CHAPTER - I

INTRODUCTION

Gone were the days there were only two brands of Indian manufactured cars viz., 'Ambassador of Hindustan and Fiat. There was no product differentiation within the brands. Differentiation of products was only in terms of colours of the cars. Besides these two brands, there were brands of imported cars. Market segmentation can be had only through the colours of cars within a brand. Once passenger car market was absolutely a seller's market but subject to price control, production control and licensing requirements. This state of affair of oligopolistic imperfect market competition was put an end by way of introducing Maruti cars in 1981, by Maruti Udyog Limited a joint venture undertaking of Government of India and Suzuki of Japan. Maruti introduced product differentiation within the brand with a view to have a diversified market segmentation.

After the New Economic policy of liberaisation, privatization and globalization, the car manufacturing industry was brought to the list of delicensed sector with no price and production control. Competition was promoted in the Indian car manufacturing market by also inviting foreign direct investment. As a result of which many started producing cars. Car market has become a perfect market from the point of view of entry of car manufacturers in the market but still an imperfect market by way of creating product differentiation within the brand with the motive of enjoying the benefits of monopolistic competition by the sellers.

In the growing Indian economy, there were significant size of population of India as freshers to buy new cars and also new models and brands. Car market has become a buyers' market. However, the distinguished features of cars viz., price, fuel consumption, seating capacity, tyre life, tyre size, pulling power, resale value, repairs and maintenance, conversion of petrol car into gas, product design, product appearance, trade offs, trade discount, cash discount, financial assistance arrangement, dual fuel, warranty, guarantee, power steering, availability of spare parts, availability of agencies for free service... etc., create a practical difficulty for the buyers to choose a brand and choose a model within the brand.

Cars are not sold directly by the manufactures. The manufacturers appoint selling agencies through out the country. Inturn, the selling agencies have their own show-rooms. The selling agencies are given trade discount by the manufacturers. The car manufacturers directly or through their selling agencies or the selling .agencies directly adopt marketing strategies as a measure of sales promotion. The strategies are frequently changed. The agencies adopt innovative techniques in offering trade - offs without cutting down the price. Price remains in the one-way traffic of going on increasing but sales offers indicate an indirect price cut and also a business of business. The sales offers include cash gift, gold coin, free insurance, extended warranty, free registration, free accessories, discounts, low amount of monthly repayment due to extended credit audit, financial assistance arrangement, exchange offer, loan mela, offer of sales for only a few days, complements, etc., These offer of sales are announced by means of advertisements in regional news papers by the respective selling agency in the area. The sales offers sometimes are beyond the understanding of probable buyers of cars because the advertisements do not disclose certain information. To clarify the contents of advertisement, the probable buyers have to go to the selling agencies. As such, the object of advertisements may be to bring the probable buyers to the show-room of car agencies to convince them to buy by means of personal selling strategy after having identified the probable buyers.

Once a probable buyer has decided to buy, his buying decision may be influenced by competition among brands, created competition within a brand and the seasonal sales offers. Therefore, it will be interesting to examine how actually the preference of buyers of cars is influenced by the frequent offer of sales and frequent changes in offer of sales by means of a research by way of collecting first hand information from the buyers and the probable buyers. Accordingly, the proposed study **"A study on perception of Buyers of cars Towards Marketing Strategies of Agencies of Car Manufacturers"** is undertaken.

1.1. STATEMENT OF THE PROBLEM

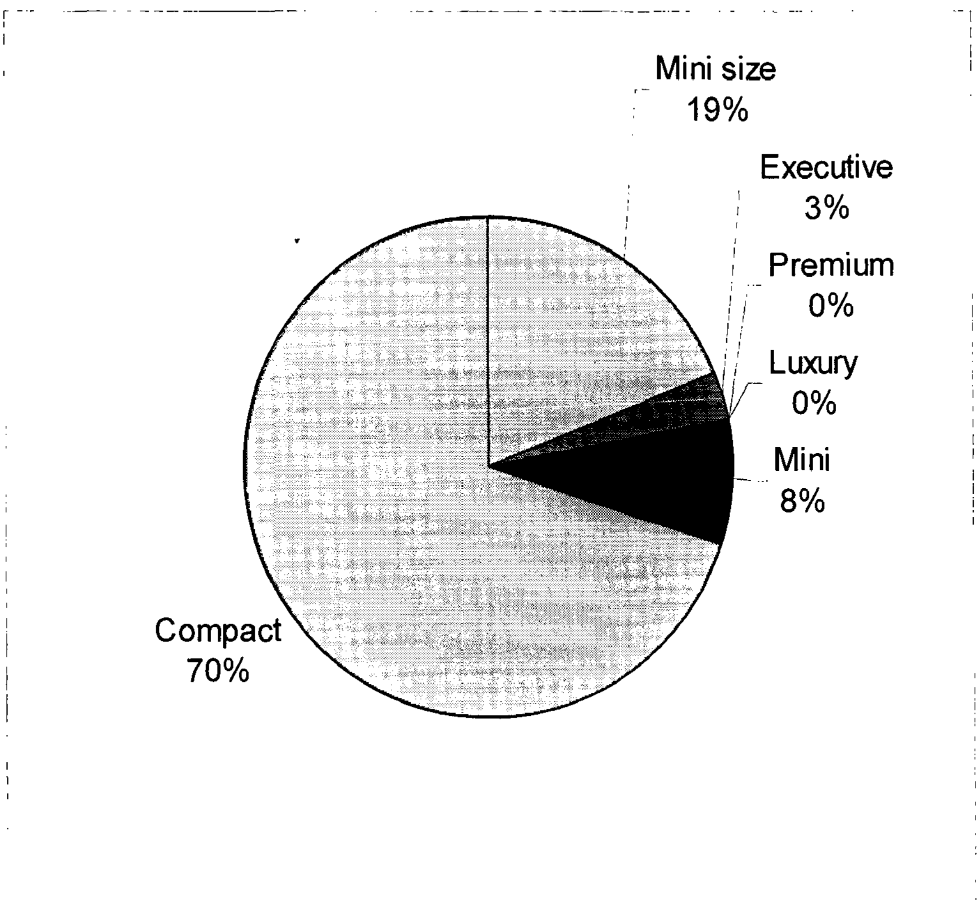
There were many brands of cars. Within a brand, there were product differentiation. A peculiar situation of perfect market for manufacturing cars but with monopolistic market situation of product differentiation within a brand and brand to brand prevails in the market. Extended credit facility are available without any credit rationing. One can buy a car even on credit if he proves his ability to repay in future. In the midsts of availability of cars and with no credit and financial restraint, it is up to the buyers to choose a brand and model. While going for a brand and model, the marketing strategies of agencies of cars influence the buying decisions of buyers. The buyers are grouped on the basis. of demographic factors, income, profession, educational background etc., How actually the marketing strategies are perceived by the buyers and how actually the marketing strategies change the buyers preference within brand and inter-brand needs re-examination. Whether the perception towards the contents of marketing strategies and towards the features of the brands and models of car differ significantly or not from among the groups of buyers on certain basis is basic problem that requires answers by means of a research study.

1.2. SIGNIFICANCE OF THE STUDY

The Maruti brand has nine models and it price ranges from Rs.2.45 lakhs to Rs. 7.42 lakhs. The Mahindra has four models and its price ranges from Rs. 5.45 lakhs to Rs. 7.10 lakhs. The TATA motors has six models and it price ranges from Rs. 4.85 lakhs to Rs. 8.10 lakhs. The Hyundai has five models and its price ranges from Rs. 3.00 lakhs to Rs. 15 lakhs. By taking in to account all the four brands, there are 24 models and the minimum price of a car in general starts from Rs. 2.45 lakhs and ends with Rs. 15 lakhs. The cars are classified as mini, compact, mid-size, executive, premium and luxury cars. The mid size dominates the passenger car industry in India. This has been explained by means of a pie – diagram-1. The market share of each of the brands is well known. The dominant position and the market share may not be permanent because of growing competition and innovative marketing strategies. The perception and preference of buyers, among other things, determine the dominate position and market share. As such, the industry has to understand the preference of buyers in the midst's of frequently changing sales offers. So, the study is considered significant to understand the buyers and accelerate the production and distribution to suit to the needs of buyers.

FIGURE – 1.1

Compact and mid-size dominate the passeneger car industry in India



Source : Company reports ; IDBI Capital Market Services

1.3. IMPORTANCE OF THE STUDY

The study is considered important in a significant market situation of monopoly, duopoloy, oligopoly and perfect competition. The passenger vehicle industry in India is sub-divided into passenger cars, utility vehicles and multi-purpose vehicles. However on the basis of length of cars the passenger car industry is sub-divided into six segments as shown in Table-1 viz mini cars, compact cars, mid-size, executive cars, premium and luxury. MSIL enjoys absolute monopoly in mini cars (Maruti 800). MISL has 49 percent market share for its compact cars of Alto, Zen, Wagon R and Swift. Hondo and Hyundai enjoy with 20 percent each of market share for mini, size cars, for executive cars, Skoda Auto India Private Limited enjoys with 35 percent market share and Hand seel cars India 29 percent market share, for premium cars Hand seel cars India enjoys with 59 percent market share and for luxury cars Daimler chrysler India Private Limited enjoys with 100 percent market share. In the case of multi purpose vehicles MSIL (Maruti Omni) enjoys with 100 percent market share. Under these circumstances, how the strategies of sellers influence the buying decision of buyers to change their decision from one brand to the other and from one segment to other is to be analysed and the reasons may be found out with view to enable the manufactures to concentrate their production on the lines of buyers perception.

Table – 1.1

Key players in the passenger vehicle industry

Sub-segment	Top 2 Players	Key Brands	Market Share (%)
Mini	Maruti	M800	100
Compact	Maruti	Alto, Zen, WagonR, Swift	49
	Hyundai	Santro, Xing	32
Mid-size	Hyundai	Accent	20
	Honda	City	20
Executive	Skoda Auto India Pvt Ltd	Octavia	35
	Honda Siel Cars India	Civic	29
Premium	Honda Siel Cars India	Accord	59
	Daimler Chrysler India Pvt Ltd	E class	19
Luxury	Daimler Chrysler India Pvt Ltd	S class	100
UV	Mahindra and Mahindra	Scorpio / Bolero	41
	Toyota Kirloskar Motor Pvt Ltd	Innova	22
MPV	Maruti	Omni	100

Source : SIAM, IDBI Capital Market Services

1.4. SCOPE OF THE STUDY

Passenger car industry in India plays a vital role for the economic development of India by having an overall annual growth rate of 14 percent for the four years from 2002 – 2003 to 2005-2006 as has been shown in Table - 2. During the financial year 2005-2006, a total of 11,43,037 cars were produced and sold in India. It seems that one in a hundred of people of India is buying a new car every year. All the cars manufactured in India were sold by means of agencies. As there are many brands, divisions as passenger cars, utility vehicles and multipurpose vehicles and sub-divisions as mini, compact, mid size, executive, premium and luxury, the car market has a wider product differentiation. The product differentiation is further widened by trade – offs offered by district wise car distributors. As such, there is a wider scope to take sample respondents, from the buyers of cars and seasonal trade – offs as marketing strategies to have a study on perception of buyers towards marketing strategies of agencies of car manufacturers.

Table - 1.2

Sub segment in passenger vehicle industry

Category	FY01-02	FY02-03	FY03-04	FY04-05	FY05-06	CAGR Growth (%)
Passenger cars	5,09,088	5,41,491	6,96,153	8,20,179	8,82,094	14.7
Utility vehicles	1,04,253	1,13,620	1,46,388	1,76,360	1,94,577	16.9
MPVs	61,775	52,087	59,555	65,033	66,366	1.8
Total PV	**6,75,116**	**7,07,198**	**9,02,096**	**10,61,572**	**11,43,037**	**14.1**

Source : SIAM, IDBI Capital Market Services

1.5. OBJECTIVES OF THE STUDY

Passenger vehicle industry is segmented into passenger cars, utility vehicles and multipurpose vehicles and the industry is sub-segmented into mini cars, compact cars, mid size, executive premium and luxury cars. In each sub – segment, the nature of market segmentation differs from absolute monopoly to monopolistic competition. One brand has two or more sub - segments. As such, there is a competition within a brand and in between brands. To win the competition, marketing strategies are adopted. The marketing strategies are frequently changed. Therefore, the object of the study is to analyze how actually the marketing strategies are perceived by the buyers and how actually the strategies influence the buying decisions. However, the specific objectives of the study were as follows.

i. To examine rationale behind the perception of marketing strategies.

ii. To examine the factors influencing buying decisions.

iii. To briefly state the profile of Misl, Tata Motors, Mahindra and Hyundai.

iv. To briefly state the features of different car models.

v. To analyse the marketing strategies of car agencies.

vi. To analyse empirically the perception of buyers towards the marketing strategies of car agencies.

vii. To summarise and make suggestions for the betterment of passenger car industry.

1.6. LIMITATIONS OF THE STUDY

The proposed research study is subject to the following limitations

i. The study is confined to the buyers of cars in Salem and Namakkal Districts.

ii. The study is confined to Maruti cars, Mahindra cars, TATA cars and Hyundai cars.

iii. The results of the study is based on the information provided by the respondents

iv. The study is confined to a limited period of 5 years from 2003-2004 to 2008-2009.

1.7. HYPOTHESES TESTED

1. No significant relationship between age wise classification of respondents and four selected brands of Cars.

2. No significant relationship between gender wise classification of respondents and brands of Cars.

3. No significant relationship between educational qualification and brands of Cars.

4. No significant relationship between occupation wise classification of respondents and brands of Cars.

5. Preference of models of Maruti Cars was independent of age wise classification of respondents.

6. Preference of models of Maruti Cars was independent of educational qualification of buyers.

7. No significant influence of occupation of the buyers and the models of preference of Maruti Cars.

8. Public opinion on sales offer through regional news papers was independent of age.

9. Sales offer through regional news papers was independent of educational qualification.

10. Public opinion on sales offer through regional news papers was independent of occupation.

11. Public opinion on advertisement giving a rosy picture was independent of age.

12. Public opinion on advertisement giving a rosy picture was independent of educational qualification

13. Public opinion on advertisement giving a rosy picture was independent of occupation

14. No significant difference in assigning ranks to the motives of various sales promotion measures of agencies of car manufacturers by the respondents classified age-wise.

15. No significant difference between male and female in assigning ranks to the motives of various sales promotion measures of the agencies of car manufacturers.

16. No significant difference among the classification of respondents on the basis of educational qualification in assigning ranks to the motives of various sales promotion measures of agencies of car manufacturers.

17. No significant difference in assigning ranks to the motives of various sales promotion measures of the agencies of car manufacturers and the classification of respondents on the basis of profession.

18. No significant difference in the ranks assigned to the criteria of selection by different age groups.

19. No significant difference among the male and female in assigning ranks to the criteria of selection over the brands of cars.

20. No significant difference in assigning ranks for the perception of brands of cars by taking into account certain criteria of selection.

21. No significant.difference among the respondents on the basis of profession in perceiving the brands of cars on the basis of certain criteria of selection.

22. No significant difference among the respondents on the basis age – group in perceiving the models of Maruti cars by taking into account certain criteria of selection.

1.8. REVIEW OF LITERATURE

A handful of research studies associated with the proposed study were briefly stated below

Engil[1] in his study focused that "Consumer Behaviour means the arts of individual directly involved in obtaining and using Economic goods and services, including the decision processes that proceed and determine these arts. It is the process whereby individuals decide whether, what and when, where, how and from whom to purchase goods and services".

Cundiff Still, Govoni[2] "the individual buyers specific behaviour" in the market place is affected by internal factors such as needs, motives perception and attitude as well as by internal or environmental influences such as the family, social groups, culture, economic and business influences".

Gregory[3] described with increased multinationalization and globalization of world business, the interest in the behaviour of culturally different consumers has increased. An understanding of the factors influencing

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1. James F Engil, "Consumer Behaviour" Holt -Sacenders International Edition, 1982, P.9.
2. Cundiff. Still, Govoni Fundamentals of Modem Marketing prentice Hall of India Private Limited, Delhi 1980 P-128.
3. Gregory, Gary D integrating cultural influences into current theory on customer loyalty formation. The journal of brand management, 2003, P.393-P.408.

customer loyalty across cultures is believed to be useful in building and retaining customers. This paper extends the existing theories of customers' loyalty comprehensive model of cross-cultural customer loyalty and integrates cultural influences into behaviour. The antecedents and consequences of loyalty as well as the relationship among the different components of loyalty are discussed as Hofstede states; culture is the collective programming of the mind which distinguishes the members of one human group from another. Two of his four dimensions of culture-individualism collection and uncertainly avoidance-are adopted to examine culture, values and the impact on loyalty formation. The overall observation suggest that for collectivists, the influence of subjective norm on purchase intention is likely to be stronger that for individualist. These differences could be attributed to the collectivist cultures placed on subordination of person goals to in-group goals over, given that there are perceived differences in subjective norm influences the subjective norm component is likely to have a greater impact on loyalty formation for collectivistic cultures than for individualistic cultures. Brand watching behaviour is expected to be lower for cultures that score high on uncertainly avoidance. Overall unit brand loyalty is presented as a function of the consistency between subjective norms, relative attitudes and actual purchase behaviour.

Wansink, Brian, Kent, Robert Jand Hoch, Stephen J [4] this paper propose a simple anchoring and adjustment model to describe the psycho logic process behind the purchase quantity decision and to suggest how marketers can influence decisions. The authors report a series of two field and two libratory studies that document and explain the effect of various point of purchase (pop).cans anchors on quantity decisions. These studies show that anchor-based promotions-presented as multiple unit prices, purchase quantity limits and suggestive selling-can increase purchase quantities. The final study provides - more direct evidence about the psychological process that occur during purchase quantity decisions. It shows that internally-generated anchor can counteract the influence of external anchor-based promotions effectively. These results help retailers, manufacturers and managers in increasing quantities on the one hand and provide consumers with a strategy to counter the effects of the promotional efforts, on the others.

Jemes Q. Wilson[5] "Even if we do all the things that can be done to limit the social costs of cars, the campaign against cars won't stop. It will not stop of because many of the critics, dislike everything the car stands far".

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4. Wansink, Brain, Kent, Robert J and Hoch, Stephen J (1998)" An anchoring and adjusting model of purchase quantity decision", journal of marketing research, pp.71-81.

5. James Q. Wilson, Facts for you, Vol.18, No. 12, April 1998.

S.Gianni Ravina, M.D.[6] "From the consumer's point of view since the end of 1998 a new era may have started forming along writing periods for obsolete models to a frenetic search for the product best suited to the needs. But the automobile is not only an issue of consumption, it is regarded by governments every where based on the history of industrial development as a sector that drives an entire economy,

A.P. Gandhi[7] the healthy competition brought in by the entry of multinationals has led to a passenger car market with high customer expectations".

Bhauvana Ramalingam[8] "Availability of newer car models, competitive pricing and world class servicing are expected to attract more buyers".

Mohinder Singh[9] "now consumer, with their basic necessities easily catered far, are free to focus on innovation, originality and style. And so the secret of successing a finely honed awareness of what these well informed consumers will buy and showing respect of their scarcities of time and in

6. S.Gianni Ravina, M.D: Fiat India Automobiles Ltd., "Automobile Policy An entine of growth, The Hindu survey of Indian Industries 1999, P .283.

7. P.Gandhi, President, Hyndai Motor India Ltd., "Passenger cars wide choice for buyers, "The Hindu survey of Indian Industry, 1999 P.292.

8. Bhuvana Ramalingam, "Passenger Cars profile of Indian Market, "The Hindu surve of Indian Industry 1999, p.297.

9. Mohinder Singh, "Coming *of* the new consumers" facts for you, Vol.20, No.11, August 2004, P.8. IFC July 1994, The Hindu survey *of* India Industry 1995, P.285.

assessing their quest for authenticity, in recognizing their independent-minded individualism and in becoming deserving of their continued trust. In short, in understanding the new customers.

Tutu Dhawan[10] "the Indian auto industry saw the completion of one full circle from being import of vehicle to export of vehicles made in India".

Mohinder Singh[11] "in characteristics of travel desired by individuals, the car is clearly superior more flexible and punctual, more comfortable and private, easier for carrying parcels and passengers of choice, and faster for most distances. In developing countries like ours, the car is also a status symbol".

Roberston Hyazinth Manual[12] in his study on "Consumer satisfaction towards after sales service, revealed the major feed back of the respondents where the maintenance charge are moderate/low and their vehicle performance is good and also the majority of the respondents opinion regarding mode of vehicle delivery and after sales service is delayed has also found out mostly to respondent recommended for their vehicle service station. They would suggest ABT and also examined the level of customers satisfaction regarding the service operators not good much lower".

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10. Tutu Dhawan, "In the fast lane "The Hindu survey *of* Indian Industry 2003,P .275.
11. Mohinder Singh, "CARS A Blessing or a curse? Facts for you, Vol. 18, No. 12, April 1998.
12. Robemon Hyazinth Manual "A study on consumer satisfaction towards of the sales service" (For ABT Ltd. CBE -Authorized Mart Dealers)

Amankirmani [13] in his study "The effect of received advertising cost on brand perceptions" has examined how, why and when consumers use their perceptions of advertising costs as clues to a new brands quality related attributes. The study concludes that perceived cost affects brands perceptions where content uninformative about brand attributes but not when content was informative and the level of involvement did not affect the relationship. It has also been found the price affected quality perceptions but not comfort perceptions".

Ravikanf[14] in his article says that "multi-axle vehicles with better fuel- efficiencies, power-to-weight ratio and comfort and safety related features, are essential to create commercial vehicle products that compete with other products. Any way we are creating products of that nature for more developed markets and also gearing upto meet the changing need of the customers in the bus segment with a range of built buses as against just selling chassis. By doing this it makes great sense, for us to be fairly aggressive in our international business".

Davos[15] India in its research on automotive industry identified a key trend in passenger vehicle segment that with rising income levels availability of better financing options, customers are increasingly aspiring

13. Amankirani -Journal of Consumer Research Sept 1990.
14. Ravi kant, Business India, Ian 19, Feb 1,2004, P.53.
15. January 2006, www.ibef.org

for higher-end models. There has been a gradual shift from entry-level models to higher-end models in each segment. Tata Nano is an entry- level car which has reduced the cost of owning a car significantly as mentioned above. In their research, Davos identified an increase in the number of households who come in the consumer class by about 68% from the year 2001 to 2006. Many aspirants have actually converted into the consumer class. Many such studies done on the income level relation with the purchase of cars suggest that the income level transition has to be taken into consideration in this research. As per the trends reflected in the researches done so far, it can be postulated that a high income customer might not be a customer for Tata Nano while the average income group and the people under transition from low to high.

The studies stated above show that only the individuals decide to purchase goods, internal factors influence buying division, brand loyalty was a function between subject norms and purchase behavior, the sellers adopt strategies to counter effect - promotional efforts from the consumers point of view, the product best suited to the needs will be preferred, healthy competition in car market brought in by the entry of multinationals, competitive pricing may attract consumers, car is also a status symbol, advertising costs act as to a new brand quality related attributes, safety related features were essential to create demand for commercial vehicles and the income level influences the purchase of costly cars. However, the proposed study was undertaken with view to fill the gap in the existing studies i.e. the agencies of car manufacturers frequently and more frequently adopt .new strategies to sell cars. There exists a competition between inter-brand and intra-brand. How actually the prospective buyers perceive the strategies and take buying decisions was the object of the proposed study which differed from earlier studies.

1.9. RESEARCH METHODOLOGY

Statistical survey method of research was adopted. The survey was conducted by means of question schedule. The researcher collected the addresses of buyers of cars for a period of five years for the four brands viz. Suzuki, Hyundai, Tata and Mahindra. The addresses were collected from the selling agencies of the four brands in Salem and Namakkal districts of Tamilnadu State in India. Two hundred and fifty respondents were met by the scholar with a view to get first hand information. The information collected were arranged, tabulated and analysed. A pilot study was conducted before taking up the major research work. A pilot study was conducted by taking buyers of cars in Paramathi-Velur Town on random basis. The results of the pilot study were quiet encouraging.

1.10. SAMPLING TECHNIQUES

Disproportionate stratified random sampling technique was adopted. Two hundred and fifty respondents were selected at random from among the buyers of four brands of cars for over a period of five years. Of the 250 respondents, 133 were buyers of Maruti cars, 20 were the buyers of Mahindra. 40 were the buyers of Tata and the remaining 57 were the buyers of Hyundai. The sampling area covers two districts namely Salem and Namakkal. These two districts were taken as the scholar's research department is situated in Namakkal District. As such, it is convenient sampling.

1.11. THE PROFILE OF SAMPLE AREA

1.11.a Tamil Nadu Profile

The embrace of ancient Dravidian culture, Tamil Nadu is the southern-most state of India. It is a beautiful state nestled in the southern Indian peninsula, on the shores of the Bay of Bengal and the deep blue Indian Ocean. The state extends from the Coromandel Coast in the east to the forested Western Ghats in the west. The state lies at the southern tip of India, surrounded by Pondicherry, Kerala, Andhra Pradesh and Karnataka. It is the second most industrialized state in the country after Gujarat. The arrogance of the state is the language Tamil itself. Scholars recognize Tamil to be one of India's two languages of antiquity. The cultural ambiance of the state has given it a separate position on the cultural map of the country. This land has a vibrant culture, a rich tapestry of history, a nature's Paradise of extended beaches, clear skies and many more to rediscover...Feel and touch this spectacular land with passion.

1.11. b. SALEM DISTRICT – A PROFILE

Physical and Geographical Features

Location

Salem District is one of the land locked Districts in Tamilnadu. It is bounded on the North by Dharmapuri district, on the South by Namakkal district, on the West by Erode district and, on the East by Villupuram district. The elevation of landscape generally ranges from 500 ft to 1200 ft. above MSL with the exception of Yercaud which is at 5000 ft. above MSL.

Rainfall

The average rainfall for the first 5 years (1991-96) works out to 851.90 mm which is lower than the State average of 943 mm. The north east monsoon period is the major rainy season accounting for 66% of the normal rainfall, followed by southwest monsoon (30%).

Temperature

The average mean minimum temperature is 32.4°C while the average mean maximum temperature is 24.20 °C.

Soil

Major soils of the district are clay, black loam, black sand, and red ferruginous and red sand. The black loam is considered most fertile. The red soil is equal to loam in Productivity in and around Attur. Black soil is due to alluvial deposits with red subsoil.

STATUS OF SOIL AND WATER CONSERVATION PROGRAMMES

As on 96-97, 103 percolation ponds and 70 check dams have been constructed in the district benefiting about 3000 Ha. of land. The implementation of soil and water conservation programmes is significant in terms of water harvesting and arresting of soil erosion.

Trend in consumption of Fertilizers and Pesticides

The consumption of chemical fertilizers and bio-fertilizers are put at 84712 tons and 50168 tons., respectively. The analysis of the trend in consumption of fertilizers and pesticides indicate that consumption of both chemical fertilizers and bio-fertilizers are increasing. From 34716 tons in 1980-81, the chemical fertilizer consumption has more than doubled in 1995-96 to 84712 tons. The consumption of bio-fertilizers also increases steadily.

DEMOGRAPHIC FEATURES

Population

The total population as per 1991 census is 2547367. The proportion of male and female in the total population works out at 52.44%, and 47.56% respectively. Out of total population nearly 68% live in rural areas and 32% live in urban areas.

Literacy Level

Literacy level has increased considerably from 38.69% in 1981 to 65.78% in 1991. However there is a cause for concern in case of female literacy, which is put at 37.70%.

Density of Population

The overall density of population in the district has increased from 398 persons per sq.km in 1981 to 507 persons per sq.km. in 1996. The population density in both urban and rural areas has shown considerable increase. It has increased from in 1981 to 3375 persons per sq. km. in 1996, in urban areas. In rural areas the density in put at in 1996.

Rivers

Cauvery, Thirumanimutharu, Sarapangandhi are the important rivers in the district. Except Cauvery, other rivers flow only during rainy season.

River Basin & Other Catchment Areas

Cauvery basin is the major river basin in the district. The total area of Cauvery basin in the district is put at Ha. which works out 81.26% of total basin of the district.

Fisheries

The annual production of fisheries is put at 428 tons. Main source of fish production is Mettur Dam and PWD tanks.

Heritage Resources

Yercaud, which is popularly known as "Poormen's Ooty" is an import hill station in the district. The growing construction activities in Yercaud affects the ecological balance. Mettur Dam also finds important place as a natural heritage centre.

Energy Resources

The district has one thermal power station and two hydro electric power stations. The total installed capacity is 110 MW. The contribution of non-conventional energy Environmental Profile of Salem District ITCOT sources in meeting the power requirements is very limited.

INFRASTRUCTURE DEVELOPMENT AND ENVIRONMENTAL STATUS

Urbanisation

Urbanisation Pattern

The analysis of the trend in Urbanisation Pattern shows that there has been considerable increase in urbanisation. From 28.5% in 1981, the urban population has increased to 32.4% in 1991.

Urban Slum Population

There has been a steady increase in the percentage of urban slum population. It has increased from 26.25 % in 1991 to 31.29% in 1996. This causes severe pressure on the provision of civic amenities.

Trend in urbanisation and slums

The trend in Urbanisation in Slums indicates that the urban population has cosiderably increased. The percentage of slum population to total population has also increased from 1981 to 1996.

Social Infrastructure

Occupied Housing Units

The total number of occupied housing units as on 1991 is estimated at 9,66,700. There has been an increase in the number of households accessing piped water supply connection and toilet facilities in both rural and urban areas.

Supply of Drinking Water

River and ground water are the major source of drinking water in the district. Salem Corporation, Idappadi and Mettur Municipalities and a good number of town panchayats are covered by Cauvery water schemes. Also about 60% of villages are covered by water schemes. Thus round the year water supply is ensured. Out of 3730 villages,1409 villages are having water problem as on 1995 – 96.

Transport Infrastructure

Salem district finds a significant place in the transport vehicle population. Bus facilities are provided for every revenue village in the district.

Development of Road & Bridges

The district has a good net work of National Highways and State highways. NH-47 & NH-7 are passing through the district to a distance of - 98 Kms. Almost all villages are connected by roads and provided bus facilities. Overall the road infrastructure in the district may be termed as "Very Good".

Transportation Facilities

There has been significant increase in two, three and four wheeler vehicles in the district over the past 10 years. Growth of vehicle population has affected air quality particularly in Salem Corporation. This also poses severe traffic problems.

INDUSTRIAL DEVELOPMENT & ENVIRONMENTAL STATUS

NUMBER OF INDUSTRIES

The district has 120 medium and large scale industries 8250 registered small scale industries. Among the industries over 500 is clasified under red category and 2000 is put under orange category. Red category industries are mostly chemical, sago processing, mineral pulverising and dying units.

The District offers good raw material, cheap labour and good sunshine for a longer period of the day throughout the year; helping manufacturers to produce more tapioca finished products eg. sago and starch and therefore the District of Salem is known as the land of Sago, even in the international forums. In and around Salem the yield of tapioca is about 25-30 t/ha, highest in the World. National average is 19 t/ha and World average production stands at 10 t/ha.

Salem is an important district of Tamil Nadu notable for its picturesque landscapes dotted with hillocks, lakes, temples and forts etc. The district has its administrative head quarter located at the same town of Salem. Other major towns of the district include Mettur, Omalur and Attur. The district is well connected by rail and road.

Salem was the largest district of Tamil Nadu before it was bifurcated into two administrative districts viz. Salem and Dharmapuri districts. Again it was divided to form Namakkal District. Today Namakkal is an important destination for travel and tourism.

ATTRACTIONS

Yercaud is a popular summer resort in Salem, quite inexpensive yet exquisitely picturesque. The cool and plesant climate prevailing here makes it an ideal summer retreat.

Other important places are Mariamman, Murugan, Muniappan, Yercaud – Jewel of the South, The Anna Park, Lady's Seat, Pagoda Point, Killiyur Falls, The Grange, The Bear's Cave, The Servarayan Kaveri Amman Temple, The Montford School, The Reteat, Tharamangalam.

How to reach SALEM

By Rail : Salem town is well connected by rails with important parts of the country. The nearest rail head is Salem Junction, 36 Kms from downtown.

By Road : Bus services operate from Salem Junction and Salem bus stand to Yearcaud frequently. There is no town bus service in Yearcaud, but certain buses coming from Salem ply through Yercaud and connect the important Villages like Cauvery Peak, Valavanthi, Nagalur, Velakkadai, Swinton Bridge with Yercaud.

1.10.c. PROFILE OF NAMAKKAL DISTRICT

Since, the Namakkal District is a Part of the Salem District, the historical background of Salem and Namakkal remains the same. After the struggle between the Cheras, Cholas and Pandiyas, the Hoysales rose to power and had control till the 14th century followed by Vijayanagar kings till 1565 A.D. Then the Madurai Nayakas came to power in 1623 A.D. Two of the polygons of Thirumalai Nayak namely, Ramachandra Nayakas and Gatti Mudaliars ruled the Salem area. The Namakkal fort is reported to have been built by Ramachandra Nayakas. After about 1625 A.D., the area came successively under the rule of Muslim sultans of Bijapur and Gokinda Mysore Kings and then the Marathas when about the year 1750 A.D Hyder Ali came to power. During this period, it was a history of power struggle between Hyder Ali and later Tippu with the British.

FIGURE – 1.2

Location of state of Tamilnadu in India

FIGURE – 1.3

Location of Namakkal District in state of Tamilnadu

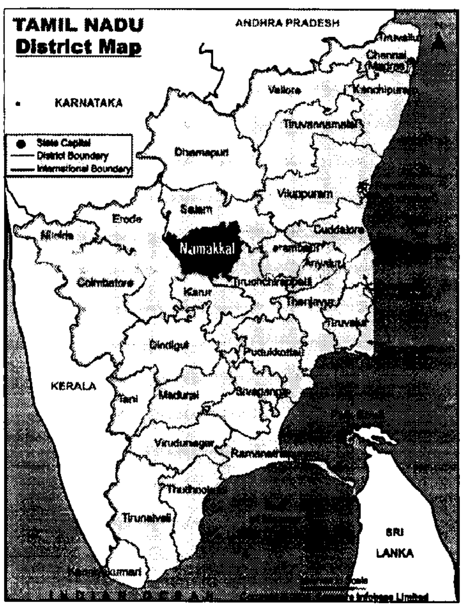


FIGURE – 1.4

Map of Salem District

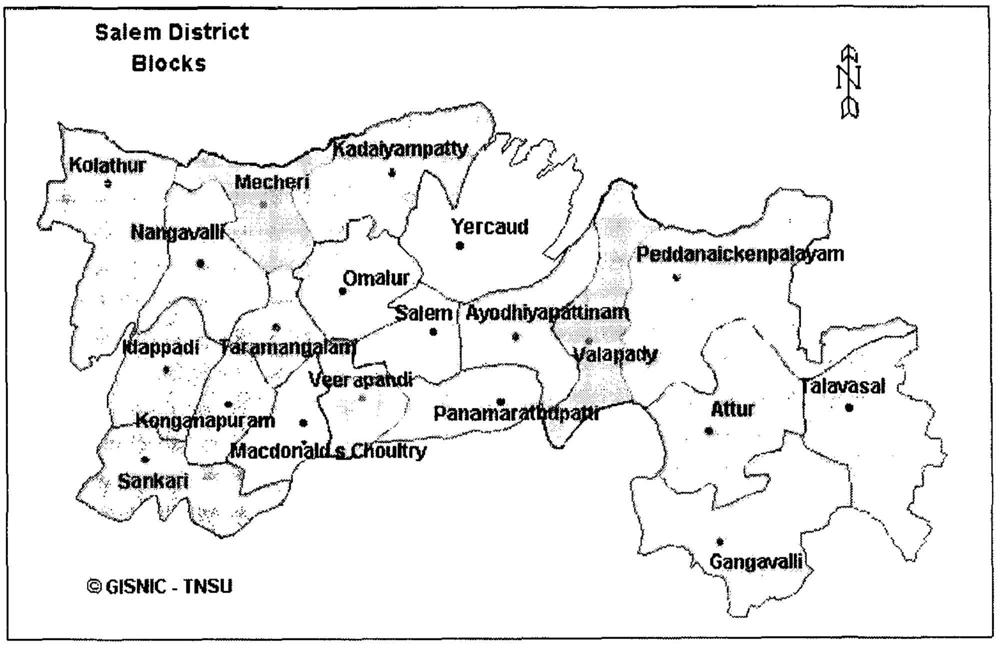
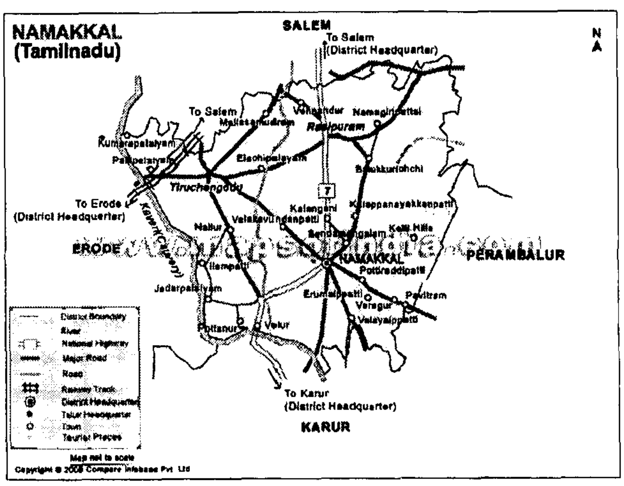


FIGURE – 1.5

Map of Namakkal District



The Rock Fort in Namakkal is a special feature of the Town. The Fort covers an area of one and half acres of flat surface and is accessible from south-west by a flight of narrow steps. Namakkal was in the hands of Atikula king called Gunasila who has marriage with Pallava King. Later the taluk was over run by the Cholas in the Kongu Mangalam which has over run by the Cholas in the 9^{th} century and passed on to Vijayanagar under the viuroyultry of madra. Namakkal was held by kikdhar (caption) on Hyder Ali until it was captured by British in 1768.

Communication

The district is well served by road transport. NH-7 and NH-7 pass through all the Taluk headquarters, other towns and most of the villages are connected by motorable roads.

Location and Physiography

Namakkal District is situated at 11° 00, 12° 00, of the North latitude and $77^{\circ}40$, and $78^{\circ}05$, of the East longitude, the altitude of the district is 300 meters above MSL.

TABLE – 1.3

POPULATION BY BROAD INDUSTRIAL CATEGORIES OF WORKERS

YEAR : 2006 – 2007

S.No	Industrial category	Namakkal District		Tamilnadu	
		Persons	Percent to total workers	Persons	Percent to total workers
1	2	3	4	5	6
1.	Total main workers	770940	91.50		
	a) Cultivators	178717	21.21		
	b) Agricultural Labourers	265759	31.54		
	c) Household Industry manufacturing, processing, Servicing and Repairs	50538	6.00		
	d) Other workers	-275926	32.75		
2.	Marginal workers	71700	8.51		
	Total workers	842640	56.42		
	Non workers	650822			
	Total Population	1493462			

Source : Census of India 2001

Namakkal District comes under the North Western Agro elimatic Zone (Excluding Tiruchengode Taluk) of Tamil nadu. It is situated in the dividing portion of two watersheds between cauvery and the vellar system with the taluk of Attur, Rasipuram and Namakkal on the East and Salem, Omalur and Mettur on the West. Tiruchengode taluk alone is placed under western Agro-climatic Zone.

Besides above two zones, kolli hills in Namakkal and few isolated hills and ridges scattered over Namakkal, Rasipuram and Tiruchengode along with the valleys and rolling topography contributes to the characteristic Physiography of the District.

Kollihills the Graden of Namakkal District comprising of 14 village panchayats called 'Nadu' is having an area of 371.03 sq.km at an altitude of 1300mts above MSL.

The Northern portion of Namakkal are mountains and the southern areas are plains. The plain area of the district can be divided into 3 elevating stages. The lower elevation (below 150 m) has Namakkal and Paramathy Taluks which are being benefitted by Cauvery river. The mid elevation (50-300 M above MSL) occupies the major area in all Taluks. The high elevation area (between 300 – 600 m) spreads over mainly in Rasipuram and Namakkal Taluks. The Chief rivers running through in the district are cauvery Aaru, Karipottamaru and Thirumanimuthar. The cauvery flows south and south west hugging the border.

The famous Cauvery river flows along the western and southern boundaries of the district at an elevation of 150 m. It benefits most of the cultivated lands in Paramathy and Mohanur block. Its tributaries are Sarabanga and Tirumanimuthar.

NATURAL RESOURCES

CLIMATE

Namakkal district experiences semi – arid tropical climate wherein four district seasons viz, South West monsoon (June –Sep) North East monsoon (Oct - Dec) winter season (Jan - Feb) and summer season (April – May) are experienced. The maximum temperature ranges from 28 to 40°C and the minimum from 14 to 26°C. During January and February lowest temperatures are recorded while maximum temperature during April – May. The rainfall during this period will be very minimum when compared to other periods.

The summer period starts from March and ends by May. This is the period that the temperature is usually high in the districts. During this period rains, isolated thunder showers accompanied by gale winds are observed. About 19 % of the total annual rainfall is received during this period, which helps to take sowing of rain fed crops well in advance. If the summer showers fails, the district normally experiences water scarcity for drinking.

The hot climate subsidies when the south west monsoon sets in, usually during June. 40% of annual rainfall is recorded during this period. Farmers are able to raise paddy nurseries with the help of this rains. The remaining unsown rain fed areas are also brought under cultivation during this period. North east monsoon which prevails from October to December gives 40.5% of annual Rainfall. This helps the farmer to take up II Crop under rain bed condition. The cold weather generally commences in December after the cessation of North east monsoon rains. The minimum temperature of 15 – 16°C recorded during December to February generally affects the pollination in cereals particularly Rice.

1.12. DATA COLLECTION AND ANALYSIS

Both primary data and secondary data were widely used. Primary data were collected by means of question schedule. Secondary data were collected from Books, Journals, Periodicals, Magazines, Pamphlets, Notes, Wall writings. Television advertisements, web collections etc., The data collected were systematically arranged and tabulated. The tabulated data were anaysed and interpreted to reach certain conclusion. The statistical tools of percentage analysis charts and diagrams and semantic differential scaling techniques were applied. To test the hypotheses chi-square test and analysis of variance were applied.

1.12. CHAPTER ARRANGEMENT

CHAPTER I	–	Introduction
CHAPTER II	–	Rationale behind studying perception of buyers.
CHAPTER III	–	Factors influencing buyers consumer.
CHAPTER IV	–	Profile of Maruti Suzuki, Mahindra Tata and Hyundai Companies.
CHAPTER V	–	Features of the different models of cars.
CHAPTER VI	–	Schemes of Marketing strategies of agencies of cars of in Salem and Namakkal Districts :- An Analysis.
CHAPTER VII	–	Perception of buyers of cars towards the marketing strategies of agencies of car manufacturers – Empirical Analysis - I
CHAPTER VIII	–	Perception of buyers of cars towards the marketing strategies of agencies of car manufacturers – Empirical Analysis - II
CHAPTER IX	–	Perception of buyers of cars towards the marketing strategies of agencies of car manufacturers – Empirical Analysis – III
CHAPTER X	–	Summary and Suggestions