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A STUDY ON PROFILE OF CAR USERS AND THEIR BUYING PATTERNS IN AUTOMOBILE INDUSTRY

Mrs. R. Subbammal

Part-Time Ph.D Scholar,
Mother Teresa Women's University
& Assistant Professor,
Department of Business Administration,
Government Arts College for Women,
Nilakottai, Tamil Nadu, India

ABSTRACT

The automobile industry is one of the largest industries in India as in many other countries. It plays a major role in the growth of economy in India. The automobile industry in India is the ninth largest in the world with an annual production of over 2.3 million units in 2008. The industry comprises automobiles and auto component sectors, which encompass passenger cars, two-wheelers, three-wheelers, tractors, commercial vehicles, multi- utility vehicles and components. Today, the Indian automobile industry is the world's largest motorcycle manufacturer, the second largest two-wheeler and tractor manufacturer, the fifth largest commercial vehicle manufacturer and the fourth largest car maker in Asia. Apart from serving the domestic market, the Indian auto sector has also become a sourcing hub for the global auto giants. In 2009, India emerged as Asia's fourth largest exporter of automobiles, behind Japan, South Korea and Thailand. The Government of India has introduced an ambitious project of setting up world-class automotive testing and R&D infrastructure to place India in the USD 6 trillion global automotive businesses. It also focuses on the future growth of the industry as a result of the newly adopted technologies and strategies.

KEYWORDS: automobile industry, economy, car maker, automobile industry, Customer Relationship Management

INTRODUCTION

The Customer Relationship Management (CRM) is a well-defined series of functions, skills, processes and technologies which together allow organizations to more profitably manage customers as tangible assets. The emphasis is on defining the customer as valuable in the long-term and on viewing customer relationships as learning relationships.

CRM recognizes the success over a period stems from customer loyalty and that long-term profitability lies in fostering unique lifetime relationships with small number of carefully chosen customers. It calls for increasing Customer Share, that is, retaining customers and selling their new customers made, higher-margin products overtime.

The whole model of CRM revolves around the Customer life-cycle comprising the following four stages:
1) Customer requisition through referrals
2) Customer development through personalization and customization
3) Leveraging Customer equity through Cross-selling and Up-selling
4) Customer retention and referrals.

SCOPE OF THE STUDY

Today firms have realized that their ability to compete is dependent on their relationship with their target customers. The CRM, therefore, is a buzz word today. There is nothing new to this concept as we have seen how our street corner grocery shop owner knows his customers by name, family, area. Their preferences and behavior as also their usage and test experience with different brand. Based on this understanding he is able to customize his offer in such a way that the customers find more value in buying from him rather than from the neighboring shop. It is this concept of an understanding and tracking customer behavior and experiences to customize the offer that forms the basis of any customer relation management program in a big company. The difference between the street corner shopkeeper and large firm's CRM practice is the use of technology, people and fulfillment process of firms.

The present study is carried out in order to make an attempt to analyze the Customer Relationship Management (CRM) of the Automobile (CAR) Industry in Coimbatore and Tirupur Districts. This Study mainly focuses its attention on the Customer's relationship with the company.

OBJECTIVES OF THE STUDY

To Study the socio economic profile of car users in Coimbatore and Tirupur District, the method of purchase, and their influence in purchase decision.

PRE-TEST

A pre-test was conducted with 20 samples so as to find out the suitability of the questionnaire. Based on the results certain items were included and few items were excluded depending on its applicability and few questions were reworded to reduce confusions and improve better understanding of the respondents. Pre testing thus enhanced the dependability, accuracy and adequacy of the instrument

RESEARCH DESIGN

Research Design constitutes the blue print for the collection, measurement and analysis of data. This study is mainly focus on Descriptive research design as base. Descriptive research design is one that simply describes something such as demographic characteristics of consumers who use the product.

TYPE OF RESEARCH

Empirical research is data based, coming up with conclusions that are capable of being verified, by observations or by experiment. In this kind of research, the researcher should collect enough data to prove or disprove his hypothesis. Empirical research is appropriate when proof that certain variables affect other variables in some way is sought. It is considered that evidence gathered through experiments or empirical studies provides the most powerful support possible for a given hypothesis.

VARIABLES

Variable is an event, act, characteristics, trait, or attribute that can be measured by assigning categorical values. The researcher is interested in relationship among the variables.Age, Education, Gender, Marital Status, Income, Type of family, Occupation and Type of family.

About the vehicle, Purchase Decision, Customer Satisfaction,.

DATA COLLECTION

The Direct-Structured type of data collection method was used for data collection. The Interview schedule was adopted for the collection of data.
Statistical investigation requires systematic collection of data. The data is collected by the researcher through the following sources.

PRIMARY DATA: A well-structured **pre-tested** Questionnaire was administered by the researcher to   elicit primary data.

SECONDARY DATA

The researcher collected the secondary data through sources such as Books, Journals, Newspapers, Magazines, Publications and Websites.

POPULATION

The customers of automobile industries in Coimbatore and Tirupur districts constitute the population of the study. A total of 10 showrooms in Coimbatore and Tirupur districts contributed to the study.

SAMPLE DESIGN

A Sample is a subset from the total population. It refers to the techniques or the procedures the researcher would adopt in selecting items for the sample. Sample design may lay down the number of items to be included in the sample (i.e.) the size of sample. In this study Systematic random sampling procedure will be adopted as the universe is larger and completed in nature.

Systematic sampling is a procedure which first categorizes the universe into subgroups based on designated criteria and then the sample is drawn. Samples are selected in a systematic manner from the list of customers.

TOOLS USED FOR METHOD OF ANALYSIS

A standard structured close-ended questionnaire was administered to elicit information. The questionnaire was divided in to two parts. Part I was framed to obtain the demographic information of the respondents. Part II was framed to study the

attitude of the customers towards the services of the cooperative bank.

In order to study the attitude of the customers a five point scale was used. The questions with the scorings like Strongly Agree=5, Agree=4, Undecided=3, Disagree=2 and Strongly Disagree=1 and 18 are false-keyed questions with the scorings like Strongly Agree=1, Agree=2, Undecided=3, Disagree=4 and Strongly Disagree=5 was administered.

Analysis transforms the raw data into a form that will make them easy to understand and interpret.

i) Computer Programs – SPSS – Statistical Package for the Social Sciences.

ii)Frequency Distribution

iii) Garrets rank method

Frequency Distribution and Percentage Analysis

It is a mathematical distribution whose objective is to obtain a count of the number of responses associated with different values of one variable and to express these counts in percentage terms

VALIDITY OF THE TOOLS

Cronbach's alpha was used to measure the internal consistency and the average correlation of items and thereby gauge the reliability of the instrument.

Table-1 Reliability Index

	FACTOR	NO OF VARIABLES	ALPHA VALUE
1.	ABOUT THE VEHICLE	4	.765
2.	PURCHASE DECISION	16	.834

ANALYSIS AND INTERPRETATION

Table-2 Socio Economic Profile of the Car Users

S.NO	VARIABLE	MAJORITY	NO OF RESPONDENTS	PERCENTAGE
1.	Age	40- 50	230	46.00
2.	OCCUPATION	Business People	225	45.00
3.	Education level	Upto School	210	42.00
4.	Annual income	Upto 5 lakhs	225	45.00
5	Residential	Urban	295	59.00
6.	No of earning members	Below 2	265	53.00

Source-primary data

Table-3 Buying Decisions through Intuition Factor

Intuition Factor	Ranks				Garret's Rank	Average	Rank
	1	2	3	4			
Own Intuition	285	147	35	33	32720	65.44	I
Relatives and Family members	130	250	23	97	28068	56.13	II
Friends	47	48	302	103	22477	44.95	III
Existing users feedback	12	23	140	314	17082	34.16	IV

Source: *Primary data*

Table 4 Opinions of the Respondents on Buying Intimation Factors

Intimation Factor	Ranks				Garret's Rank	Average	Rank
	1	2	3	4			
Peer Group Influence	275	137	47	41	30905	61.81	I
Festival Season/Special Occasion	147	230	35	88	29773	59.54	II
Personal Conveniences	55	62	292	91	27363	54.72	III
Financial Institution/Assistance	18	40	135	307	24048	48.09	IV

Source: Primary data

Table -5 Opinions of the Respondents Influencing Factors Regarding Car

Influencing Factor	Ranks				Garret's Rank	Average	Rank
	1	2	3	4			
TV Advertisement	260	138	37	65	33075	66.15	II
News Paper Advertisement	147	242	40	71	30895	61.79	I
Show Room Displays	63	65	267	105	29973	59.95	III
Demonstration	28	40	167	265	28060	56.12	IV

Source: Primary data

Table 6 Opinions of the Consumers Buying Process

Influencing Factor	Ranks				Garret's Rank	Average	Rank
	1	2	3	4			
Dealers Reputation	147	233	23	87	28068	56.13	I
Brand Image	268	163	35	34	32720	65.44	II
Manufacturers Reputation	63	65	268	104	22477	44.95	III
Warranty and Guarantee	12	40	123	325	17082	34.16	IV

Source: Primary data

FINDINGS

Table -1 reveals that the instruments subjected for analysis is reliable .Table-2 reveals that the majority of the respondents are in the age group of 40-50 with 2 earning members and their education is upto school level. Majority of the respondents are the business people with the annual income of upto 5 lakhs and they are living in urban area. A significant observation from Table- 3 is the buying decisions through intuition by the respondents, which ranks first with an average Garret score of 65. The buying decision mode of own intuition is high because the buying decisions in automobile marketing are moderate. The second ranked mode of relatives and family members is the buying decisions, which has an average Garret score of 56. Satisfaction of those is not an easy job, hence there are so many factors influenced by the respondents. Friends and existing users feedback stands third and fourth respectively with an average score of 44 and 34. The opinions of the respondents are further analyzed on the basis of the buying decisions in automobile market. A significant observation from Table- 4 is the buying intimation factor, peer group influence which ranks first with an average Garret score of 61.81.The second ranked festival season/special offer is the buying decisions, which has an average Garret score of 59.54. A significant observation from table- 5 is that the preference as to brand image of an unfulfilled need by the respondents, which ranks first with an average Garret score of 65.44. A person has to first of all recognize a need of his which has not been fulfilled so far. He may recognize it himself or somebody may make him realize.The second ranked the preference as to dealers' reputation, which has an average Garret score of 56. Having recognized his

need, as the next step, the persons will proceed to collect information on the various brands and models available in the market.

CONCLUSION

A Study on Profile of Car Users and their Buying Patterns in Automobile Industry reveals that the car users are in the age group of 40-50 and they are the business people with 2 earning members and their education is upto school level with the annual income of upto 5 lakhs and they are living in urban area. Regarding purchase decision intuition factor, peer group influence, TV advertisement and Brand Image play a major role.

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