CHAPTER – V

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS
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This study attempts to throw light on the promotional strategies in the small car market in the State of Kerala in general and its buyer behaviour in particular. In this context, the influence of promotional strategies in the purchase decision of a car has been discussed at length in the preceding chapters. Having done so, it is now proposed to summarise the findings and conclusions in the following pages. This chapter is divided into three sections viz., (i) Findings (ii) Conclusions and (iii) Recommendations.

A survey was conducted among 602 car owners across northern, central and southern regions of Kerala to know the influence of social and economic factors in the car purchase decision in Kerala. It was also enquired among the sample units to know the influence of promotional strategies adopted by the car manufacturers and car dealers in the small car market in Kerala. The researcher has also constructed hypotheses to know if there was any significance in the differences in social factors, economic factors, cultural factors and other buying behaviour among the regions, age groups, income groups, gender and occupation in Kerala. After the data collection from the sample units was conducted, it was subject to different statistical tools like Percentage Analysis, Chi-square Test, ANOVA and Factor Analysis to analyze the data and interpret them in order to summarize the findings and draw appropriate conclusions. The findings of the study were as follows:
FINDINGS

- Majority of the car owners in Kerala use Maruti 800. It is followed by Maruti Alto, Tata Indica and Hyundai Santro.

- The various social factors that influenced the car purchase decision in the small car market in Kerala are friends, relatives, own family members, neighbours and one’s own decision. Among these social factors it was found that ‘own family members’ influenced the car purchase decision the most. It was followed by friends, own decision, relatives and neighbours.

- The family members that influenced the car purchase decision in the small car market in Kerala comprise husband, wife, children, father, mother and siblings. Among them, the husband or the wife or both influenced the car purchase decision the most.

- The various promotional tools that influenced the car purchase decision in the small car market in Kerala are newspaper, television, radio, internet, magazines, word of mouth, car shows, test drives, exchange melas and loan melas. Among them ‘word of mouth’ was ranked first which influenced the car purchase decision the most, followed by magazine, television, internet, newspaper, test drive, car shows, radio and exchange melas.

- Majority of the people in Kerala strongly agreed that price of the car, mileage, brand of the car, design and style, after sales service, impressive advertisements and discounts are important factors that influence the car purchase decision.
Majority of the people in Kerala depended on commercial banks as the source of fund for their car purchase. It was followed by self financing, private financiers, NBFC, friends and relatives.

Majority of the people in Kerala had a bad opinion about the pre-owned car outlets or used car outlets operating in Kerala.

The various social factors that influenced the car purchase decision in the small car market in Kerala are friends, relatives, own family members, neighbours and one's own decision.

The people who take a decision on their own regarding a car purchase were more in the northern region than in the central and southern regions.

The people who depend on their friends for a car purchase decision were more in the southern region than in the northern and central regions.

A car purchase decision could be influenced by the members of one's own family like wife, husband, children, father, mother, siblings and grandparents. The husband or wife in a family contributes the most in the car purchase decision in the southern region than in the central and northern regions.

The role of children in the family decision making in the purchase of a car was more in the central region than in the northern and southern regions.
Advertisement plays a very important role in the car purchase decision in Kerala. Advertisements in the print media and in the electronic media have influenced the decision in purchasing a car in the different regions of Kerala. Northern and southern regions were more influenced by advertisements than the central region.

Sales promotion plays a very important role in the car purchase decision in Kerala. Sales promotion like free offers, free service and other freebies have influenced the decision in purchasing a car in the different regions of Kerala. The influence of sales promotion was more in the southern region than in the central and northern regions of Kerala.

The influence of discounts was more in the northern and southern regions than in the central region of Kerala.

The influence of free insurance was more in the central region than in the northern and southern regions of Kerala.

People of Kerala have attributed several factors that are responsible for replacing their previous cars. The factors responsible for replacing their previous cars are increased income, large family size, availability of car financing schemes, expiry of car life, attractive models, increasing maintenance cost, poor service quality of the present car, and availability of car exchange programme.

The people who attributed 'increased family size' as the reason for the replacement of their previous car were more in the northern region than in the southern region.
The people who attributed ‘availability of financing schemes’ as the reason for the replacement of their previous car were more in the central region than in the southern region.

The people who attributed ‘life of the car’ as the reason for the replacement of their previous car were more in the central region than in the northern region.

The people who attributed ‘increase in the maintenance cost’ as the reason for the replacement of their previous car were more in the central region than in the southern region.

The people who opined that cars provide more safety than two-wheelers as the reason for shifting from two-wheelers to cars were more in the central region than in the southern region.

The people who opined that cars are more convenient for a family to travel is an important factor for shifting from two-wheelers to cars were more in the southern region than in the central region.

The people who opined that neighbour possessing a car was an important factor for shifting from two-wheelers to cars were more in the southern region than in the central region.

The people who opined that possessing a car is a status symbol and was an important factor for shifting from two-wheelers to cars was found more in the southern region than in the northern region.
- The people who opined that cars provide value for the money spent was an important factor for shifting from two-wheelers to cars were more in the northern region than in the central region.

- The people who opined that car loan availability was an important factor for shifting from two-wheelers to cars were more in the southern region than in the central region.

- The people who opined that increased disposable income was an important factor for shifting from two-wheelers to cars were more in the central region than in the southern region.

- The people who opined that after sales service factor was an important factor for shifting from two-wheelers to cars were more in the southern region than in the northern region.

- The brand of cars like Tata Indica, Hyundai Santro, Maruti Wagon R and Maruti Zen are preferred more by males than by females in Kerala.

- Males are more prone to take individual decisions in the purchase of a car than females.

- The influence of father, mother and siblings in the car purchase decision was more in the case of males than in females in Kerala.

- Males and females strongly agreed to the opinion that price is the most important factor while buying a car.

- Males who strongly agreed to the opinion that brand image, resale value of the car, impressive advertisements and preference of discounts are important factors were more than the females.
The males who disagreed to the opinion that pressure from the family members was the most important factor were more than the females.

The females who agreed to the opinion that neighbour influences the car purchase decision were more than the males.

The females who strongly agreed to the opinion that car loan availability was the reason for shifting from two-wheelers to cars were more than the males.

The females who strongly agreed to the opinion that increased disposable income was the reason for shifting from two-wheelers to cars were more than the males.

The people having a monthly income between 8000 and 12000 rupees who were influenced by their wives or husbands, discounts, impressive advertisements, design and style were more than any other income groups.

The people having a monthly income between 16000 and 20000 rupees who opined that brand image, design and style, influenced most in the car purchase decision were more than any other income groups.

The people who take a decision on their own, regarding a car purchase were more in the urban area than in the rural area.

The people who are influenced by their wives or husbands were more in the rural area than in the urban area.
The people who are influenced most by newspapers, television and radio were more in the rural area than in the urban area.

There is no significant association between the urban or rural area and the price influencing the car purchase decision. Thus, price influences the car purchase decision in urban and rural areas equally.

The people who are influenced by brand of the car, design and style, were more in the urban area than in the rural area.

The people who strongly agreed that impressive advertisements and spare parts availability are important in the car purchase decision were more in the rural area than in the urban area.

The people who strongly agreed that free sops are important in the car purchase decision were more in the rural area than in the urban area.

The number of people who strongly agreed that status symbol, neighbour possessing a car, car loan availability, increased disposable income, availability of after sales service, desire for a change were the reasons for shifting from two-wheelers to cars were more in the urban area than in the rural area.

There is no significant association between the area and source of fund. The source of fund chosen by car owners is the same across urban and rural areas.

Majority of the people of Kerala, both from rural and urban areas, opined that the car dealers in Kerala do not provide good after sales service.
Among the number of people who opined that after sales service of car dealer is poor were more in the rural area than in the urban area.

The government employees are the only group, which opined that the after sales service of the car dealers was good, and other groups opined that the after sales service of the car dealers was bad.

There is significant difference in the average monthly income of the car owner with respect to their brand of cars. Hence, it was found that, in Kerala, the high income groups prefer high end models.

Out of the four factors namely comfort, safety, aesthetics and technology, the comfort factor has been rated as the most important factor in the small car market in Kerala.

CONCLUSIONS

1. Among the various small cars in Kerala viz., Maruti 800, Maruti Alto, Tata Indica, Hyundai Santro, Wagon R, Zen Estilo and Swift, Maruti 800 and Maruti Alto are the most preferred brands by the majority of the population in Kerala.

2. Tata Nano has hit the roads on 23rd March 2009. It is going to pose a great challenge to other small cars in India especially the bread and butter models of Maruti Udyog Ltd viz., Maruti 800 and Maruti Alto.

3. Among the various social factors like friends, relatives, own family members, neighbours and one’s own decision that influenced the car purchase decision in the small car market in Kerala, it was one’s own family members that influenced the car purchase decision the most.
Hence, family members are very crucial in the decision making of a car purchase.

4. Among the family members like husband, wife, children, father, mother and siblings that influenced the car purchase decision in the small car market in Kerala, the husband or the wife or both influenced the car purchase decision the most. Hence, husband or wife is the ultimate decision maker in a car purchase.

5. The various promotional tools that influenced the car purchase decision in the small car market in Kerala are newspaper, television, radio, internet, magazines, word of mouth, car shows, test drives, exchange melas and loan melas. Among them ‘word of mouth’ is ranked first which influenced the car purchase decision the most. Word of mouth is an important and least expensive promotional tool in influencing one’s car purchase decision. Hence car dealers and manufacturers should promote their cars primarily through ‘word of mouth’ promotion.

6. Price of the car, mileage, brand of the car, design and style, after sales service, impressive advertisements and discounts offered are important factors that influence the car purchase decision across all the regions, urban and rural areas, gender, age and income levels.

7. Maruti 800 and Maruti Alto are most preferred brands in Kerala because its price is competitive and affordable by majority of the people. These cars have good mileage, good design and style and also good after sales service. Hence the people of Kerala are very price conscious and brand conscious too.
8. Commercial banks in the public sector have lower interest rates and less documentation procedures compared to other sources of fund. That is the reason why majority of the people in Kerala depend on commercial banks in the public sector as the source of fund for their car purchase when compared to private financiers and NBFC.

9. The pre-owned car outlets in Kerala sell used cars or second hand cars at a rate, which is not acceptable by many buyers. There is poor market acceptance for this segment because the warranty period is less and it does not deliver the expected performance (mileage). Moreover, its maintenance cost is also high. This is the reason why people have a bad opinion about the pre-owned car outlets in Kerala.

10. The social factors exercise its influence on northern, central and southern regions differently. A few social factors like family members influence northern region more than other two regions and friends influence the southern region more than the other two regions. The reason for this is that there are socio-cultural differences across the regions and age groups in Kerala.

11. The influence of promotional tools in the car purchase decision have been different among urban and rural areas, regions, gender and income groups. The influence of newspapers is more in the rural areas and the influence of televisions and internet are more in urban areas. The reason is that the number of internet connections in households and the number of internet cafes are less in the rural areas than in the urban areas.
12. The people of Kerala replaced their previous cars for the following reasons:

- Increased income
- Increase in the family size
- Easy availability of financing schemes
- Life of the car,
- Attractive models and increasing maintenance cost
- Poor service quality and the car exchange programme

The above reasons have been seen varying across the different regions, urban and rural areas, gender, age, and income levels in Kerala.

13. Keralites attributed several reasons for shifting from two-wheelers to cars. They are:

- Cars provide more safety than two-wheelers
- Convenient for a family to travel,
- Status symbol,
- Neighbour possesses a car,
- Cars provide value for the money spent,
- Car loan availability,
- Increased disposable income,
- Availability of good after sales service and Desire for a change.
The above reasons have been seen varying across the different regions, urban and rural areas, gender, age, and income levels in Kerala.

14. Out of the four factors namely comfort, safety, aesthetics and technology, the comfort factor has been rated as the most important factor in the small car market in Kerala. This is because people of Kerala look for more comfort features in a car, than aesthetics and technology.

15. The customer satisfaction of the people in Kerala is very poor with regard to the after sales service of the car dealers. The reasons attributed to the poor after sales service are a) inadequate strength of service personnel, b) incompetent and unskilled service staff, c) few number of service centres d) expensive after sales service and e) service centres do not deliver the serviced vehicle on time.

**RECOMMENDATIONS**

The following recommendations are offered based on the findings and conclusions drawn from the study.

1. The car manufacturers and dealers may conduct causal marketing like a ‘wellness programme’ or a ‘literacy campaign’ for the people of a particular rural or urban area. This will not only improve the sales of the marketer but will also create a brand image of the company and will benefit the society at large. The marketing efforts should be for the cause of the potential customers and the existing customers.
2. The car dealers should strengthen their direct marketing efforts like house calls, email messages, SMS and telephonic talks so as to generate enquiries for cars in their dealer showrooms.

3. To improve customer satisfaction among potential customers and existing customers, car dealers and car manufacturers should render good after sales service. This can be achieved by:-
   - Providing adequate strength of service personnel in the service centres and showrooms
   - Employing competent and skilled service staff,
   - By increasing the number of service centres especially of Tata motors and Hyundai motors,
   - By providing less expensive after sales service and
   - By providing quick delivery of the serviced vehicle.

4. Presently, the existing customers have rated comfort factor as the most important one. The performance factor should also be given equal importance in marketing a car. Good mileage, sound BHP, efficient torque and superior brake technology should be incorporated so that the buyer of cars should get the advantage of better performance especially when foreign car players are entering the Indian car market.

5. As the reasons for shifting from two-wheelers to cars have been stated by the customers (discussed in the earlier chapter) it is urgent that car manufacturers and dealers should concentrate more on delivering
value for the money expended by the car buyers, providing them with car loans of reasonable interest rates and repayment in easy monthly installments.

6. In spite of the political impediments in starting an industry in Kerala, manufacturing plants of Maruti Udyog Ltd, Tata Motors and Hyundai Motors should be started so that it can provide employment opportunities to many people of Kerala (sons of the soil) and could pass on the benefits of locational advantage to the car buyers in Kerala.

7. Newspapers, televisions and radios being an important promotional tool in the influence of a car purchase decision in the rural areas in Kerala, car dealers and car manufacturers should advertise their cars profusely in these media and also can show clippings of their cars in cinema theatres, have attractive hoardings by way of sponsorship, conduct loan melas and exchange melas frequently, conduct contests, quiz programmes and organize a virtual driving school (simulation) in the area. There should be a free service camp in both rural and urban areas in Kerala for one week in which car wash, car polish and car maintenance can be rendered free of cost.

8. A CRM (Complaint Redressal Machinery) department should be created in every dealer showroom so that a customer or a potential buyer can walk in to this department exclusively for seeking redressal and help for redressing their problems without much difficulty.
9. CSR (Corporate Social Responsibility) should be made mandatory at the manufacturing level. Man is a social animal. He cannot exist on his own. He has to depend on the society for its growth and development. Similarly, car manufacturers should have a social obligation and commitment to the society. The car manufacturer should be able to meet the urgent needs of the society through mutual exchange or a 'give and take' policy.

10. Every car dealer should conduct at least one customer meet in a month. Conducting customer meets will foster good rapport between the car dealer and the customer. This will improve word of mouth promotion and thus improve sales. The feedback of customers must be taken for analyzing the pitfalls of the car dealers in delivering service to the customer. As Gandhiji has rightly said, “Customer is the King - You are not serving the customer but the customer is giving you an opportunity to serve him.”

11. Among the various social factors like friends, relatives, own family members, neighbours and one’s own decision that influenced the car purchase decision in the small car market in Kerala, it was one’s own family members that influenced the car purchase decision the most. Hence family members are very crucial in the decision making of a car purchase.

12. Among the family members like husband, wife, children, father, mother and siblings, the husband or the wife or both influenced the car purchase decision the most. Hence husband or wife is the ultimate decision maker in a car purchase. Keeping this in view car
manufacturers and car dealers should target the family members, especially the husband and the wife, for triggering a car purchase. This can be done by providing discount cards or rebate coupons to these family members. These discount cards and rebate coupons will help them purchase a car at discounted rates. These family members should also be given free entry passes to the entertainment programmes, recreation clubs and customer meets organized by the car dealers.

13. 'Buyer Behaviour in the Car Market' or 'Automobile Management' may be offered as a subject for the management courses conducted by the business schools in Kerala.

14. Finally, as one of the major problems cited by one of the dealers is lack of margin given by the car manufacturers. Special arrangements are necessary for ensuring unhindered financial support to the car dealers in Kerala.

SUGGESTIONS FOR FURTHER RESEARCH

The following suggestions are offered for further research in the area connected with the topic of the present study.

1. The distribution channels of car manufacturers be strengthened to ascertain their contribution to the society. It is necessary to find out the social benefits and measure the impact of these distribution activities. A study of this type, if undertaken, would reveal the true results and the benefits thereof by the different sections of the society.

2. A further study on the role played by different promotional agencies is necessary to determine their contribution in serving the purpose of
promotion, their problems and suggest measures for further improvement.

3. Yet another area which needs investigation is the causes and the gravity of behavioural patterns, so that, appropriate strategies could be devised for checking the incidence of errand or distorted behavioural pattern in the car purchase decision.