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1.0 INTRODUCTION

Marketing is a comprehensive concept, covering all facets of business activities, which direct the flow of goods and services from the producer or manufacturer to the customer or to the ultimate user. The American Marketing Association defines Marketing as,

"The performance of business activities that direct the flow of goods and services from producer to consumer or user"

Marketing has even been described as “Customer satisfaction engineering” to Peter F Drucker opines

"Marketing is the only distinguishing and unique function of business”.

"If we want to know what a business is we have to start with its purpose. And its purpose must lie outside the business itself. In fact, it must lie in society since a business enterprise is an organ of the society. There is only one valid definition of business purpose that is to create a customer”.

He continues, “Marketing is a process which converts a resource, distinct knowledge into a contribution of economic value in the market place. The purpose of business is to create a Customer”.

All the firms have started considering ‘customer’ as the ‘king’ or ‘queen’. Interestingly, after the liberalization of India’s economy, the market place is flooded with many new players including the host of MNCs, resulting in the availability of more number of brands in every segment of the market. On account of this, the customer has started being choicy about what to buy. Thus all firms are becoming not only customer focused but are also trying to build relationship with them. This is done by continuously updating knowledge, information and understanding of the customer needs and expectations, which is the study of consumer behaviour. Such a study will help to gauge into the consumer’s mind and understand the various consumption related aspects of consumers. And will also help to learn about various internal and external influences, which impel the consumer to behave as they do.
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4.1 NATURE OF THE STUDY

Consumer behaviour is influenced by the individuals, socio cultural factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely age, sex, marital status, education, occupation, income and psychological factors namely the motivation, perception, learning, personality, attitude, lifestyles. These factors highly influence the individuals in arriving at making decisions regarding the products and services.

Industrial, and Technological revolutions undoubtedly offered innumerable and highly flexible alternatives of production, and transportation of goods and services, simply manufacturers now had the ability to reach the customer with their products and services. IT revolutions paved new ways to reach the customers with a personal touch, offering further new alternatives, that were cheaper, effective, and flexible, all this no doubt increased the strength, reach and coverage of all manufacturers, thus increasing competition to covet Customers, thus surfaced competitive practices whose objective is 'Customer Conservation'. Present study's nature is that of evaluating the factors or concepts that are invented for the sole purpose of customer retention, with a sole purpose of sustaining competition.

4.2 SIGNIFICANCE OF THE STUDY

Stupendous growth in consumer needs, associated with ever growing product brands by innumerable manufacturers, have led to a stiff competition to derive customer loyalty. Thus, various promotions with an eye on conservation of customers have surfaced, of course with little or moderate validation for the huge revenues that are spent recurrently. Effectiveness of the marketing programmes that are identified to handle customer identification, generation, acknowledgement, enrollment, and conservation are innumerable and the effectiveness of these to academics, industry, and society is of major significance. Academics should finally cater to the betterment of the society, it should also respond to the developments, and requirements of the industry to fulfill the needs of the industry, academics and society as well. The present research concerns with all the above and thus has a higher level of relevance and significance.

4.3 REVIEW OF LITERATURE

A much battered automobile industry enjoyed a significant rebound from 2010 through 2012 a sharp and welcome contrast to its state during 2008 and 2009. In the U.S. and around the
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world, the recession that started near the end of 2007 had a profound impact on the automobile industry.

America’s car and light truck market dropped dramatically in 2008, to approximately 13.2 million units sold for the year, down by about 2.9 million from the number of units sold in 2007. In 2009, the market was much worse, with sales for the year totaling 10.4 million units. About 690,000 of those sales were made with the stimulus of a “cash for clunkers” program paid for with federal dollars. This was easily the worst year in decades for the car business, with two giant manufacturers filing for bankruptcy, GM and Chrysler, while a large number of dealerships, suppliers, parts manufacturers and other auto-related businesses also failed. By 2011, Chrysler was largely owned by Italian car maker Fiat, thanks to agreements and financing that had enabled Chrysler to exit bankruptcy. GM was largely owned by the U.S. federal government.

Estimates of the global automobile market vary substantially from one source to another. The Worldwatch Institute estimated total car and light truck production worldwide at 74.4 million in 2010, 76.8 million in 2011 and as much as 80 million in 2012. Analysts at Wards estimated that 6.56 million vehicles were sold in July 2012 alone.

Analysts at Scotiabank issue a conservative estimate of total car and light truck sales each year. For 2012, Scotiabank forecast 62.4 million total units sold, compared to 58.9 million for the previous year. It estimated Asia to be the largest market by far, followed by North America.

According to Plunkett Research estimates, U.S. car and light truck sales will total from 14.4 to 14.9 million units for 2012 provided the economy does not slow significantly during the final quarter of the year. This would represent good growth from 13 million units during 2011 and 11.55 million units during 2010. The biggest upward trend in auto sales has been in China. While estimates of its annual unit sales vary widely, China has clearly become the world’s largest car market, and it appeared to be on track to sell 20 million units in 2012. The China Association of Automobile Manufacturers states that its members manufactured 18 million units during 2010, some of which were for export. Meanwhile, China’s government has a great deal of control over the market, as it may increase sales by encouraging new auto loans, or decrease sales by adding new registration fees or restricting traffic in major cities in order to reduce congestion and pollution. One of the biggest winners by far in today’s highly competitive automobile market has been Korea, where Hyundai, along with its brand Kia, have enjoyed soar-
ing global sales. Consumers are attracted to their reasonable prices, excellent warranties and
world class manufacturing quality. Korean car makers are competing aggressively against the
world’s largest firms. Hyundai’s sales soared to 6.60 million units worldwide during 2011, up
from 5.74 million units in 2010. This puts it above auto giants such as Ford and Honda.

For the first half of 2012, Toyota regained the global vehicle sales lead over GM. Volkswagen
appeared close to surging ahead of GM as well, which would push GM to third place. Toyota
said it expected to sell a record 9.58 million vehicles in 2012 now that its 2011 tsunami-
induced problems are behind it and it has rebounded from large recalls. Volkswagen has a goal
of boosting its total global sales to 10 million units by 2018. There are approximately 240
million vehicles in operation in the United States. Around the world, there were about 1 billion
cars and light trucks on the road in 2012.

All major car makers are aggressively pushing their smaller, high efficiency vehicles due to both
high gasoline prices and government mandates that auto manufacturers meet high average miles
per gallon rules. At the same time, engineers are pushing technological changes in their larger
cars and light trucks in order to enhance their fuel efficiency. GM is betting heavily on its Chevrolet
Cruze, a small sedan capable of 36 mpg on the highway and stuffed with convenience features
that consumers appreciate. Ford’s revamped Fusion earned rave reviews, and it comes in
either a hybrid model or a standard engine version that gets 31 mpg on the highway. Chrysler
will be relying heavily on its relationship with Fiat for new, fuel efficient models. Honda,
Volkswagen, Toyota, Hyundai, Nissan and Peugeot all have invested in new, advanced small
cars. Luxury brands like Mercedes and Audi each have relatively small cars on the market and
will steadily introduce a wide range of fuel efficient designs. BMW will introduce its iSeries high
efficiency cars in 2014, including a three-cylinder engine that will power a new hybrid.

One result of high gasoline costs and frugal consumers has been strong demand for Toyota’s
Prius gasoline-electric hybrid car. The company has made investments that enable it to manu-
facture hybrid versions of many of its popular models, including the Camry and several ver-
sions of the Lexus. Hybrids are now available from a wide variety of makers, and technology
has steadily improved. Nonetheless, hybrids remain a very small fraction of the overall car and
truck market due to their relatively high initial costs.

One of the most disappointing trends has been the introduction of plug-in hybrids (PHEVs)
and electric vehicles such as GM’s Volt, which debuted in very low production volume as a
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2011 model. This car includes a gasoline-powered engine capable of charging its batteries for those occasions when it is not convenient to plug in and, that provides a boost to acceleration when needed. Nissan offers competition in the electric vehicle sector with the 2011 launch of its all-electric model called Leaf, initially in very low volume. However, the high prices and limited range of batteries will cause many consumers to stay away from electric cars. This market is likely to begin rapid growth when advanced batteries become available at lower cost, which may take until 2020 or so. Many of the world’s top research organizations are working steadily on this challenge.

Both consumers and emissions regulators are taking a renewed interest in advanced automobile technologies. Clean diesel engines, like those offered in new cars from BMW, Volkswagen and Mercedes-Benz, offer exceptional performance and fuel economy while providing quiet, vibration-free running similar to that found in gasoline-powered cars. Clean diesel offers a particularly attractive alternative to hybrid technology for those who seek fuel efficiency, and it is already widely used in passenger vehicles in Europe. Meanwhile, the use of ethanol as a gasoline additive in America has grown rapidly, whether or not it makes any environmental or economic sense, thanks to requirements enacted by Congress. Consumers are keenly interested in quality and serviceability in the cars that they acquire. A stumble in this regard can have devastating consequences for a car maker, as seen in Toyota’s 2009-10 quality problems that led to slow sales, massive recalls and a humble apology from the firm’s leader.

The rising affluence of consumers in China is creating both huge opportunities and major problems. China has become the world’s largest user of energy overall and one of the world’s largest importers of petroleum products, largely to fuel its burgeoning fleet of cars and trucks. Streets and highways are clogged with cars, to the extent that traffic and smog are nightmarish. Automakers from abroad have raced to establish plants and partnerships in China, with the aim of producing cars both for domestic use and for export. Today, strong markets have emerged there for everything from inexpensive sedans and vans to Cadillacs and German luxury cars.

India has also seen significant growth in its automotive sector. During 2009, local industrial giant Tata launched a no-frills car called Nano at a price equal to less than $2,500 U.S dollars. While initial customer deposits for future delivery of this innovative car made the Nano appear to be a great success, sales have not been up to expectations. Nonetheless, a major effect of the Nano has been a rush by many of the world’s largest car firms to design very
inexpensive family sedans for India and similar emerging markets.

Not to be overlooked are the vast changes taking place in automobile manufacturing plants. Flexible factories have reduced man-hours and cut costs per car, while offering a much wider range of choices for customization by consumers. Today, more than ever, car manufacturers and their suppliers are cooperating in the design and manufacture of new cars in ways that are revolutionizing the entire process. Bankruptcies at GM and Chrysler in 2009 enabled these firms to shed debt and dramatically reduce operating costs.

Inexpensive cars manufactured in China are now on the market in many emerging nations. The question is not whether China will export cars and trucks, but whether consumers in advanced markets such as America will be convinced that they offer safety and reliability. Meanwhile, U.S. automakers have made intense demands on their component suppliers for lower prices—these suppliers are, in turn, looking to low-cost production in China and other emerging nations.

European manufacturers are facing challenges of their own. High costs, tough labor laws and daunting government regulations are constant challenges to manufacturers there. Nonetheless, firms like Volkswagen and Daimler/Mercedes-Benz have found great success in the global market, often locating plants in nations where their products sell well. Volkswagen has its eye on becoming the world’s largest car firm. Meanwhile, as of 2012, difficult economic conditions in Europe were leading to slow domestic sales, and manufacturers were struggling to reduce both costs and manufacturing capacity.

The thought of the next billion automobile owners is either the most intriguing or the most terrifying vision for the near future, depending on how you look at it. Despite the recent woes of the automobile industry, future global demand for cars will far outstrip former peaks, creating immense business opportunities. While incomes are rising in the developing world, the price of entry-level automobiles is dropping. Car makers are rushing to introduce their own low-cost options for buyers in China, India and elsewhere.

**World Economic Outlook** In its report World Economic Outlook April 2008, the International Monetary Fund shows how, under one method of analysis, the number of cars in emerging and developing economies could increase by 1.9 billion from 2005 to 2050, bringing the world’s total to nearly 3 billion automobiles. Will this actually occur? The personal income needed to acquire the cars will be there, but many other questions loom: Will that many con-
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Consumers find automobile ownership to be desirable? Will public transportation, car sharing systems, commuter trains and other alternatives to individual car ownership reduce demand for personal automobiles? Will fuel, whether gasoline, hydrogen or electricity, be affordable and readily available? Will roads, parking and other traffic infrastructure be adequate to support car ownership on this scale? The same massive inconveniences and costs of individual car ownership that face residents of extremely dense cities such as Tokyo and Manhattan today may dampen desire. Car sharing plans may boom. On the other hand, new traffic and safety technologies may smooth traffic flow, while highly efficient electric cars topped off by safer nuclear generation plants and concentrated solar plants may turn fuel consumption and pollution into modest problems. In any event, it is reasonable to assume that the world’s economies will advance to the point that 3 billion people will desire and be able to pay for access to advanced transportation, whether or not that takes the form of individual automobile ownership on such a massive scale.

Studies on consumer behaviour particularly are limited. Some of the important studies are briefly reviewed in the following pages.

Neelamegham (1969) conducted a study on, ‘Consumer Behaviour in Relation to Marketing of Man-made Fibre Fabrics in India’, the study was conducted by drawing a sample of 1,170 households in Delhi. It was found that consumer’s preferences for man-made fibre-fabrics were significantly influenced by several socio-economic factors including, age, income and occupational characteristics. Among the different occupational groups, man-made fibre-fabrics were found to be most popular with business executives, and professional men and individual proprietors, while they were least popular with factory workers. The percentage of workingwomen who owned garments made by man-made fibre-fabrics was larger than that of house-wives. It is also found that purchasing of clothes was a joint activity of both husband and wife, though husband played a dominant advisory role.

In a study conducted by Sengupta (1976) the housewives interviewed and asked to indicate their preference for a low cost washing powder for more general use. More than 80 per cent of the respondents, mostly from middle and lower income group, said they would use a washing powder for blends and pure synthetics. This was not unexpected. The more revealing finding was that though only 24 per cent were currently using powders for their ‘special cottons’ (or ‘select wash’ in the language of model), two-third would have liked to use powders. Even more interesting was the fact that none was using. Powders at the time (1972) for the bulk wash, but 40 per cent would have preferred to do so.
Rajeev Kaurshal,12 Raghubanshi and Sinha (1976) conducted a study on “Purchasing Behaviour Pattern of the Consumers and Their Brand Preferences for Washing Soaps / Detergents : a Case Study of Simla City”. The main objective of the study is to examine how the educational level is responsible in the formation of brand loyalty. The study was conducted by drawing a sample of 150 users of washing soap in Simla City. The main conclusion of the study is that brand loyalty is significantly influenced by the educational level of the users of washing soaps.

Mehta and Gupta13 (1976) conducted a study entitled, “Changing Consumption Pattern in Rajasthan analyse the consumption pattern in rural Rajasthan utilizing the NSS data for 24th round covering the period 1969-70. By using Lorenz and concentration curves, it was revealed that there are large inequalities in consumption of not only non-food items but also food items. Vijayasarathy14 (1980) studied the consumer’s attitude toward ghee and butter manufactured by a state government owned dairy in Bangalore. It was seen that there was a high level of awareness for its butter in the target market when compared to the other competitive brands in the market.

Singh, J.D.15 (1981) conducted a survey on, “A Study of Brand Loyalty in India”, the primary objective of the study is to examine the state of art regarding brand loyalty among consumers in India. The study was conducted with a sample of 102 educated family belonging to middle and upper income groups living in Delhi. It was concluded that Indian consumers have been found becoming more and more brand loyal. Depending upon the nature of the product, viz., basic necessities or luxuries, they have single or multiple brand loyalty. The various factors that influence brand loyalty are reported to be ‘quality of the product’, ‘habit of use’ and ‘ready and regular availability’ of the product.

Subrahmanyam and others (1982)16 conducted a study entitled, “Marketing of Consumer Goods” in Visakhapatnam. It was found that large number of respondents in Visakhapatnam city generally purchased the consumer products including groceries from private retail shop, followed by super bazar and consumer co-operative stores. People prefer to buy from a single store. It was also found that the housewife played a vital role in taking purchase decisions for groceries. The survey also showed that shopping for groceries is an activity of housewife alone.
Ramakrishna Rao, Rama Raju, and Ram Prasad (1987) conducted a survey on “Husband-wife Involvement in Buying Decision-Making”. One of the major findings of the study is, husband who are young, highly educated and belongs to high income group are relatively less dominated than their older, less educated and low-income group counterparts.

Pranesh Misra (1987) conducted a survey on ownership level of consumer durables in three metropolises – Bombay, Delhi and Madras by taking a sample of 7,500 households in 1985. The survey was conducted to make a comparative analysis of the findings with the findings of an earlier study conducted by drawing a sample of 1,20,000 households in 64 towns. The main conclusion of the survey was the standard of living as judge by the level of ownership of durables has been improved between 1978 and 1985 in three metros, viz., Bombay, Delhi and Madras.

A study was conducted by doctoral students of IIM Ahmedabad (Anirban Ghosh, Avinandan Mukherji and V.V.P.Badrinath) to identify the emerging need of typical Indian consumers in three product categories of a) Automobiles b) Televisions and c) Credit cards. It was observed in the above study that in terms of occupation and education and income the credit card penetration level was found to be the highest among post-graduates, professional and individual drawing income more than Rs.2 lakhs per annum. In case of the television market it was observed that television owners were mainly graduates and postgraduates, though among diploma holders there was the highest proportion of people intending to purchasing a television. This is an indication to the industry to tap this new emerging market segment. The study indicates the behaviour patterns of a particular social class.

Dasaradharami Reddy. B and Venkateswarlu (1997) conducted a study on “Marketing of T.V. sets- A Study of external and internal influences on consumer Behaviour” to (a) find out the external and internal influences on the consumer behaviours relating to the purchase of TV sets (b) to determine the sales persons influence while purchasing selected TV sets by the households and (c) to assess the impact of advertisement on the purchase of TV sets. The primary data was collected with the help of prestructured questionnaire. A sample of 300 randomly selected consumers were from Prakasam district of Andhra Pradesh. The findings of the study are (1) 82 out of 300 sample households the family members acted as initiators and influencers (2) most of the cases the head and his wife acted as decision makers and buyers of TV sets. (3) the intensity of the use of T.V is more in case of old persons and the women. The influence of wealth, income and savings is negligible in the purchase of TV sets. The popular...
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Advertisement media for TV sets are newspapers, pamphlets, showroom display, radio, magazines, wall posters, films and TVs.

Janardhan Rajini (1997) in his study on “Store avoidance behavior – An Exploratory study” is to explore the concept of store avoidance behavior related to apparel purchases. Three factors – consumer characteristics, situational characteristics and retail characteristics / store attributes were postulated to influence store avoidance behavior. The results indicated that situational influences were likely to affect the avoidance of stores. Consumers avoided stores under different physical and social context. Location, presence of friends and family and the number of fellow shopper in the stores affected the avoidance of stores. Consumers avoidance of stores was influenced by time pressured situations. It was also influenced by peak holiday, gift giving and weekend periods. The influence of retail attributes on avoidance behavior were significant. The reasons for avoidance were multiple, consistent and unchanging. Consumers appeared to be influenced by not one significant attribute but rather a multiplicity of attributes. The shoppers avoided stores if they consistently encountered the same problem in the same stores. The reasons for avoiding stores remained stable and unchanging overtime.

Sayulu. K and Ramana Reddy. V.V (1998) in their study on “Socio-Economic influences of Rural Consumer Behaviour – An Empirical study” made an attempt to analyse the socioeconomic influences of rural consumers behaviour terms of their shopping habits and shopping practices. They tried to (1) Study the frequency of buying selected consumer goods by rural consumers (2) to probe into the mode of purchase in the process of buying selected consumer goods (3) to find out the degree of bargaining in the buying process (4) to enquire the role of family members in buying different consumer products (5) to measure the relative importance of factors considered by rural consumers while purchasing consumer goods. The study was based on the primary data collected from the consumers with the help of comprehensive questionnaire in Warangal Dist., of Telangana region in Andhra Pradesh. 50 villages for each of the 50 mandals were selected for the study. The major findings of the study are (1) the frequency of purchase of different commodities by rural consumers was highly influenced by the type and nature of products. (2) With regard to mode of purchase, cash purchases were highest in case of goods like electronics(90%), medicines(86%). Credit purchases were higher in case of goods like cloths(40%), groceries(39%) and lowest for footwear(7%). The data reveals that barter as a medium of transaction still exists in rural areas. (3) about 42% of sample rural consumers “Usually” bargain in the process of purchase, while 28% “sometime”
and 11% who never bargain. The proportion of respondents who usually bargain was more in case of lower and middle income categories with 54% and 45% respectively, while it was only 7% in case of high income group. The involvement of different family members for certain items like groceries, toiletries, cosmetics, utensils, vegetables etc., wife dominated in purchasing process, while for items like tobacco, footwear, medicines the husband dominates. In case of expensive items like cloths, electronic goods both husband and wife are involved. “Price” was the most important factor followed by “easy availability”, “quality” and “advertising” for rural consumers while purchasing consumer goods.

Knight, Susan J (1999) in his study titled “Characterizing the habitual dimension of consumer behavior. The formation and persistence of habitual behavior patterns” provided a deep understanding of habitual consumption patterns, including the role of products and social norms in their formation and persistence. It was concluded that products serve as vehicles of recognition, practically and unconscious meaning in habitual behavior patterns. Brands, product design, and other product attributes become embedded in habitual schemes and serve as cues for automatic behaviors. Brand loyalty was found to be a special case of habitual consumption. Products serve different roles in habitual, ritual and addictive behaviors. Social norms influence the formation and persistence of habitual consumption patterns through key roles in repetitive utility.

Kamalaveni. D & Nirmala. M (2000) conducted a study on “Consumer Behaviour in Instant food Products” to analyse the customers buying pattern, to identify the personal factors influencing the per-capita expenditure on IFPs and to determine the level of consumer awareness of IFPs. The study was conducted at Erode town, the Head quarters of Erode district, Tamil Nadu and the data was collected through primary sources by a structured interview schedule with sample size of one hundred. The main findings of the study are (i) the percapita expenditure of 76% of the respondents is Rs. 75/- or less per month. And this is very low. (ii) only upto 3 varieties of main food items and side dishes are regularly purchased by 94% and 95% of the respondents respectively, (iii) juice concentrates are regularly bought by 29% of the respondents while 39% buy occasionally and 32% never, (iv) none of the respondents use instant tea, 59% use instant coffee regularly 12% occasionally and 29% never, (v) there is a complete agreement between ranking given by housewives and working women regarding the reasons prompting them to buy IFPs. (vi) the age and occupation significantly influence the percapita expenditure on IFPs per month. (vii) education, family size, anual income, decision
makes for purchase, habit of buying newly launched products and the ability to recall advertisements on IFPs do not influence the percapita expenditure on IFPs. (viii) the level of consumer awareness of 74% of the respondents is good and for the rest 26% fair.

Sanjay K Jain & Kavita Sharma (2000) in their study on “Product related antecedents of consumer involvement- An empirical investigation” found that differences in consumer involvement with the products have been stated to be dependant on various product and brand related factors namely consumer’s risk perceptions, products hedonic value, product familiarity, brand awareness, dissimilarity and difficulty of choice termed as antecedents of involvement. They investigated the relationship between product related antecedent conditions and consumer involvement for three products. It is found that consumer involvement differed across different types of products. Infrequently purchased durable products were more involving than frequently purchased non-involving products.

Hugar. L.B. Balappa Shivaraya and Yerriswamy. J (2001) in their study on ‘Dynamics of consumer behaviour in Vegetable marketing’ made an attempt (i) to identity the economic factors and assess their influence on purchase pattern of consumer (ii) to examine / assess the personal attributes of consumer affecting the purchase of vegetables and (iii) to study the impact of services provided by the different marketing agencies on purchase behaviour of consumer. The study was carried out in Dharwad city of Karnataka State. The sample consisting of 90 respondents were selected based on random sampling technique. The data was collected by personal interview. Method with the help of well structured questionnaire. The main findings of the study are (i) the level as well nature of income (stable is varying) had significant influence on purchase pattern of vegetables related to the quality. (2) there was a positive relationship between educational level of consumer and the extent of quantity and number of times of vegetables purchased in a week. (3) the female consumers had better purchase behaviour, compared to male consumers. (4) the purchase of vegetables in the evening times were mostly preferred by the majority of consumers particularly in the case of highly educated consumers (5) the dynamics of consumer behavior indicated that the extent of vegetables purchased changes with the changes in the prevailing market price, more so, in low income group of consumer (6) the producer-sellers were generally preferred and the choice of the shop was based on the price, quality and weightment of the produce.

Sarwade W.K. (2002) conducted a study on “Emerging dimensions of Buyers behavior in rural area” made an attempt to study consumer behavior aspects such as place of buying,
frequency of purchases, brand deciding in the family, buying motives, shopping behavior of consumers and durability of goods, selection of brand, quality and purchasing influences the buyers in selected products in rural areas. The study is limited to a couple of villages namely Adul, Paithan and sangvi of Marathwada region. The data was collected through personal interviews from 70 rural families on random sampling basis. It was observed from the study that the role of husband in family purchasing decisions in various items was comparatively less than that of house wife. The family purchases for convenience goods in rural market was mostly did once a week and it is daily for daily consumption goods such as edible oil, sugar, tea, etc., most of the consumers from rural area developed brand familiarity with brand names such as Lipton, International Lux, Keokarpin which are heavily known in urban areas. It has been noted that “income” is the variable which determine the purchasing pattern. As most of the consumers from higher income group generally purchase products which are highly popular in urban areas. Most of the rural consumers are not aware of producer of the product. Marketing and trading of luxurious durable products such as washing machines, water heater, bathroom fittings and fixtures, air conditioning, sofa sets, camera and other products have not yet strategically established in the rural markets. The buying behavior in general and buying decision in particular in rural areas is influenced by the factors like price, availability of products.

Prabhakar Sharma and Joglekar P.V.N (2002)\(^7\) in their study on “Marketing of Milk - an opinion survey of consumer perceptions at Rajahmundry, A.P “ tried to (1) study the attitudes of the consumers towards the dairy milk (2) to identify the factors influencing the demand for milk from the dairy and (3) to analyse the reasons for household choice for milk from the private vendors. The primary data was collected from 400 households though a questionnaire during March 1999 to March 2000. The major findings were (1) A majority of 49% of the families purchase milk from private vendors. (2) About 75% of the families felt that the location of the milk booths is either close to residence or located within reasonable distance (3) Home delivery of milk by the private vendors strongly influence the household choice of buying milk from the private vendors.(4) More than 59% of the families felt that the milk supplied by the dairy is of medium quality. About 32% of the families consider that the milk supplied by the dairy is of low quality and less than 9% felt the milk is of high quality.(5) More than 68% of the families purchasing milk from dairy indicated that the price of dairy milk is relatively higher than the price charged by the private vendors.(6) Out of the important considerations for the household choice of buying milk from private vendors is the facility of home delivery which strongly influences the household choice of purchasing milk. It ensures saving of time, energy and assured supply.
Sanjaya S Gaur & K. Abdul Waheed (2002) conducted a study on "Buying behavior of branded fine Rice" to understand the factors for brand preference and satisfaction in the purchase of branded fine rice. A sample of 200 households from Chennai city and 200 household from Coimbatore city were selected for the study by simple random sampling method with replacement. The data was collected by personal interview through a schedule.

Jacqui Daly; Stuart Gronow; Dave Jenkins; Frances Plimmer,(2003) in their study on “Consumer behaviour in the valuation of residential property: A comparative study in the UK, Ireland and Australia. This paper reports the results of empirical investigations that examine behavioural aspects of residential property valuations. Rajesh Kumar,(2007) has conducted a study entitled “Consumer behaviour with reference to selected durables in Kurnool District of Andhra Pradesh”. This study reveals the purchase potential and consumer decision making with regard to durables. Chakravarthy N.S., (2008) has conducted a study entitled “Consumer behaviour with reference to two wheelers in Kurnool District of Andhra Pradesh”. This study reveals the expectations and satisfaction levels of customers towards durables.

The following are some of the studies and their relevance to the researcher’s area of research.

Sagar, Ambuj and Chandra (2004) discuss in their approach paper, as to how the Indian car industry has advanced technologically, driven by a confluence of factors such as intense competition, demanding consumer preferences, government policies (especially tightening emission standards), and the global strategies of the various players. They elaborate that cars manufactured in India are based on designs, incorporating advanced technologies, that are often comparable with those available globally and Indian car exports are also growing.

Mukherjee and Sastry (1996) discuss that penetration of passenger cars in rural and semi-urban areas is extremely low and could provide fresh markets. They opinion that new entrants will have to deal with uncertainty of demand, different and evolving customer needs, a relatively poor supplier base, a market crowded with competition and industry wide capacity shortages. They see the prospect of India emerging as a significant manufacturing base for exports. They conclude that in the highly price sensitive market, reduction of prices because of lower duties and taxes and progressive indigenization, and rising middle class incomes are likely to further increase industry growth rates. There have been a few studies in Rayalaseema Region the consumer behavioral aspects of passenger cars. In a study conducted by the newspaper (Malayalam Manorama, 2008) reveals that people will normally like and go for cars with low
cost on the one end, whereas another set of high income group of people prefer the costly cars.

Pillai (2009) reported that the car sales are getting into a steady stage, in the month of December 2008. In spite of the general slump in automobile market, the used car segment has not taken much of a beating. Many of the dealers reported steady sales in December 2008, contrary to the negative sales in the previous few months. This is attributed to the package announced by the Government of India for the automobile industry in terms of reduction in the excise duty of cars, and attractive packages announced by the car manufacturers. As per Kotwal (2009), face off buyers now prefer to have cars with the space, comfort and luxury of a mid size saloon or sedan. With the growing affluence and technological advancement, there develops a certain maturity in taste, as evidenced by the growing popularity of the Indian Hatchback market. The "third box" or the boot space does not seem to have the same importance, which it once had. Many customers buy cars with the space and comfort, less the boot, as it is easy to negotiate in our ever-increasing congested cities. That is where the premium hatchback commands a respect in its segment. Though they are costing more money, customers buy them for their practicality and comfort they offer, without sacrificing the feel-good factor.

Kumar (2009) in Business Manorama? and "Auto Focus" reported identically in The Hindu (2009) that the passenger car market is coming out of the economic slow-down phenomenon being witnessed all over the World.

Jeevan Kumar further reported that manufacturers have adopted a strategy to introduce new and modified edition of the existing models in the market in the coming months, to smarten the market, which gives a positive signal to the car industry in general. Due to various measures implemented by the Reserve Bank of India to support the economy and boost up the demand, Indian banks have reduced the interest rate for car loans, which gives a hope for the industry. While the new generation banks in the private sector concentrate their car financing activities in the cities, Public Sector Banks are turning the heat on, in the small and medium towns and rural area, where they have more coverage and influence, as reported by Ajit (2009). J.D. Power and Associates recently released the 2006 "Top Loyalty Ratings" for the Automotive Industry.

This list reflects the top ten automotive manufacturers that are doing the best job at retaining customers. Please note that of the top ten car models listed, only three are American made,
Top Loyalty Ratings

<table>
<thead>
<tr>
<th></th>
<th>Loyalty</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Toyota</td>
<td>63.9%</td>
</tr>
<tr>
<td>2.</td>
<td>Lexus</td>
<td>63.2%</td>
</tr>
<tr>
<td>3.</td>
<td>Honda</td>
<td>60.3%</td>
</tr>
<tr>
<td>4.</td>
<td>BMW</td>
<td>56.5%</td>
</tr>
<tr>
<td>5.</td>
<td>Scion</td>
<td>56.3%</td>
</tr>
<tr>
<td>6.</td>
<td>Cadillac</td>
<td>55.5%</td>
</tr>
<tr>
<td>7.</td>
<td>Chevrolet</td>
<td>55.3%</td>
</tr>
<tr>
<td>8.</td>
<td>Mercedes-Benz</td>
<td>53.6%</td>
</tr>
<tr>
<td>9.</td>
<td>Ford</td>
<td>53.3%</td>
</tr>
<tr>
<td>10.</td>
<td>Hyundai</td>
<td>51.6%</td>
</tr>
</tbody>
</table>

This is so important in today's very competitive global marketplace. It's been proven time and time again that customer satisfaction has a great deal to do with customer retention. It's long been said that it's much easier and less expensive to maintain your current customers than it is to attract new customers from your competition. No wonder, then, that Toyota, which makes more profit than any other automaker, tops J.D. Power's Customer Retention Study.

Although this study reflects conditions in the auto industry, you'll find very similar results in most other industries as well. A strong customer service focus leads to much greater customer retention which, in turn, reduces cost and increases profits. Bottom line—SUCCESS. Again the age-old, time-tested refrain of "This isn't rocket science!" comes to mind.

Here's the real "brain-buster." If the above formula is continually proven to be true across industries, why are customer service levels at an all-time low? Why is there less customer service training taking place at a time when it is needed more than ever before? Why is this type of training one of the first things to be cut from a shrinking budget when it should be the last? Answer these questions, share your answers with me, and we'll co-author a best-seller that will lead us both to a national book tour and an early retirement!

Ramblings of a mad man—yes and no. "Mad" as in insane—I think not. In fact, anything but! "Mad" as in "fed up," "angry," "enraged," "furious," "irate," "incensed," and "not going to take it any more"?—yeah, pretty much—along with millions of other customers who have been ignored, abused, disrespected, insulted, and led to believe we are of inconsequential
Think back over the past month as we approached the busy holiday season. Think about your visit to a retail store, restaurant, theater, hotel, airport, hospital, insurance office or anywhere you may have spent your hard-earned income. Reviewing all of your experiences, what percent would you consider “excellent” service? What percent would you consider to be “average” and what percent would you deem “unacceptable”? It’s a pretty safe bet that your experience reflects that of the rest of the nation.

While it’s pretty effortless to take shots as those we just reviewed, I would challenge you to openly and honestly “re-frame” your thinking and answer the following question. If I were to call or visit your place of business and be asked to rate the level of service I received, what kind of results do you think would surface?

Try it—and be brutally honest. Then ask your peers to do the same. Then your leadership team. Then a few of your customers. The results should instinctively lead to some immediate discussion producing a game plan for doing more of what you’re doing well, eliminating what you’re doing wrong, and/or adding what’s needed. Do nothing, and you’ll discover how simplistic it is to accurately predict the future of your organization.

**Remember the formula?**

**GOOD SERVICE = CUSTOMER RETENTION = GREAT PROFITS = SUCCESS!**

Apply the “Three L’s” (Look-Listen-Learn). Review it, discuss it, benchmark those who do and do not model it, apply it, repeat it, celebrate it, live it, and reap the benefits! Ignore it … and pay the price!

**4.4 Need for the study**

Consistence development in automobile technology, growth of automobile markets in terms of manufacturers, brands and customers, consistence growth in advertisements and sales promotion with sole aim of withstanding the competition collectively offer a contemporary platform/background/focal point for the present study attempting to identify the level of customer retention as a result of manufacturer sponsored sales promotion practices.

Extensive review of literature with sole objective of identifying past research studies, whatsoever in the academic field of sales promotion and to its reference to customer retention has
been successfully conducted in the present research. The efforts successfully identified re-
search studies, review articles and other papers of significant contribution in gamut of relevant
areas of marketing. However the efforts of present study are to soley identify and isolate the
intensities of sales promotion practices to that of customer retention, the efforts could isolate
many studies in marketing advertising, new product development, sales promotion, customer
loyalty etc., the researcher is unable to establish the existence of any study with reference to
customer retention. The present effort at review of the past studies thus establishes an imminent
need for the research topic "An Evaluative Study on Customer Retention Oriented Sales
Promotion Practices in Automobile Industry."

4.5 Scope of the study

Appropriate determination of the Scope for a research of present nature certainly enhance the
effectiveness of the research, identifying the scope for any study is like hitting bulls’ eye. Any
study that deviates in terms of scope will certainly head towards stumbling blocks, since, the
scope is always limited and should always be limited by the efforts of the researcher so as to
enhance the effectiveness in accomplishment of objectives. Against the present study hand-
picks the sole factor 'Sales Promotion' from promotion in an effort to establish its influence on
'Customer Retention' as against the convention of choosing multiple factors. In an effort to
derive the best possible, relevant and applicable results for academics, industry and society.
The present study purposefully restricts its scope to 'Sales Promotion Practices' in academ-
ic of marketing, in Indian automobile industry, in the districts of Ananthapuram and Kurnool

4.6 RESEARCH METHODOLOGY

The present research study strictly abides by conceptual frame work of research process. All
elements in various stages of research process are explained hereafter. Secondary data, the
detailed information from publications, internal records, books, magazines, journals, web ser-
VICES. Primary data, it is the detailed information from respondents.

Statement of the Problem:

Market objectives of higher sales, Market share, and customer satisfaction, need to be effect-
ively accomplished, and the recent market practices are also eyeing on customer retention as
a tool of effective marketing. Customer preservation and conservation is on the top of the
minds of all manufacturers, and an evaluation of the same is relevant, imminent, and highly
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invited in the present state of cut throat competition for customer acceptance. Innumerable factors are involved in the process of realization of customer loyalty as an ultimate objective, many past researches explored almost all the factors including the present research factor ‘Sales Promotion’, however the present study is distinctive in its address which is ‘Customer Retention’.

Objectives of the study:

2. To Assess the Intensity of Sales Promotion Factors ‘After Sales Service’ and ‘Online Service’ on Customer Retention.
3. To Assess the Intensity of Sales Promotion Factors ‘Sample’, ‘Freebies’ and ‘Contests’ on Customer Retention.
4. To Assess the Intensity of Sales Promotion Factors ‘Advertisement’ and ‘Direct Marketing’ on Customer Retention.

Hypotheses:

$H_0$ - I

1. ‘Customer Centric’ Sales Promotions do not influence Customer Retention.
2. ‘Price Centric’ Sales Promotions do not influence Customer Retention
3. ‘Exchange’ Sales Promotions do not influence Customer Retention
4. ‘Pre Owned Cars’ Sales Promotions do not influence Customer Retention

$H_0$ - II

1. ‘After Sales Service’ Sales Promotions do not influence Customer Retention.
2. ‘Online Service’ Sales Promotions do not influence Customer Retention

$H_0$ - III

1. ‘Samples’ as Sales Promotions do not influence Customer Retention.
2. ‘Freebies’ as Sales Promotions do not influence Customer Retention
3. ‘Contests’ as Sales Promotions do not influence Customer Retention
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H₀ - IV

1. ‘Advertisement’ of Sales Promotion do not influence Customer Retention.
2. ‘Direct Marketing’ Sales Promotion do not influence Customer Retention

H₀ - V

1. ‘Warranty’ Sales Promotions do not influence Customer Retention.
2. ‘Guaranty’ Sales Promotions do not influence Customer Retention
3. ‘Annual Maintenance Contract’ Sales Promotion do not influence Customer Retention

4.7 SAMPLING PLAN

The area selected for the present study has been confined to Anantapur and Kurnool districts of Andhra Pradesh population with various walks of people. So, it would be useful to study the behavioural patterns of consumers. Each district is divided into four revenue divisions viz Aantapur, Hindupur, Tadipatri, Guntakal of Anantapur district and Kurnool, Nandyala, Adoni, Atmaku of Kurnool district. The sub classification of consumers has been selected on the basis of these revenue divisions.

Sampling: The study has been based on convenient sampling technique and a sample size of 485 car users of Anantapur and Kurnool districts. The sample covers various socio-economic backgrounds of the population.

Sample Size: Sample sizes of 485 respondents are selected for the study to make the study meaningful and relevant.

Sampling Unit: For the study both Urban and semi urban consumers are selected randomly to provide equal chance of being sampled.

<table>
<thead>
<tr>
<th>Location</th>
<th>Anantapur</th>
<th>Kurnool</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maruthi</td>
<td>107</td>
<td>199</td>
<td>306</td>
</tr>
<tr>
<td>Hyundai</td>
<td>63</td>
<td>116</td>
<td>179</td>
</tr>
<tr>
<td>Total</td>
<td>170</td>
<td>315</td>
<td>485</td>
</tr>
</tbody>
</table>
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4.8 QUESTIONNAIRE

Research Methodology

The questionnaire for the study consists of 14 sets of various promotional concepts containing a total of 96 questions addressing all elements of the concepts. This questionnaire aims to provide the data which is of most important in nature to enable a brief analysis of customer approach perception and their levels of decision making process towards repurchase. The questions are of Liker type and extract the opinion of respondents with reference to intensity concepts on a scale of 1 - - - 5. These questions evaluate the attitude of respondents on various parameters like high and low etc.

Data Collection:

The data collected for the present study comprises of both primary and secondary sources.

Primary Data, it is the detailed information from respondents collected through questionnaire. The respondents were interviewed and asked to fill the questionnaire. The first part questionnaire deals with questions concern to the respondents profile in terms of their age, sex, occupation, educational background and income. The second part of the contains the behaviour towards car purchase and factors influencing in making decisions.

Secondary Data: In order to fulfill the objectives of the study, secondary data were collected. The secondary data pertaining to Anantapur and Kumool district were collected from various government publications and records; the major source of secondary data being Census of India 1991, 2001 (provisional results), District Statistical Centre and Collectorate.

The secondary data has been collected from various magazines, journals, daily newspapers, survey reports and reference books etc.

4.9 STATISTICAL TOOLS APPLIED FOR ANALYSIS :

In the first stage the data collected through questionnaire offers weightage for the customers of passenger cars.

In the second stage number of respondents indicating different weightage for each element of the concept is displayed, finally leading to the number of respondents indicating different weightages.

In the third stage weighted averages are arrived at, which lead to cumulative weighted average
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for each concept by 485 respondents.

In the fourth stage chi-square test is performed to ascertain the level of significance.

The fifth and final stage consist of distributing respondents according to chi-square values Vs demography and weighted average Vs demography.

Chi-Square Test: is used for the purpose of testing the influence of one variable on the other. The test has been administered to study the influence of the demographic variables, personality trait and attitude on the customer retention.

Weighted Average: is used to describe the profile of the respondents and their behavior in the various stages of decision making process.

4.10 LIMITATIONS OF THE STUDY

A research study of this nature could not be carried out without any limitations. Hence this research study is limited to principally the population, target population and sample population as their opinions, attitudes there on the findings of the study. Second factor is the time factor which exerts magnificent influence on the opinion of sample population.

In a study of this magnitude though, meticulous care has been taken in each and every aspect of study.

1. Some respondents were not aware of certain concepts and procedures.

2. A few respondents were hesitant to give exact details.

3. There might be a sense of bias crept in answers given by the respondents.

Despite the above limitations, the researcher put in all his best efforts in overcoming the limitations and in completing the study.

4.11 CHAPTER SCHEME

To meet the academic requirements of the dissertation the whole research is presented in eight chapters. To present briefly the contents of each chapter the following paragraphs will help to understand the contents of each chapter.
CHAPTER 1:

This chapter deals with the introductory part of the sales promotion explaining the nature, definition, need, history and significance.

CHAPTER 2:

This chapter deals with the customer decision process, customer approach, description, need, different hypothesis related to customer approach and customer attitude models.

CHAPTER 3:

This deals with the introductory part of Automobile industry explaining the nature, definition, need, history of Automobile industry. Some references also made to research papers in the field to highlight the development of different product plans.

CHAPTER 4:

Comprehensive study of related literature regarding customer approach in the Automobile industry are given in this chapter. In this chapter the ways and means of research design, sampling, limitations of study, At the end of this chapter the summary of findings of literature study is presented to give overall picture of customer approach by various authors. Chapter also deals with the methodology used for this research.

CHAPTER 5:

In this chapter the methods used by scholars is presented and method of analysis of the collected data by using relevant statistical tools to find out how far the first hypothesis will stand by the knowledge gained from literature survey objectives and hypothesis are formulated as the basis of research study.

CHAPTER 6:

Deals with method of analysis of the collected data by using relevant statistical tools to find out how far the second hypothesis will stand statistical tests along with first objective.

CHAPTER 7:

Deals with method of analysis of the collected data by using relevant statistical tools to find out
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how far the third hypothesis will stand statistical tests along with the objective determining the impact of demographic variables on customer Retention.

CHAPTER 8:

Deals with method of analysis of the collected data by using relevant statistical tools to find out how far the fourth hypothesis based on development level and process with reference to customer attitude will stand statistical tests along with the relevant objective.

CHAPTER 9:

Deals with method of analysis of the collected data by using relevant statistical tools to find out how far the fifth hypothesis based on development level and process with reference to customer attitude will stand statistical tests along with the relevant objective.

CHAPTER 10:

Deals with summary of findings given by statistical treatment of collected data and test of significance of the formulated hypothesis. To put all the findings in a nutshell the conclusion is given in this chapter.

CHAPTER 11:

Deals with summary of recommendations given by statistical treatment of collected data and test of significance of the formulated hypothesis.

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