CHAPTER – I

INTRODUCTION

1.1 Introduction

Automobile industry is one of the fastest growing industries in the world. The automobile industry in India, the sixth largest in the world with an annual production of approximately two million units, is expected to become one of the major global automotive industries in the coming years. A number of domestic companies produce automobiles in India and the growing presence of multinational investment, too has led to an increase in overall growth. Following the economic reforms of 1991 the Indian automotive industry has demonstrated sustained growth as a result of increased competitiveness and relaxed restrictions. The monthly sales of passenger cars in India have exceeded one crore units. Indian automobile industry has grown tremendously since 1898, a time when a car had touched Indian streets for the first time. At present it holds a promising sixth position in the entire world holding the second place in two wheelers and the fourth place in commercial vehicles withstanding a growth rate of eighteen per cent per annum and an annual production of more than two million units, it may not be an exaggeration to say that this industry in the coming years will soon touch a figure of ten million units per year. Economic liberalization, increase in per capita income, various tax relief policies, easy accessibility of finance and existing discount offers made by dealers all together have resulted in the emergence of a stupendous Indian automobile industry.

The increased demand for Indian automobiles have resulted in a large number of multinational auto companies, especially from Japan, U.S.A., and Europe, entered the Indian market and working in collaboration with the Indian firms. Also, the institutionalization of automobile finance has further paved the way to sustain a long term high growth for the industry. The Future Growth Drivers like higher GDP Growth, India’s huge geographic spread – mass transport system, increasing road development, increasing disposable income with the service sector, cheaper (declining interest rates) and easier finance schemes, replacement of aging four wheelers, graduating from two
wheelers to four wheelers, increasing dispensable income of rural agricultural sector, growing concept of second vehicle in urban areas.

Human beings, in general, are complex creatures who often do not seem even to know their own minds. It is seldom easy, and sometimes impossible, to generalize about human behaviour. Each individual is a unique product of heredity, environment and experience. Predicting such a strange behaviour of people is a difficult and complicated task, filled with uncertainties, risks, and surprises. Accurate predictions can yield vast fortunes and inaccurate predictions can result in the loss of millions of rupees. Today, business around the world recognizes that the customer is the king. Knowing why and how people consume products helps marketers to understand how to improve existing products, what types of products are needed in the market place, or how to attract customers to buy their products. Marketers can justify their existence only when they are able to understand customer’s wants and satisfy them. The modern marketing concept for successful management of a firm requires marketers to consider the customer as the focal point of their business activity. Although it is important for the firm to understand the buyer and accordingly evolve its marketing strategy, the buyer or customer continues to be an enigma - sometimes responding the way the marketer wants and on other occasions just refusing to buy the product from the same marketer. For this reason, the buyer’s mind has been termed as a black box, which should be opened by the seller to be a successful marketer. Thus the present study has been carried out to identify the customer awareness on car brand and car features, to identify the factors considered by a customer before purchasing a car and to ascertain the factors that influence customer satisfaction. By satisfying their customer’s desires, the manufacturers may retain the existing customer and may attract new customers.

1.2 Statement of the problem

Brand awareness of a car depends on amount spent by the respective company for advertising their product. Customers residing in urban area may have high level of brand and feature awareness on car. Further, literates may have high level of brand and feature awareness than illiterates. The above statement induces to ascertain (1) Which brand of car have high level of awareness among customers? (2) What factor influences
a customer to have brand awareness? (3) What features consider by a customer while purchasing a car?

Customers prefer towards four wheelers depends on safety and style, (Katiravan, 1997). Product quality of a car influences a customer to own a car, (Peer Mohammed, 1998). Competitive pricing and service quality influence a customer to purchase a car, (Bhuvana Ramalingam, 1999). Customer will give importance to price, while purchasing the car, (Dharama Raj, 2000). Opinion that design, fuel efficiency and after sales service influence a customer to prefer a car. These studies raise the following questions (1) What are the important factors considered by a customer while preferring a car? (2) What are the factors influencing a customer to purchase a car?

Customer satisfaction on four wheelers depends on numerous reasons. Low maintenance cost increases customer satisfaction (Jisha, 2004). After sales service offered by dealers also enhances customer satisfaction (Vani, 2007). Customers are satisfied with regard to car performance attributes namely pickup, less pollution, battery performance, (Mahaptra, Kumar and Chawhan, 2010). These studies raise the following questions (1) What is the level of customer satisfaction? (2) Which factor influences satisfaction of a customer? (3) What are the factors associates with customer satisfaction?

1.3 Significance of the study

The present study is immensely useful to manufactures, dealers and customers. The study will assist manufactures and dealers in ascertaining the factors considered by the customers before purchasing a car, there by manufactures may produce cars in accordance with the customer expectations and the dealers may order the cars as required by their customers. The present study will assist customers in understanding the features that are to be considered before purchasing a four wheeler.

1.4 Scope of the study

The present study has been confined to Thanjavur district of Tamilnadu. Further, Customers awareness on brand and features of car, factors considered by
customers while choosing car, customers’ satisfaction towards car and factors determining customers’ satisfaction are ascertained in the study.

1.5 Objectives of the study

This study has been made with the following objectives.

1. To ascertain the awareness of customers about brand and features of cars.
2. To examine the reasons for preferring a car by the customers.
3. To identify the factors influencing customers satisfaction towards cars.
4. To offer suitable suggestions to enhance customer awareness and satisfaction.

1.6 Hypothesis

(i) Socio economic profile is not associated with Brand Awareness
(ii) Socio economic profile is not associated with Feature Awareness
(iii) Socio economic profile is not associated with Preference
(iv) Socio economic profile is not associated with Satisfaction.

1.7 Methodology

The study is an empirical research based on the survey method.

1.7.1 Data

Primary data required for the study has been collected by employing Questionnaire technique. Questions pertaining to personal profile of the Consumers, Details of four wheelers, Awareness on brand, Preference of the brand and Satisfaction have been included in the questionnaire. Secondary data required for the study has been collected from various websites, books and journal.

1.7.2 Pilot study

Before finalizing the questionnaire, a pilot study has been carried out with 50 customers. Based on the feedback obtained from pilot study, necessary modifications have been incorporated in the questionnaire.

1.7.3 Sampling

By adopting convenient sampling method, questionnaires have been distributed to 700 customers. Of which, 145 customers have not returned the questionnaires and 35
questionnaires are found unusable due to incomplete and irregularity of data. Hence, 520 forms the sample of the study.

1.7.4 Period of study

Data required for the study has been collected by making use of questionnaire during January – September 2015.

1.7.5 Study Area

The present study confined to Thanjavur district. Thanjavur district is in the east coast of Tamil Nadu. The district lies between 78O 45’ and 70O 25’ of the Eastern longitudes and 9O 50’ and 11O 25’ of the Northern Latitudes. The District is bound by Coloroon on the North which separates it from Ariyalur and Tiruchirapalli district; Thiruvarur and Nagapattinam districts on the east; Palk Strait and Pudukottai on the South and Pudukottai and Tiruchirapalli on the West.

The area of the district is 3396.57 Sq. Kms. It consists of nine Taluks- Thiruvidaimarudur, Kumbakonam, Papanasam, Pattukottai, Peravurani, Orathanadu, Thanjavur, Thiruvaigai and Budalur. The district headquarters is Thanjavur. Thanjavur district is called ‘the Rice Bowl of Tamil Nadu’ because of its agricultural activities in the delta region of river Cauvery. The temples, culture and architecture of Thanjavur are famous throughout the world. It is an historical place ruled by Chola, Pandya, Nayak, Marathas and was under British rule till Independence. The pursuits of these rulers are reflected in the great monuments like Grand Anaicut, Big Temple and Serfoji Palace and Saraswathi Mahal Library, etc. in the district. Population of the district is 2405 thousand numbers as per Census 2011. The population density is 708 persons per sq. km. The district is 35% urbanized and constitutes literacy rate of 82.72%.

1.7.6 Framework of analysis

Collected data have been analyzed by making use of following statistical tools: Analysis of Variance, ‘t’ test, Chi-square Test, Friedman Rank Test, Correlation and Regression.
1.8 Significance of the Study

The present study is immensely useful to manufacturers and customers. The study assists manufacturers in ascertaining the factors considered by the customers before purchasing a four wheeler, thereby manufacturers may produce cars in accordance with the customer expectations. The present study assists customers in understanding the features that are to be considered before purchasing a four wheeler.

1.9 Limitations of the Study

The study exclusively depends on primary data collected from customers in Thanjavur District. All sorts of limitation applicable to primary data are applicable to the present study too. Information as reported by customers might be prejudiced. Thanjavur district is the area of study and customers of Thanjavur district alone have been included in the sample. Hence, while generalizing the results, caution is to be exercised.

1.10 Chapter Scheme

The report of the Thesis is presented in five chapters.

First chapter describes introduction of the study, statement of the problem, objectives of the study, research methodology, and significance of the study and limitation of the study.

Studies pertaining to four wheelers preference and satisfaction are discussed in chapter two.

Third chapter discusses Production, Sales and Export Performance of four wheelers.

Customer’s Brand and feature awareness on Car are ascertained in fourth chapter.

Features considered by a customer before choosing a car are ascertained in Chapter Five.

Level of customer’s satisfaction and factors determining customer’s satisfaction are identified in chapter six.

Chapter seven summarizes the findings and suggestions of the study.