CHAPTER – I

INTRODUCTION AND DESIGN

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INTRODUCTION

Many firms adopt the vigorous means to maintain their existence in the market, as there are many alternatives in the market of the modern business world. The literal meaning of business is “Being Busy” but actually it is an economic activity. Producers with the factors of production, manufacture goods of all kinds required by consumers. Some of them are working on a small scale, show how making both ends meet. Some other are functioning on a large scale providing livelihood to thousands. Satisfying the customers in all means subsequent to their purchase can attain profit motive, the major aspiration of the business.

In the automobile business, no company can survive without continually refreshing its products portfolio. As India is getting more and more liberalized we have to create commercial vehicle products that will compete with other products likely to come to India. Tata Motor’s entry into this small car market entails competition with the well entrenched products.

The House of Tata had long eyed a place in the passenger car market. The strategy going forward is to maintain the growth pace and sustain profitability both at the domestic and international level.
Buyer behaviour is comparatively a new field of study. It is the attempt to understand and predict human actions in the buying role. It has assumed growing importance under customer marketing, planning and management.

Buying behaviour is never simple yet understanding it is the essential task of marketing management. The role of research in several fields of economics, marketing, whether related to business or the economy as a whole, has greatly increased in modern times.

The first car rolled out for sale on 14th December 1983, making the beginning of a revolution in the Indian Automobile Industry. The Indian Car Market had segment at a volume of 30,000 or 40,000 cars a year for the decade.

Today there are a number of new brand cars available in the market. Eventhough, new brands are available in the market, purchasers depend on the product which is for long way around. Before buying a particular brand of a car their past experience, advice of others are considered rather than advertisement and other factors.
STATEMENT OF THE PROBLEM

Consumers should select the best among the various alternatives available based on quality, technology, colour, price, convenience, fuel consumption and so on. Though variety of cars are available in the market, the buying decision depends on several factors. After purchasing a product the consumer behaviour varies based on the contentment level in the use of the product. Certain questions are produced about the post buying behaviour of the respondents in Tata Products (Car).

➢ To what extent the demographic characteristics like age, sex, income, education, members in the family, years of using, of the product awareness and occupation level influence the purchase of cars.

➢ To what extent the past buying experience and advice of the friends influence in their purchase decisions.

➢ To what extent the family members and friends influence the purchase decision.

➢ To what extent the consumers are satisfied with the authorized service stations.

➢ To analyse the problems faced by the consumers in using Tata Products (Car).
To offer suggestions based on the views and opinion expressed by the respondents.

REVIEW OF LITERATURE

Studies relating to the subject matter of the study were searched and reviewed briefly the inferences and results. Knowledge on consumer behaviour is very essential for the people in the field of marketing to make crucial decisions. Even a very minor aspect cannot be ignored as it may cause very serious repercussions.

Some of the reviews collected from Magazines, Journals etc. relating to the study is as follows:

Parasuram in his article describes "as such regardless of sector in which a company operates or the nature of its offering the quality of its customer service will increasingly become the pivotal determinant of whether it barely survives or thrives on a sustained basis".

Gregory described with increased multinationalization and globalization of world business, the interest in the behaviour of culturally difference consumers has increased. An understanding of the factors influencing 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 importance collectivist cultures place on subordination of personal goals to group goals. Moreover, given that there are perceives 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 switching 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.
James Q. Wilson “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 because many of the critics, dislike everything the car stands far”.

S.Gianni Ravina, M.D. “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 everywhere based on the history of industrial development as a sector that drives an entire economy”.

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

Bhuvana Ramalinga “Availability of newer car models, competitive pricing and world class servicing are expected to attract more buyers”.

Mohinder Singh “now consumer, with their basic necessities easily catered far are free to focus on innovation, originally and style. And so the secrete of successing a finely honed awareness of what these well informed consumers will buy and why. In showing respect of their scarcities of time and in assessing their quest for authenticity. In recognizing their
independent-minded individualism and in becoming deserving of their continued trust. In short, in understanding the soul of the new consumers”.

According to a study released by the International Finance Corporation in July, “India is going to be the second biggest emerging market for automobiles in terms of percentage of increment global auto sales absorbed”.

Tutu Dhawan “the Indian auto industry saw the completion of one full circle from being import of vehicle to exporter of vehicles made in India”.

Mohinder Singh “in characteristics of travel desired by individuals, the care is clearly superior, more flexible and punctual, more comfortable and private, easier for carrying parents and passengers of choice, and faster for more distances. In developing countries like ours, the car is also a status symbol”.

Amin Ibrahim Gamal, El Din in his study to examine the effect of inclusion comparison, prices, the presence and absence of store discount, coupons, various brand types, demographic characteristics, store image, store trust and consumer evaluations and reactions newspaper advertisement.

➢ National brands received more positive significant response over private and generic brands.

➢ For some products respondents found more positive if store coupons were not presented in advertisements and
Demographic variables were found minimal impact of consumer price perceptions, attitudes towards purchases and intention to purchase”.

Roberston Hyazinth Manual in his study on “Consumer satisfaction towards after sales service, revealed the major feedback 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”.

Amankirmani 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 when content was 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”

Ravikant 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. Anyway we are creating products of that nature for more
developed markets and also gearing up to 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.

OBJECTIVES OF THE STUDY

1. To study the consumer awareness and the model of Tata Products (Car) used by the respondents.

2. To identify the various factors influencing the purchase of Tata Products (Car).

3. To measure the period of usage and frequency of service to the car.

4. To study the amount expended after purchase of car for the various factors.

5. To measure the level of satisfaction of Tata Products (Car).

6. To analyse the problems faced by the consumer of Tata Products (Car).

7. To offer suggestions based on the views and opinions expressed by the respondents.
METHODOLOGY

1. SAMPLE AREA OF THE STUDY

   The researcher has interviewed 200 respondents for data collection. The study area refers to Salem District. Data are collected in the study area by categorizing the respondents based on taluks.

2. SOURCES OF DATA

   The validity of any research is based on the systematic method of data collection and analysis. The present study used both primary as well as secondary data. The primary data was collected from the respondent using Tata in Salem District. The data thus collected were analysed and tabulated systematically.

3. SAMPLING

   For the purpose of this study, 200 respondents are selected and data were collected using the interview schedule. For the purpose of selection of respondents, simple random sampling technique was adopted and due care was taken to see that the sample are unbiased.

   Questionnaire was the main tool for collecting the primary data. Questionnaire was designed in a systematic way covering adequate and relevant questions which covers all aspects of the study. Questionnaire was prepared with the help of the guide and experts in the research field. The
first part of questionnaire sought the general information about the respondents whereas the remaining part was directed towards the main phase of the study.

Pilot study was conducted with few sample and necessary modifications were incorporated. The information has been collected by the researcher by approaching various service stations, automobiles dealers etc. The data collected from the primary sources were arranged sequentially and tabulated in a systematic manner.

Secondary data were also collected for the study from journals, newspaper, magazines, textbooks and related study.

4. TOOLS FOR ANALYSIS

The data collected from the primary sources were arranged in the simple tabular statements by preparing a master table. Statistical tools used in the study for the purpose of analysis are as follows:

1. Percentage Analysis
2. Chi-square Test
3. Kendall’s Co-efficient of Concordance
4. Weighted Average Percentage Score Analysis
5. Ranking Analysis.
1. PERCENTAGE ANALYSIS

Percentage analysis refers to a special kind of ratio, percentage are used in making comparison between two or more series of data. Percentage are used to describe relation, since the percentage reduced everything to a common base and thereby allow meaningful comparisons to be made.

2. CHI-SQUARE TEST

In the study the personal factors is compared with other factors like kilometers etc. Chi-square analysis has been used to test the hypothesis regarding customers satisfaction attitude towards Tata Products (Car).

\[
\text{Chi-square test } (\chi^2) = \frac{\sum (O-E)^2}{E}
\]

Degrees of freedom = \((R-1)(C-1)\)

Whereas,  
\(O\) = Observed frequency  
\(E\) = Expected frequency  
\(R\) = Number of rows  
\(C\) = Number of columns

3. KENDALL’S CO-EFFICIENT OF CONCORDANCE

Kendall’s co-efficient of concordance is applied to study the degree of relationship between ranking and demographic variables. Respondents have
been asked to assign ranks to the various factors based on which demographic variables.

\[ \bar{R}_j = \frac{\Sigma R_j}{N} \]

\[ W = \frac{S}{1/12 (K^2) (N^3-N)} \]

4. WEIGHTED AVERAGE SCORE ANALYSIS

Weighted average score analysis is used for average ranking given, by respondents on different factors/variables to know whether the factor was considered as very important factor by the respondents.

5. RANKING ANALYSIS

Normal Ranking is used to analyzing the data.

PERIOD OF THE STUDY

The study confined to period of 6 months since August 2004. Questionnaire preparation and date collection from primary sources took around 3 months. Master Table Preparation, data analysis and interpretation consumed about 2 months. To present the data in the form of the report took another 1 month.
SCOPE OF THE STUDY

The study aimed in assessing the consumer preference in four-wheeler with particular reference to Tata Products (Car). It also highlights the level of satisfaction among the respondents using Tata Products (Car), in Salem District.

LIMITATIONS OF THE STUDY

1. This study is confined to the Salem District and hence findings, suggestions and conclusions were drawn with due care when an attempt is made to generate the results.

2. The conclusions were made based on the opinions given by the respondents only. Care had been taken to minimize the bias through cross checks, if the accuracy and reliability of data given by the respondents were doubted.

3. This study is conducted within a particular period of time. So the collection of information will not be suitable for all times.

4. The researcher faced the problem of unwillingness of the respondents to answer the questions.

5. Parity of related literature available is a great limitation of the present study.
CHAPTER SCHEME

Chapter – I

Introduction and Design of the study.

This chapter presents Introduction, Statement of Problem, Review of the Literature, Objectives of the Study, Methodology of the Study, Period of Study, Scope of the Study, Limitation of the Study and Chapter Scheme.

Chapter – II

This chapter presents the profile of Salem and brand preference towards consumer durables.

Chapter – III

Profile of the Tata Engineering and Locomotive Limited

This chapter presents the history and profile of the Tata, which is manufacturing all vehicles of Cars.

Chapter – IV

Data Analysis and Interpretation.
In tune with the objectives of the study, the data analysis is done and presented in various tables.

Chapter – V

Findings, Suggestions and Conclusion.

This chapter recapitulates the main findings and few suggestions are also presented based on the findings.