends to make decision to purchase new or used cars. Large majority of 421 respondents constituting 80.2 percent had purchased new cars while a lesser number of 104 respondents accounting for 19.8
percent of the total number of 525 (100%) respondent car owners covered by the study, purchased used cars.

Among the new car buyers' maximum of 25 respondents each had bought Honda City, Toyota Innova, Ford Fiesta and Mitsubishi Lancer in the car price range of Rs. 600000 - 900000. Maximum number of 25 respondents had bought new 'Maruti Swift' car in the car price range of Rs. 400000 - 600000. Majority of 23 respondents had bought Maruti Alto in the new car category in the price range of Rs. 200000 - 400000.

Among the used car buyers maximum respondents (20) bought 'Maruti-800' in the car price range of Rs. 200000 - 400000 while maximum of 10 respondents had purchased 'Maruti Esteem' in the car price range of Rs. 400000 - 600000 lakhs. Maximum of 6 respondents had purchased used Toyota Qualis in the car price range of Rs. 600000 - 900000 lakhs.

5.3 Majority of 347 respondents accounting for 66.1 percent had purchased petrol run cars while 178 respondents constituting 33.9 percent had purchased diesel run cars.

All the 25 respondents each owning Maruti 800, Maruti Omni, Maruti Alto, Hyundai Santro, Maruti Wagon R, Maruti Swift, Maruti Esteem and Honda City had purchased petrol run cars.

5.4 Availing loan finance facility for car purchase has been indicated by large majority of 399 respondents constituting 76 percent of the total. A lesser number of 126 respondent car owners had purchased the car with their own funds.

Majority of respondents owning Maruti 800 and Maruti Esteem had used their own funds in purchasing their cars. Majority of respondents owning other brands of cars had used loan finance facility. Availing loan finance is largely related to the price of cars. Majority of respondents owning high priced cars have availed finance facility to purchase their cars, while those who have bought low priced cars like Maruti 800 have used their own funds.
5.5 Consumers have been continuously upgrading themselves from one type of vehicle to another, from two wheelers to four wheelers, from low-end (entry level) to high end. Data on frequency of car purchase by respondent car owners indicate that maximum number of 246 respondents accounting for 46.9 percent of the total were second time buyers, followed by 166 respondents constituting 31.6 percent were first time purchasers of car. A lesser number of 113 respondents accounting for 21.5 percent are third time car purchasers. Frequency of purchase depends on demographic factors such as age, income levels, lifestyle, customer's interest to upgrade, customers drive etc. and has implication on repeat sales & increased sales volume.

5.6 Consumers have mentioned various reasons for purchasing used cars. Majority of 85 respondents (81.7%) purchased used cars because of 'low cost/affordability' while 11 respondents (10.6%) purchased used cars for purpose of learning car driving. A small number of 4 respondents went in for used cars both on grounds of low cost and for learning car driving while another 4 respondents purchased used cars for other reasons like they came across a well maintained car, low resale value for new cars etc. Many respondents buy used cars to perfect driving and to purchase a new car later.

5.7 Used cars were purchased from known persons by 64 (61.5%) respondents where as 31 (29.8%) respondents purchased from vehicle brokers & 9 (8.7%) purchased from automobile dealers selling used cars. People prefer to purchase used cars from known persons than other sources, as they can believe them.

5.8 New car were purchased by 421 respondents, of which maximum of 140 respondents (33.3%) purchased new cars on the presumption that used cars are not reliable in terms of their quality and performance. A substantial number of 85 respondents (20.2%) purchased 'new car's because loan finance was available for the purchase, while 76 respondents (18.1%) purchased new cars as the sense of prestige did not permit them to purchase used cars. A good number of 65 respondents (15.4%) bought new cars as family members were against buying
used cars. A few other respondents purchased new cars because they believed that used car brokers could cheat them. Some respondents wanted to get rid of the tension in choosing good used cars. 41 respondents (9.7%) mentioned that they prefer to purchase only new products.

The above factors indicate that social factors like prestige and status, influence of family members and economic factors like availability of finance and practical aspects like unreliability of used cars etc. have contributed towards the purchase of new cars by majority of 421 respondent car owners.

5.9 Of the 126 respondents who used their own funds for purchase of car 71 respondent advanced the argument that loan finance involved high interest cost. They constituted majority of 56.3 percent of the total. A good number of 17 respondents accounting for 13.5 percent were averse of borrowing money. Hence, they preferred to use their own funds for purchase of car. Similarly 16 respondents accounting for 12.7 percent used own funds as they are averse towards all kinds of liabilities. 14 respondents (11.1%) indicated that they did not require loan finance as they had idle or surplus funds. A small number of 8 respondents were not happy with the enormous amount of paperwork involved in obtaining loan finance. Hence they used their own funds for purchasing their cars. Economic factors, personal factors and convenience factors has played a role in not availing loan finance facility in spite of its availability.

5.10 Proportion of loan finance have been to the tune of 75 percent of the total cost of the cars purchased, in case of maximum number of 255 respondents accounting for 63.9 percent of the total. Further 114 respondents constituting 28.6 percent of the total, purchased their cars availing 80 percent loan finance of the total cost. A small number of 20 respondents (5%) have used loan finance to the tune of 90 percent of the total cost while purchasing their cars, while 9 respondents accounting for 2.3 percent availed 100 percent finance of the total cost. 1 respondent (3%) used 50% finance. High proportion of 80%, 90% & 100%
finance were availed by more number of car owners having expensive cars (Rs. 600000 – 900000).

5.11 The tenure of loan obtained by respondents varied from a minimum of one year to a maximum of five years. Maximum number of 140 respondents accounting for 35.1 percent had obtained loans for a period of 5 years followed by 129 respondents who had obtained car loans with 3 years tenure. Only few respondents availed loan for shorter tenure.

5.12 Maximum of 260 respondents (65.2%) availed loan from Nationalized banks, followed by 94 respondents (23.6%) who availed loan from Private banks. NBFC’s provided loan for 34 respondents (8.5%) while co-operative banks were the source of finance for 8 respondents (2%). A small number of 3 respondents (0.8%) had obtained finances for purchase of car from foreign banks. Majority of respondents who took loan from nationalized banks, private banks and foreign banks had owned cars in the price range of Rs. 400000 – 600000 lakhs & 400000 – 600000 lakhs, while majority of those obtaining loans from NBFCs and co-operative banks had owned cars in the price range of Rs. 200000 – 400000 lakhs. This indicates the faith car owners have in the public sector banks.

5.13 The responses of 399 car owners who purchased cars through loan finance indicated that, majority of 231 (57.9) respondents would not have purchased their cars if finance facility was not available. 49.9 percent of the total number of 399 respondents who availed finance facility for car purchase remarked that would not have been able to purchase their car if the extent of loan was less than what they required. This reveals that loan finances have a profound influence on the purchase behavior of the car owners & it indicates that modern consumers, unlike olden day’s consumers, have started accepting the philosophy of “Enjoy Today & Pay Later”.

5.14 Large majority of respondent car owners owning cars in different range of prices have affirmed that they had not gone for higher version of the car because of the availability of maximum finance. It is revealed by the study that 81.2 percent of
the respondents subscribed to this view. This makes it clear that loan finance is not the only major factor for customers to purchase a higher version of car. They also look at their future earning capacity before availing finance facility. To that extent consumers are rational and shrewd.

5.15 Car owners who availed finance facility were well aware about the various financial institutions offering loans, their schemes and there modalities as majority of 315 (79%) respondents obtained car finance directly, without the help of others, across the three price range categories. 84 (21%) respondents took the help of the dealer to obtain loan facility. This shows that the car owners are quite aware about the various financial schemes available in the market. This also implies that the financial institutions communication strategies are successful enough in reaching their target audience.

5.16 The service rendered by financiers were rated as 'Good' by maximum number of respondents in terms of (1) Competitive interest rates (2) Short Processing Time (3) Courteous and Helpful Staff (4) Fast Documentation & (5) No Hidden charges.

The service rendered by financiers were rated as 'Excellent' by maximum number of respondents in terms Transparent Procedure. No other factor received this rating.

Maximum number of respondents rated the factor Tailor made schemes as ‘Average’. Overall the services rendered by finance companies were satisfactory except for providing tailor made schemes. Majority of public sector banks have not introduced tailor made schemes to cater to the need of individual customer.

5.17 Car owners expressed high level of satisfaction with regards to the service rendered by the financiers, since majority (79.2%) of them, especially owners of mid and high price range cars, felt that they would approach the same financier if they were to buy another car.
5.18 Majority of respondent car owners (171) were influenced by friends in availing finance from a particular company, followed by 81 respondents being influenced by dealer salesmen, 60 respondents by other family members, 57 respondents by children and 30 respondents were influenced by spouse in availing finance from a particular company. This reveals that social factors like family and friends have profound influence even on decisions regarding purely economic matters like the choice of financier.

5.19 The respondent car owners have mentioned varied factors which influenced them in choosing the particular finance company. Majority of the respondents in all the three price range category have ranked the factors that they have considered in choosing a finance company on the basis of their importance. They are less processing time (343 respondents) followed by easy documentation (332), explanation of the financing scheme by the staff (326), friendly and approachable staff (317), accessible location of the bank/financier (290), reputation of the bank (286), lower interest rates (214), absence of hidden charges (207) and good interior decoration (145).

Over all the most important three factors considered by car purchasers were less processing time, easy documentation and explanation of the financing scheme by the staff. These factors were considered most important by high priced car customers and the responses indicate that the finance seeking car owners covered by the study were more prone to choose the financier who could provide hassle free loan facility, personal attention & convenience rather than less interest rates or absence of hidden charges. However the most important two factors for low priced car customers were less interest rates and absence of hidden charges.

5.20 Car exchange offers are assuming importance as a marketing tool as it induces consumers to upgrade themselves and purchase new vehicles. Availing exchange facility of old cars for new ones, in case of 2nd & 3rd car purchases, is limited to less than 20 percent of the respondent car purchasers in the study area. Non
involvement in the exchange scheme was expressed by 86.1 percent of the respondents owning cars in the price range of Rs. 200000 – 400000 lakhs, while the corresponding figures are 71.8 percent and 91 percent in the car price ranges of Rs. 400000 - 600000 lakhs and Rs. 600000 – 900000 lakhs respectively. The overall responses indicate that 82.5 percent of the respondents did not avail in exchange schemes for purchase.

The responses regarding the rating of exchange scheme show a general trend of ‘Average’ rating by majority of respondents with different aspects of the scheme viz. Valuation of the old car, Price discount offered, Promptness in the entire process of exchange & Fast Procedure. Maximum respondents rated the aspect Help in disposing the old car as ‘Good’.

5.21 Purchase of cars in the absence of exchange scheme has been affirmed by majority of 39 respondents (61.9%) of the total number of 63 respondents who availed exchange facility. However a lesser number of 24 respondents (38.1%) mentioned that they would not have purchased the car in the absence of exchange scheme. Majority of respondents in both categories owned cars in the price range of Rs. 400000 – 600000 lakhs. The responses indicate that exchange schemes are not well accepted in the study area.

5.22 Depending on income, affordability and personality traits, the consumers hire drivers or choose to drive themselves. Responses indicate that large majority of 453 respondent car owners (86.3%) themselves drive their cars, followed by 37 respondents (7%) whose cars are driven by other family members. For 35 (6.7%) respondents their cars were driven by drivers. Majority of driver driven cars falls under the car price range of Rs.600000 – 900000.

5.23 Majority of 87.8 percent of the respondents had a dream of purchasing a car in their lifetime while 12.2 percent never dreamt of purchasing a car in their lifetime. Responses indicate that majority of 408 respondent car owners constituting 77.7 percent of the total were fascinated by the car owned by their family
members, friends, neighbors etc. This indicates their potential interest in purchasing car and purchase of a car is not out of a sudden desire.

5.24 Various factors have been responsible in motivating the respondents to purchase their cars. Taking all the three price range categories into consideration majority of 371 car owners, out of the total 525 respondents covered by the study, were motivated to buy the car to fulfill their need for transportation. 358 were motivated on grounds of convenience. Psychological and sociological factors have also been responsible in motivating some respondents to buy the car. 354 respondents purchased cars for acceptance by the society. For them cars are considered as a status symbol. Car has been bought and owned by 352 respondents for highlighting their achievements in life while 298 respondents were motivated to buy the car because most of their friends and relatives had cars. This is a case of 'demonstration effect'. A good member of 284 respondents bought car on the grounds that they had made progress in their job/business. Economic betterment had motivated the respondents to buy car in this case. Similarly the flourishing business led to purchase of car by 269 respondents. Individuals go in for the comforts like having car when their other problems are solved. This factor has led to buy the car by 103 respondents. Purchase of car can also be linked to demand by family members like children (92 respondents), can go for picnic and outing (97 respondents), children are well settled (86 respondents), children getting job (78 respondents) spouse is working (60 respondents), neighbour brought a car (56 respondents). A plethora of factors have motivated the respondent car owners to buy cars.

Most strongest motivating factor for purchasers of 2 - 4 lakhs car price range are mere need of transportation followed by convenience and friends and relatives having cars, whereas the strongest motivating factor for purchasers of 4 - 6 lakhs car price range are acceptance by society/status symbol followed by to highlight achievements in life and convenience. The strongest motivating factor for purchasers of 6 - 9 lakhs car price range are acceptance by society/status
symbol followed by to highlight achievements in life and their growth in job or business.

5.25 Creating brand awareness is one of the major tasks of any consumer durable manufacturer. In a market overcrowded with many products it becomes even more hazardous. Responses reveals that large number of 486 (92.6%) respondents were aware about the different brands of cars available in the market, while a small number of 39 respondents (7.4%) mentioned their ignorance in this direction. Maximum number of respondents expressing awareness (99.4%) owned cars in the price range of Rs. 4 – 6 lakhs. This indicates that customers are well informed about car brands.

Maruti Zen 124 (21.2%), Maruti Alto 108 (18.5%) & Hyundai Santro 95 (54.2%) where the 3 top brands of car that came to the minds of the 175 car owners in the Rs. 2 – 4 lakhs category when they thought of purchasing a car.

Ford Icon 143 (81.7%), Maruti Wagon R 112 (64%) & Tata Indigo 93 (53.1%) where the 3 top brands of car that were considered by 175 car owners in the Rs. 4 – 6 lakhs category when they thought of purchasing a car.

Toyota Qualis 160 (91.4%), Ford Fiesta 121 (69.1%) & Toyota Innova 111 (63.4%) where the 3 top brands of cars that were considered by 175 car owners in the Rs. 6 – 9 lakhs category when they thought of purchasing a car.

This indicates the high level of awareness about these brands of cars among the potential customers. Manufacturers through their effective communication strategies have successfully managed to include these brands in the evoked set of customers.

5.26 The importance of pre-purchase information for arriving at purchase decision is key for consumers to make informed choice. It is very important for consumers to be educated about the automobile model features. Consumers select the brands after exploring the information from various sources, their authenticity and applicability. The pre-purchase information is also important during the actual
usage stage, as the consumers tend to compare the satisfaction derived by using the vehicle and the factors evaluated during pre-purchase stage. Any deviation from the expectations aroused by the information gathered during the pre-purchase stage is likely to cause dissatisfaction among consumers in the post-purchase stage.

Overall in all the three car price-range categories Advertisements in TV/newspapers/periodicals, Own knowledge and trial & Friends and relatives were the first, second and third most important sources of information respectively.

Advertisements in TV/newspapers/periodicals were the main source of information while purchasing the car according to maximum of 334 respondents (63.6%) of which majority were car owners in the price range of Rs. 600000 - 900000. For a large number of 319 respondents (60.9%) own knowledge and trial was the source of information, especially for those car owners in the price range of Rs. 200000 - 400000 & Rs. 400000 - 600000. Other major source of information were Friends and relatives with cars for 308 respondents (58.6%), family members for 194 responds (36.9%) and features and write ups for 190 respondents (11.1%). Automotive dealers for 160 respondents (30.4%), Colleagues in office/work place for 103 respondents (19.6%) and automotive company websites for 59 respondents (11.2%) were the information source used while purchasing their car.

5.27 Regarding the extent of use of various information sources Own Knowledge and Trial was the only information source which was 'Used Maximum' by majority of (220) respondents. Majority of respondents in the low price category of Rs. 200000 - 400000 & substantial number of respondents in Rs. 400000 - 600000 category made 'Maximum use' of this source as compared to respondents having high priced cars. This finding clearly reinforces that the benefits and attributes of brands in these price categories have been well communicated. The consumers have been well informed about key aspects of the car and firmly believe that their knowledge and trial is most relevant in arriving at a purchase decision.
Majority of the respondents indicated that sources like (1) Advertisements in TV/ Newspaper/ Periodicals (2) Features/write-ups in Newspapers/ Automotive Magazine/TV Show (3) Family Members (4) Friends and Relatives with Cars (4) Websites of Automotive Company (5) Automotive Dealers / Salesman/Mechanic & (6) Colleagues in Office/Work place were ‘Minimum Used’.

Majority of respondents in the high price category of Rs. 600000 – 900000 made ‘Good use’ & ‘ Maximum use’ of Advertisements in TV/ Newspaper/ Periodicals, this source, as compared to respondents having low & mid priced cars.

Features/write-ups in Newspapers/Automotive Magazine/TV Show, was used maximum as an information source, by respondents of Rs. 400000 – 600000 price range category.

Low priced car category respondents used Family Member’s maximum, for information.

Maximum number of respondents in the high price range as well as low prices range used Friends and Relatives with cars for information.

5.28 The need and importance of pre-purchase information depends on how well is the brand communicated through the marketing mix. The importance of information also extends to the level of stress that consumer experiences at the time of decision making and the relevance of the information collected. In terms of Importance and credibility of information sources in the post purchase period, maximum number of respondents indicated that (1) Own Knowledge and Trial (232 respondents) (2) Family Members (151 respondents) (3) Friends and relatives with cars (147 respondents) were the first, second and third ‘Most Important & Credible’ sources of information respectively as compared to all other information sources. Family members and friends and relatives may be less bias as compared to other source of information, so consumers considers these two information sources apart from own knowledge and trial as most credible.
In the mean while, maximum number of respondents indicated that (1) Features/write-ups in Newspapers/Automotive Magazine/TV Show (203 respondents) (2) Websites of Automotive Companies (273 respondents) (3) Automotive Dealers / Salesman / Mechanic (215 respondents) & (4) Colleagues in Office / Work place (219 respondents) were ‘Least important & Credible’ information sources.

5.29 Extent of information search in the pre-purchase period depends on factors such as buyers knowledge, degree of innovation, number of features and attributes, extent of technology involved, type of purchase decision, experience of using similar products earlier, effectiveness of the communication strategies of the marketer etc. Majority of 225 respondents (42.9%) undertook limited information search. Of these majority of respondents owned car in the price range of Rs. 2–4 lakhs, followed by Rs. 4-6 lakhs. Limited information search signifies that information required to arrive at purchase decision is available in structured form with key information channels. This eases the information collection and analysis process. This also signifies that consumers can make informed and rational decisions.

Extensive information search was made by 198 respondents (37.7%) of which majority respondents owned high priced cars in the range of Rs. 6 – 9 lakhs. This is representative of the fact that consumers’ involvement with decision making process and importance of product to consumer, besides the money involved in purchase is also high as compared to other consumer durables. Extensive information search was undertook by owners of high priced cars, followed by mid priced and low price car owners. Information search by way of a few questions was made by 86 respondents (16.4%) while 16 respondents (3%) felt that information search was not required.

5.30 Consumers seek information to assure that the purchase decision is made for correct attributes and the information gathered substantiates the correctness of the decision. The attributes relating to vehicle and company’s service network hold
key to aid consumer's decision making. Regarding the importance of attributes of
the car, maximum number of respondents indicated that attributes like (1)
Performance / mileage of the car (2) After sales services (3) Dependability and
reliability & (4) Safety & Space are 'Most Significant' for all price ranges.

1. Performance 2. Safety features & 3. Space were the 'Most Significant'
attributes considered by respondents of Rs. 600000-900000 category.
1. Acceptable/ Competitive Price & 2. Dependability & Reliability was 'Most
Significant' for respondents of Rs. 200000 - 400000 category.

Maximum number of respondents indicated that attributes like (1) Looks
and Appearance of the car (2) Acceptable / competitive price (3) Established
opinion/Acceptable name & (4) Brand name are 'Significant' attributes.

While the consumers consider making informed decision, it is also evident
that information regarding vehicle and servicing networks holds the key for
automotive purchase. The consumers would tend to relate their post-purchase
satisfaction on these key elements.

5.31 In order to conclude the important factors during pre-purchase process and to
initiate the information search, consumers rate major factors so that they can take
prudent purchase decisions. All factors may not be equally important to all
customers and the priority for specific features is likely to be differ for different
customers and different customer segments. It is dependent on various
demographic, economic, social, & psychological & psychographic factors.

Responses about the most important factors in pre-purchase period reveals
that overall maximum number of 392 respondents (74.6%) considered re - sale
value of the car as the most important factor while deciding to buy the particular
vehicle. This indicates the influence of resale – value on the purchase behavior of
the car users. This factor was the 2nd most important factor in the Rs. 400000 –
600000 car category and the 3rd most important factor in the Rs. 200000 –
400000 car category and was only the 6th most important factor in the high priced car category of Rs. 600000 - 900000.

Mileage & fuel consumption of the proposed car was considered important by 373 respondents (71%). Though overall this factor was considered the 2nd most important factor, it was the most important factor for respondents having low priced cars in the range of Rs. 200000 - 400000.

Though overall, safety features of the car was considered the 3rd most important factor by 366 respondents (69.7%) this was ranked as the most important factor by the respondents of high priced cars in the range of Rs. 600000 – 900000.

Overall, 360 (68.5%) respondents considered brand as the 4th most important factor and it was given the 1st rank by respondents belonging to the Rs. 400000 – 600000 category.

Comfort was mentioned by 333 respondents (63.4%) & majority of them belonged to car price - range of Rs. 600000 – 900000 which was the 3rd most important factor.

Car price was an important factor as mentioned by 325 respondents (61.9%) & majority of them belonged to the price range of Rs. 200000 – 400000 which was the 2nd most important factor.

Availability of after – sales service is considered important by 313 respondents (59.6%) prior to their buying the car.

Problem free image of the car was an important factor according to 305 respondents (58%). This factor was considered as the 2nd most important factor by respondents belonging to the Rs. 400000 – 600000 category.

Innovative features of the car were considered important by 296 respondents (56.3%).
Fast pick up was an important factor according to 277 respondents (52.7%) while cost of maintenance, financing rates and exchange offers were considered important factors according to 274 (52.1%) , 223 (42.4%) and 88 (16.7%) respondents respectively.

5.32 Consumers evaluate critical parameters prior to purchase in order to arrive at most suitable brand choice. Consumers attach different degree of importance to these parameters, but normally the importance laid is high as car purchase decision involves extensive problem solving. Responses about importance of factors that were associated in the purchase decision of a particular brand, indicates that maximum number of respondents considered all factors under study, like (1) Performance (2) Dependability & Reliability (3) Appearance & Styling (4) Safety (5) Space & (6) Value for money as 'Most Important'.

Majority of car owners in the price range Rs. 200000 – 400000 considered 1. Performance & 2. Dependability & Reliability as ‘Most Important’.

Majority of car owners in the price range Rs. 600000 – 900000 considered 1. Appearance & Styling 2. Safety & 3. Space as ‘Most Important’. The response was similar for all car price categories as majority of respondents considered Value for money ‘Most Important’ in considering a brand.

5.33 Consulting the dealer/mechanic in the pre-purchase stage is important as many of customer doubts about some finer aspects of the car gets clarified by the dealer/mechanic. Large majority of 453 respondents (86.2%) did have consultation with car dealers/mechanics before purchasing their vehicle. However 72 respondents (13.7%) did not consult car dealers/mechanics. Among those who consulted dealer/mechanic, 165 (94.2%) them belonged to car price-range of Rs. 400000 - 600000 followed by 158 (90.2%) in the car price-range of Rs. 600000 - 900000. This indicates that purchasers of high priced cars had felt the need for consultation.
5.34 Dealer/Mechanics plays some role in influencing the consumers with regards to certain evaluative criteria and factors. Large number of 339 (78.8%) respondents were influenced by the dealer/mechanic in affirming the quality of the car. A substantial number of 290 (64%) respondents were influenced by the dealer in choosing the brand. Simultaneously 278 respondents (61.3%) were influenced by the dealer/mechanic while choosing between petrol or diesel car. 215 (51.8%) respondents were influenced by the dealer about the car price. In the matter of quality of color of the car 227 (50.1%) respondents were influenced by the dealer/mechanic. 181 (12.9%) respondents were influenced by the dealer/mechanic in the evaluation of durability of the car. The above details indicate the dealer’s/mechanic’s influence in the different aspects of the car in the pre-purchase stage.

5.35 Reference group like membership groups which includes family, friends, neighbours and co-workers with whom the person interacts fairly continuously and informally exerts direct or indirect influence on the person’s attitudes or behavior. Family is the most important consumer buying institution in society. Family members are the most influential primary reference group in the purchase decision. Responses reveals that influence of family members like spouse, children, family members and friends in significant aspects related to the car purchase has been substantial. The influence of friends (228) was maximum in case of choice of manufacturer (228), brand (207) & accessories (212). The influence of spouse (229) was maximum in case of choice of price (229) & color (221). The influence of family members & children were low as compared to spouse and friends.

5.36 Responses reveals that decision on different specifications of the car were decided by different person’s in the family, as well joint decisions were also taken in all specifications. In every family there is a role specialization which means that every member of the family has a specific role to play in making the family purchases. However it is possible that he/she may be influenced by the preferences of the other members of the family group or may be that the ultimate
buying decision emerged out of a consensus of opinion among the family members. The respondent himself was the decision maker in case of Manufacturer of the car, Brand & Accessories required, in maximum number of cases. Price decision was taken by Spouse & decision on color choice was taken by children in majority of cases. Substantial number of joint decision making also was done in case of Brand, Price & color.

5.37 Paint quality is important to maintain the appearance of car intact. The shine and luster keeps the car looking young and bright. Paint quality of the car was rated as 'Excellent' by 326 (77.4%) respondents at the time of purchase. After one year of purchase only 128 respondents considered paint quality as 'Excellent' & the number came down to 53 (12.5%) respondents after 2 years of purchase.

5.38 In order or a latent need to translate into a buying decision, which then would further translate into actual purchase varies among various consumers and consuming class. This may vary among product class and market situation at any given time. Each category of consumers would have early buyers (innovators) and late buyers (laggards). The time gap between the decision to purchase and the actual purchase was less than one month in case of maximum of 206 respondents accounting for 39.2 percent of the total. The time gap was 1-3 months for 147 respondents (28%) & 6 months for 113 respondents (21.5%). However for a lesser number of 24 and 35 respondents (4.6 & 6.7%) the time gap between the decision to purchase and actual purchase was 6-12 months and over one year respectively. Majority of 91 (52%) customers in the price range of Rs. 600000 – 900000 waited for 1 - 3 months. The responses indicate that car purchases were made with proper planning and preparation, especially in case of Rs.600000-900000 car price category.

It is important that majority of consumers would tend to make informed decision and therefore engage in information search from various sources. They also has to check the authenticity of such information received. The period of
information search would extend from couple of months to almost a year. This also include disposal of vehicle owned prior to purchase of new vehicles.

5.39 Probing the reasons for waiting for a particular season/month for purchase of the car it was found that both economic and social / psychological factors influenced the respondents in this direction. As many as 128 respondents (24.4%) asserted that they preferred a particular month for the purchase of their cars. However majority of 397 respondents (75.6%) did not subscribe to this view and this indicates the absence of conservative and traditional approach of choosing auspicious period for purchases of cars.

Out of 128 respondents who purchased their car during a particular month, large majority of 120 (93.7%) respondents waited for a particular season/month/day to purchase the car after making a decision to buy the same.

Majority of 58 respondents (45.3%) mentioned that they waited for particular month to buy the car/ since it was auspicious to buy the car during that month. A substantial number of 48 respondents (37.5%) waited for the festival season as concessions and other offers were made by the dealers during that period. A small number of 22 respondents (17.5%) waited for the auspicious day to buy the car. Price ranges of the cars did not have any relationship with the purchase behavior of respondents in this context.

The responses indicate the social/psychological inhibitions affecting the purchase behavior of people. This could be a guide to dealers/salesmen of consumer durables like cars etc. in formulating their marketing strategies.

5.40 With many car manufacturing companies entering Indian market purchasers are often offered discounts / gifts / free insurance / free accessories etc. These are sales promotional techniques used by marketers to attract customers and to enhance sales volume. Majority of 217 new car buyer respondents (51%) received discounts /gifts or free accessories/free insurance etc. during the purchase; where as 204 respondents (48.9%) mentioned that they were not given
discounts /gifts or accessories /free insurance etc. during the purchase. Discounts were given to maximum of 97 respondents (44.7%), free insurance was extended to 64 respondents (29.7%), gifts or free accessories given to 44 respondents (20.4%), while other offers like scratch cards were given to 10 respondents (4.6%). Discounts, gifts or free accessories and free insurance were given to maximum number of respondents with the car price - range of Rs. 400000 - 600000.

5.41 Modern customers are well aware about the offers and schemes available in the car market. They expect some gifts or discounts from car manufacturers apart from the car, while purchasing. Responses indicates that majority of 268 (63.6%) respondent new car owners demanded for discounts, gifts or free accessories, free insurance from the dealers. These are normal approaches of buyers in a buyers' market, where there is good deal of competition among the car sellers/dealers. However 153 (36.3%) respondents mentioned that they did not make any such demands. Less number of 51 (46.3%) respondents made demands in the low price range of Rs. 200000 – 400000, followed by 102 (69.3%) in Rs. 400000 – 600000 & 115 (70.1%) respondents in the highest price range of Rs. 600000 – 900000. Maximum demand was made by high price car owners. Maximum number of 137 respondents made demands for discounts, 81 respondents demanded gifts or free accessories and 50 respondents made demands for free insurance for the new car.

The responses of the car owners covered by the study indicate that large majority of 388 respondents (92.1%) did not wait for discount offers after making the purchase decision, of which majority were in the price range of Rs. 600000 - 900000. However 33 respondents (7.8%) mentioned that they waited for the discount offer after making the purchase decision. There was mixed response when asked whether purchase of a particular brand was influenced by these offers. 76 (18%) respondent new car owners gave an answer of ‘Definitely Yes’, 104 (24.7%) respondents answered ‘Probably Yes’, 102 (24.2%) ‘Definitely No.’ & 139 (33%) ‘Probably No’. This indicates that majority were not influenced by the offers made by the car manufacture/dealer.
5.42 Satisfaction with the price paid was expressed by large majority of 419 respondent car owners (79.8%), of these maximum number of 161 (92.6%) had cars in the price range of Rs. 600000 – 900000. 106 (20.1%) respondents were not satisfied with the price that they had paid. The satisfaction level decreased with a decrease in the price range.

5.43 Price is amongst most significant factors in determining customer preference, affordability, perceived price performance benefit and comparison with competitive brands. Price elasticity is an important consideration in pricing decisions. The responses of the car owners indicate that majority of respondents are ‘Definitely’ willing to pay more for (1) Demonstrable superiority in performance (2) Reputation of the manufacturer & (3) For better after sales services (4) For established leader in technology, if they were to buy a car now.

Majority of respondents are ‘Willing’ to pay more for (1) Marginal Superiority in performance if they were to buy a car now.

Substantial number of respondents were ‘Neutral’ about their willingness to pay more (1) For the brand name of the car. This indicates that customers are willing to pay more for certain important factors like demonstrable superiority in performance, established leader in technology, better after sales service, reputation of manufacturer etc.

5.44 It is common to experience cognitive dissonance in the post purchase period. Consumers engage in several activities like reading articles, watching advertisements or discussing with friends about their car / manufacturer with interest to reduce cognitive dissonance. Responses reveals that in the post-purchase period majority of 329 respondents (62.7%) read articles, watched advertisements or discussed with friends about their car / manufacturer with interest of which a maximum of 179 (54.4%) respondents discussed with their friends about the car / manufacturer. 129 (39.2%) respondents watched advertisements about the car while minimum number of 21 (6.4%) respondents read articles about the car / manufacturer of the car in the post-purchase period.
Consumers of medium & high priced cars engaged in these activities as compared to low cost car consumers. However 196 respondents (37.3%) did not subscribe to the majority view.

5.45 Buying car is a rational process. It involves extensive problem solving and is a time consuming mental activity. Consumers want to reassure that they had made rational choices by purchasing the particular car. Majority of 277 respondents (52.8%) felt happy about their decision to buy the car and were happy to flatter themselves for the same.

5.46 Dealerships are most important customer contact during the process of product usage, maintenance and disposal. They hold the key to any automotive company’s success. The responses of new car owners regarding the importance of factors considered by them while choosing a car dealer indicate that majority of respondents have expressed that factors like (1) After Sales Service & (2) Reputation & Fair deal were ‘Most Important’ where as for majority of respondents factors like (1) Known Dealer (2) Facilities Offered (3) Post Delivery Follow Up & (4) Courteous Office Staff were ‘Important’ factors. Large no of respondents were ‘Neutral’ with regards to the factor Dealer Location. After sales service is a major criteria for customers across all price ranges while choosing a dealer.

5.47 With regards to Prompt Delivery of the car by the dealer, after booking the car, majority of 182 (43.4%) respondents and 181 (43.2%) respondents were Satisfied’ & ‘Most Satisfied’ Majority of medium & high priced car owners were ‘ Satisfied’ & majority of low price car owners were ‘Most Satisfied’.

Responses about Overall level of satisfaction indicates that maximum number of 245 (58.3%) respondents were ‘Satisfied’ of which majority were owners of low priced cars. Only a small number of 66 (15.6%) were ‘Highly Satisfied’ and the trend was almost similar across price categories. High priced car owners are not very satisfied about their dealer’s performance.
5.48 Post purchase satisfaction is vital as a consumer who is satisfied by brand and channel promises is most likely to be brand loyal, spread positive word of mouth, and is likely to upgrade himself other superior offering from the auto manufacturer. Responses about Post-purchase ownership experience reveals that maximum number of respondents were ‘Most Satisfied’ with respect to factors like (1) Performance of the car (2) Appearance and Style (3) Space and Comfort & (4) Value for Money. Maximum number of respondents were ‘Satisfied’ with respect to factors like (1) Safety Features of the car (2) Dependability & Reliability & (3) Superior Technology. High level of post-purchase satisfaction was expressed by majority of car owners in the Rs. 600000 – 900000 price range, in all the above factors, except for Superior Technology.

5.49 Responses regarding the level of satisfaction about various factors related to the authorized service stations of the automobile company patronized by the respondents have indicated that majority of respondents were ‘Satisfied’ in terms of (1) Promptness of Service advisor in attending the customer (2) Courtesy in serving the customer (3) Ease of getting appointment for service / repair (4) Customer lounge cleanliness, comfort etc. (5) Promptness in delivering vehicle (6) Explanation of work done & charge, at the time of delivery of vehicle (7) Cleanliness and appearance of the vehicle (8) Process of payment (9) Ability to fix the problem of the vehicle (10) Quality of work done (11) Availability of spare parts (12) Fairness of charges (13) Contacted after service (14) Cleanliness and appearance of the workshop & (15) Overall rating.

‘Understanding the Problem of the Car’ was the only factor in which maximum number of respondents were ‘Highly Satisfied’. Majority of respondents were ‘Neutral’ in terms the factor Helpfulness in listening to the needs of the customer. In overall rating of service station only 78 (14.9%) respondents were ‘Highly Satisfied’.

5.50 There is great degree of agreement among the respondents about their readiness to recommend the service station to a friend or relative. This indicates their high level of satisfaction about the various aspects of the service station. 52.2 percent
& 38.9 percent of the total indicated that they would ‘Probably Recommend’ &
‘Definitely Recommend’ the service station to their friends and relatives, of
which majority of car owners were in the Rs. 400000 – 600000 & Rs. 600000 -
900000 price range. However a small number of respondents expressed their
dissatisfaction with the service station.

5.51 Post purchase reaction about Car indicates that maximum number of 287 (54.7%)
respondents were ‘Satisfied’, 206 (39.2%) respondents were ‘Highly Satisfied’,
31 (5.9%) respondents were ‘Neutral’. Maximum number of 104 (59.4%)
respondents who were ‘Highly Satisfied’ was from the high priced car category
of Rs.600000 – 900000.

Post purchase reaction about After Sales Service reveals that maximum
number of 286 (54.5%) respondents was ‘Satisfied’. Less number of 62
(11.8%) respondents were ‘Highly Satisfied’. A substantial number of 147 (28%)
respondents were ‘Neutral’ in their reactions and 30 (5.7%) respondents
expressed their dissatisfaction about the after sales service.

Post purchase reaction of Availability of Spare parts shows that
maximum number of 320 (61%) respondents was ‘Satisfied’ about the availability
of spare parts, out of which majority of 113 (64.6%) belonged to low car price
range of Rs. 200000 – 400000. 87 (16.6%) respondents were ‘Highly Satisfied’.
A substantial number of 105 (20%) respondents were neutral in their opinion. A
small number of 13 (2.5%) respondents were dissatisfied with the availability of
spare parts. Overall it is clear from the responses that most of the car owners are
satisfied or highly satisfied with regards to their car. But after sales service and
availability of spare parts there are substantial number of consumers who are
neutral and dissatisfied.

5.52 Post purchase reaction about Car, After Sales Service & Availability of Spare
Parts indicates that maximum number of respondents were ‘Satisfied’.
Substantial number of respondents expressed that they were ‘Highly Satisfied’.
There were some who were ‘Neutral’ in their opinion. Maximum number of 104
(59.4%) respondents who were ‘Highly Satisfied’ about their car was from the high priced car category of Rs.600000 – 900000. Less number of 62 (11.8%) respondents were ‘Highly Satisfied’ with regards to After sales service. 87 (16.6%) respondents were ‘Highly Satisfied’.

5.53 Successful marketing mix results in positive word of mouth. A satisfied customer does not hesitate to recommend the product to his close group of prospective buyers. Responses indicate that large majority of 378 (72%) respondents have recommended their car to neighbours / relatives / friends, especially in the high priced category. However a substantial numbers of 147 (28%) respondents did not wish to recommended the car to the neighbors / relatives / friends. The responses indicate general satisfaction about the car purchased by the respondents.

Various factors were given importance by respondents in recommending their car. Out of 358 respondents, maximum of 319 respondents recommended their cars on the basis of its ‘Value for money’. 187 (49.4%) respondents recommend their cars on the basis of ‘Mileage’ of their car, of which majority of 108 respondents owned cars in the price range of Rs. 200000 – 400000. 258 (68.5%) respondents recommended their car on the basis of ‘Performance’, of which majority of 117 owned cars in the price range of Rs. 600000 - 900000. 266 (70.3) respondents recommend their cars on the basis of ‘Safety Features’ of their car, of which majority of 124 respondents owned cars in the price range of Rs. 600000 - 900000. 189 (50%) respondents recommended their cars on the basis of ‘Durability and Dependability’, of which majority of 78 respondents belonged to the car price range of Rs. 600000 -900000. 231 (61.1%) respondents recommended their cars on the basis of ‘Appearance & Styling’, of which majority of 91 respondents belonged to the car price range of Rs. 600000 -900000. 247 (65.3%) respondents recommended their cars on the basis of ‘Space and Comfort’, of which majority of 112 respondents belonged to the car price range of Rs. 600000 -900000. 319 (84.3%) respondents recommended their cars on the basis of ‘Value for Money’. Respondents from all price categories felt that they are getting the value for the money that they have spent in purchasing their car.
SUGGESTIONS:

1. The study reveals that a plethora of factors have motivated the respondents. Need for transportation, personal convenience, social acceptance, comfort, demonstration effect & economic betterment are some of the strong motivating factors which made customers to purchase their particular cars. Motivating factors are not all the same for every customer. It varies according to demographic characteristics, socio – economic & cultural profile of the customers. It also depends on aspirations, standard of living, life style, attitudes, learning, perception etc. Knowledge of motivating factors should be of great advantage for the marketers as they help them in formulating strategies and deciding marketing mix. These factors provide strong signals to marketers as to why customers purchase and what do they require.

2. Large majority of consumers are aware of the various brands of cars available in the market in all the three price categories. Brand building exercise and communication strategy of marketers are effective to that extent.

The data about evoked set reveals that not all brands are on top of the mind of customer’s memory. Marketers of these weak brands need to engage in extensive brand building exercise. The brand name is precious, but fragile. Marketers need to identify core values, and reinforce the brand by associating those values with Indian market requirements. The automotive marketers need to be careful about promotional aspects to promote their brands. The brands which live up the customer expectation tends to retain customer loyalty and attract customers from competing brands that do not live up to the customer expectations. Car manufacturers and dealers should ascertain whether it is the functional utility of brand or its symbolic utility that which boosts his ‘social ego’ that is driving the consumer? How sustainable is price – led loyalty, Are sales boosted by frequent sales promotions and freebies? Can it prevent brand switching? What can companies do to understand customer expectations? The findings of such probing could be extremely important for marketing managers in
understanding their brand context and for charting out a broad tactical level brand plan for the coming years.

3. It is evident from the study that availability of loan finance provided by banks and NBFC’s is one of the major factors that makes car purchase possible for majority of customers. It may be noted that in spite of the availability of finance there were still many car purchasers who did not approach banks and NBFC’S, for various reason. Many of them felt that finance companies charge high rate of interest. Some of them were averse of tedious paper work and documentation and few are averse of liabilities of any kind. Finance companies need to work out strategies to tap these customers. Finance companies through there advertising strategies and selling techniques need to try to get rid of these mental blocks that some potential consumers are experiencing. A modern customer wants to “enjoy now and pay later”, unlike old customers. Finance companies need to understand this new customer philosophy and to plan accordingly so that they are able to derive maximum benefit.

Fast and hassle free service emerge as most important factors for consumers in Rs. 4-6 lakhs and Rs.6-9 lakhs price range, while choosing a finance company. Finance companies need to provide quality service in minimum time. This may be possible by launching transparent schemes, by training the staff to be proactive, approachable and friendly to customers, by reducing processing time, introducing easy documentation and starting branches in convenient locations. As less interest rate is not considered to be very significant factor by this category a higher interest rate can be charged to these consumers.

Low interest rates and absence of hidden charges emerge as the most important factors for consumers of Rs.2 - 4 lakhs price category, while choosing a finance company. Finance companies need to come out with very competitive interest rates without hidden charges to attract these customers.
Tailor made schemes can be launched to cater to the needs of individual customers in both categories. Pre-approved loans can be provided to employees working in reputed organizations after necessary credit appraisal. This reduces the time waste in processing and documentation.

As the data reveals that friends were the most prominent influential factor in availing finance from a particular company, finance companies should take special care in servicing every customer because he or she will be capable of driving their friends to the same company or to another one. Gift schemes can be introduced for referral schemes. Festival greetings and gifts can be sent to special customers and opinion leaders so that positive word of mouth spreads.

It is evident that dealer salesmen also exert influence on their customers to choose a particular finance company. Gift schemes or tour programmes can be sponsored by finance companies to motivate them.

Less number of people has availed 90% & 100% finance. These schemes can be promoted to high net worth individuals, salaried class, and business men with reputation. This will enhance sales volume and profitability of the company. Special advertisement campaigns can be released for this purpose. Customers should be encouraged to avail maximum loan.

4. There are good numbers of customers who purchase used or pre-owned cars for various reasons. Car manufacturers and car dealers need to work out special schemes and strategies to lure used car customers into their fold because they can be the most prospective new car customers in the immediate future. Manufacturers through dealers can aggressively sell used cars also to needy customers, to increase their customer base.

5. Very few customers have availed car exchange facilities when they purchased their 2nd or 3rd car. Exchange schemes are not very popular in the study area. Only 'Average' rating was given by majority of respondents who availed exchange scheme with different aspects of the scheme viz. Valuation of the old car, Price
discount offered, Promptness in the entire process of exchange & Fast Procedure. Marketers should popularize exchange schemes as it induces consumers to upgrade themselves and purchase new vehicles. Exchange schemes are in fact very helpful to consumers because he can sell his old car without much difficulty and the money that he realizes can be used for down payment, in case he avails loan finance, for his next new car. As consumers are not satisfied with the valuation of the old car, price discount offered, and promptness of the entire process of exchange marketers and dealers should formulate strategies to overcome this dissatisfaction among consumers.

Manufacturers should package their product offering in such a way that the consumer receives everything related to his car purchase from a single point, the dealer point. Manufacturers through their dealers need to provide facilities like exchange, finance, insurance, RTO documentations, after sales service, driving license procurement, conducting awareness about fuel conservation, driving tips etc. The idea of multi-manufacturer dealerships can also be considered by consortium of major car manufacturers. In this context the dealers of passenger cars need to follow appropriate customer retention policies. Customer retention programme should aim at maximizing the likelihood that the customer returns for the next purchase and minimize the changes of defection through communication, relationship management and constant updating of products and services to meet changing needs.

6. Majority of consumers drive themselves, irrespective of price category. Features such as power steering which would ease any fatigue associated with driving, front seat space, comfort and styling, and user friendly control panel, would tend to make the consumers more satisfied.

7. Majority of the respondents had at any time of their life have dreamt about purchasing a car, as many of them were fascinated by the cars owned by their neighbours, friends etc. This shows that the need to purchase a car existed with most of the car owners. Marketers shall take advantage of this customer
psychology and formulate strategies targeting everybody with the purchasing power as potential car customers. This approach will increase their market share and subsequent profitability.

8. Advertisements in mass media & electronic media, own knowledge and trial and friends and relatives were the three strong information sources for car purchasers. Own knowledge and trial was the most extensively used information source especially in low & mid priced cars. Mass media & electronic media advertisements were extensively used by high priced cars.

In terms of Importance and credibility of information sources in the post purchase period, responses reveals that Own Knowledge and Trial, Family Members & Friends and relatives with cars were the first, second and third ‘Most Important & Credible’ sources of information respectively. From this it is clear though customers used different information sources, they don’t consider these source credible or important. Marketers need to advertise authentic information which is not misleading or confusing. A well advertised product besides product trial like test-drive would help consumers arrive at better decision making. A pre-purchase test-trial would help consumers to acquaint with features of the car and will get a feel of the car. The advertising objective should be in consonance with the consumer insights. Message content and form are the two main pillars of advertising. Marketers should evolve advertising strategy in such a way that consumers could perceive product related messages. The challenge ultimately lies in combining the rigor and discipline of the search with the imagination and creativity that insights and advertising need.

9. Majority of respondents in price range of Rs.2 – 4 lakhs & Rs. 4 - 6 lakhs category undertook limited information search. Extensive information search was undertaken by Rs. 6 – 9 lakhs category consumers. As the car buying behavior is extensive problem solving approach, consumers tend, seek and validate required information. Marketers need to sharpen the information in such a way that the
required information reaches the prospective buyers fastest. Personal meeting and personal selling can be utilized.

10. Performance of the car, after sales services, dependability and reliability & safety & space were the most significant attributes of the car that matters for the buyer, for all price ranges. Marketers need to give importance to these vital factors because customer attraction, customer retention & customer satisfaction depends on these factors.

11. The study has revealed that the car buyers have been influenced by certain factors, prior to the actual purchase among which ‘Resale value’ is given priority by maximum number of respondents in all the three price range categories. This is significant for marketers to note because resale value is the outcome of performance, mileage, brand equity & cost of maintenance etc.

In individual price ranges the 3 most important factors were

Rs.2- 4 lakhs: (1) Mileage of the car (2) Price of the car (3) Cost of maintenance

Rs. 4 – 6 lakhs: (1) Brand (2) Safety features (3) Innovative features

Rs. 6 - 9 lakhs: (1) Safety (2) Problem free image (3) Comfort

Manufacturers need to fine tune their marketing mix strategies and the offerings to cater to different consumer segments and target markets. They need to focus on various aspects on the product and service as mentioned by the respondents. Manufactures should strive to enhance ‘fuel efficiency’ through technological upgradation and research and development in case of low priced cars.

12. Dealers are the most important customer contact during the process of product usage, maintenance and disposal, and can profoundly influence buying behavior of customers. Mechanics exerts influence on used car buyers. The survey in the study area has revealed that more than 50 percent of the respondent car owners consulted the car dealers before purchasing the same. Dealer/Mechanics plays a
role in influencing the consumers with regards to certain evaluative criteria and factors like affirming the quality of the car, brand choice, fuel type etc., especially in the pre-purchase stage of car purchase. Car manufacturers need to equip their dealers through training programs and factory visits, with product knowledge in aspects related to brand, price, technology, innovative features, durability, color quality, fuel type etc. Car manufacturers need to conduct training programs for major mechanics in the city as they influence consumers especially in the used category.

13. Responses reveals that influence of friends, spouse were substantial & that of family members and children were average in significant aspects like choice of manufacturer, brand, accessories, price, color etc. Several studies on family dynamics in decision making have proved the family influence in the buying behavior in the Indian context. This is significant when the family is considered as a unit where the needs of several members have to be met from the limited funds. It is important for the marketer to understand the interfamily dynamics and interpersonal relationship at play in the purchase of a consumer durable product like passenger car, in order to decide the optimal marketing mix. The family and friends as a reference group has one of the strongest and most immediate and pervasive effects on consumer’s personality, motivation and attitudes. Hence from the marketing point of view investigating the family as a consumption unit become crucial since attitudes towards saving and spending and even towards brands and products are often moulded by the family.

‘Peer groups’ and ‘peer preference’ have substantial influence in the purchase decision of the car buyers. Among the peer groups ‘friends’ have been rated as the most influencing peer group in the purchase of cars. Hence special schemes may be devised to tap this powerful source of influence. The sales force of passenger car makers can be entrusted with the task of identifying the ‘peer groups’ of potential consumers.
14. Marketers need to be aware about the decision makers in the family. Responses indicate that purchaser himself, spouse, children, other family members and relatives acted as decision makers in deciding about various specifications like manufacturers, brand, price, color, accessories etc. Joint decisions were also taken in all specification. The real target for the marketer is not an individual member but the family as a whole. Marketers need to direct their communication to the entire family to derive maximum benefit.

15. Customers indicated that the car paint quality was excellent in the beginning but deteriorated within 1-2 years. As appearance of car was a factor considered significant by many respondents, paint quality plays a major role in keeping the appearance of the car intact. The shine and luster keeps the car looking young and bright. Superior quality of paint makes the car look fresher like new, it enhances the personality of the car and creates superior product appeal for the car. Automotive manufacturers need to pay importance to paint quality and painting process. Superior paint quality would enhance visual appeal of the car.

16. The research findings indicate that the respondents were prone to demand price reductions / discounts, gifts, free insurance etc. Hence the car manufacturers / dealers should offer attractive incentives to the buyers. They should include price cuts, gifts, attractive insurance schemes, easy financing schemes, warranties and zero percent interest loans.

17. Study indicates that customers are willing to pay more for certain important factors like demonstrable superiority in performance, established leader in technology, better after sales service, reputation of manufacturer etc. especially in the high priced car category. They feel that the price is not exorbitant as compared to the offering. Marketers need to consider these factors while taking pricing decisions for their product.

18. High priced and mid priced cars customers took effort to reduce cognitive dissonance and majority of them approached their friends and discussed about their cars, apart from going through articles and advertisements, in the post
purchase period. Marketers need to consider this factor in their communication strategy so that it reduces consumer's cognitive dissonance. They feel reassured about their purchase decision.

19. The responses of new car owners regarding the importance of factors considered by them while choosing a car dealer indicate that (1) After Sales Service & (2) Reputation & Fair deal were 'Most Important' where as (1) Known Dealer (2) Facilites Offered (3) Post Delivery Follow Up & (4) Courteous Office Staff were 'Important' factors. Large number of respondents were 'Neutral' with regards to the factor Dealer Location. After sales service is a major criteria for customers across all price ranges while choosing a dealer. Dealerships are vital links between consumers & potential consumers for sales and post – sales services. Car requires periodic service throughout the useful life of the car. Dealer plays vital role in making the consumers satisfied, ensuring good experience at pre-purchase stage, purchase stage and post purchase stage. Utmost care need to be taken by manufacturers while dealer selection. Dealer employees need to be continuously trained on various sales and service aspects. Continuous training the dealer employees will result in their enhanced skills & customer oriented approach, which could ultimately enhance consumer satisfaction and the brand value. Manufacturers can also provide free consultancy service to dealers to improve their performance and efficiency.

20. Responses about post - purchase ownership experience reveals that small number of consumers have expressed their dissatisfaction with some key attributes of the product and service. Post - purchase satisfaction among the car purchasers has significant impact on the marketing of the passenger cars. The buyers’ satisfaction is a function of the closeness between the buyers’ product & service expectations and the product’s & services perceived performance. If the product’s performance falls short of consumer expectations the customer is disappointed, if it meets expectations the customer is satisfied; if it exceeds expectations the customer is delighted. If the consumer is not satisfied by service levels and brand promises they could turn hostile and as they may feel cheated.
This is the last thing that marketers would wish. Marketers should take steps to minimize the amount of consumer post-purchase dissatisfaction. It is imperative to assure consumer satisfaction for an organization that values its consumers and are futuristic. The seller must make product claims that faithfully represent the product’s likely performance so that buyers experience satisfaction. Customers tend to compare the satisfaction from vehicle on parameters which are significant at purchase decision-making stage Vs post-purchase satisfaction. Dissatisfaction between the expectations aroused and actual performance hold the key to brand loyalty. In order to live up to the expectations aroused, the brand communication message must support the actual performance instead of large claims. Satisfaction derived from after-sales service consequently ensures customer satisfaction. Being a critical link between the customer and car manufacturing company, and considering the continuous requirement of dealer services, the dealer network must be efficient & customer oriented in terms of providing services at economical rates to retain and enhance customer satisfaction. Marketers need to maintain excellent service standards and facilities and constantly update themselves with global standards to deliver world class service.