A study on brand preference in automobile segment

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Abstract

The report consists of research on study on brand preference in automobile segment. The automobile industry is getting more profit. Due to increases in readily available income both in urban as well as rural area getting easily availability of finance. The research is helpful for the existing and the new entrant in the car manufacturing companies in India to find out customer’s expectation and their market offering. Both domestic as well as multinational manufacturer influences current automobile industry. The current research pattern is about the consumer behavior of automobile car customer. Understand what customer wants to buy and about the market. The research consists of the brand preference in automobile segment. This topic focuses on what factors influence to buy a preferred brand. It takes consideration on an average how does a consumer think to about the automobile brand, what is the perception about the brand. In addition, is spending on car dependent on income of consumer. It also considers age, gender and income etc. and mainly depend on the brand image of the company

Keywords: based on brand preference in automobile segment

Introduction

India is the second largest country of the world in population. Indian economy is high in as compared to developing nations, which influence a huge demand in automobile industry. India is becoming a new market for worldwide auto giants. India is growing market for automobile industry.

People in India do the second most expensive buying then home is car. The car, which is first purchase in India by a consumer, creates brand loyalty towards the automobile company and consumer can buy another car of the same brand.

As India is developing the market in automobile segment, it is experiencing very fast growth in the automobile sector. After relaxation in government policies there are many new domestic and foreign companies entering in Indian market and been sold by them. Because of it there is a wide range of option to people to select the car as per their requirement and needs and what type car they want

There is an increase in number of car consumer. As the standard of living of people is increasing India the per capita income of the people is increasing, the consumers buying habit in India is influenced by cultural, social, personal and physiological. These factors are uncontrollable by the
automobile sector to understand the complex behavior of the consumer; in this study we have tried to find out the buying preference of the consumer.

As now day is middle class and upper middle class are more willing to buy the car. So now, days’ automobile company tries to get attention of this class by promotional activity, providing discount reasonable price to satisfy the consumer and retain customer through proper customer relationship management.

In India Maruti Suzuki is the dominating car manufacturer in India. It the highest market share in Indian market compared to any other domestic company or multinational company in Indian market. The market share of Maruti Suzuki is 47% in Indian market. The cars, which are launched by Maruti Suzuki, are very huge success in Indian market. Indian car buyer prefer first Maruti Suzuki and then any other brand car.

**Literature review**

A research done by Nikhil Monga, Bhuvendra Chaudhary, Saurabh Tirpathi, the research was done to understand brand personality to selection of car in India by conducting a market research survey. The research was to know about the consumer thinking about the brand of car and what are the possible factors which consumers think should there in the car and guiding consumer to possible purchase. Similarly, idea of measuring the customer satisfaction will serve the same purpose of determining customer perception. Measuring the existing car user car manufacturer will able to check the entire customer buying behavior. The research shows the brand perception is something which starts before the car is been purchased and goes with its use and reflections. The customer is willing to know about the same brand car. In addition, customer will use the car until he has perception about the car. The seller enforces brand personality in the mind of customer and the customer reacts to it by forming its own perception about the car and reflects the overall brand image of the car and for the manufacturer. Therefore, brand image and brand personality complement each other by the perception of the customer when he is satisfying what he has purchased for him.

**Research methodology**

gender:
On the above graph shows % of gender influenced to by cars. The graph shown above shows that % of male have more buying capacity than female. Buying capacity of male is higher than female in cars. In india there is a perception that females cannot drive a car but now days the perception is been changing

**Education:**

The above graph shows % of education. The graph shows there are large number of graduate followed by the other categories. As data analysis done it show the awareness for education is increasing. As know days there is a

**Occupation:**
The graph given above shows % of occupation in different categories. According to data analysis done the number of people are engaged in education and service. It shows that education and jobs are been more preferred now days.

**Age:**

The above graph shows % of age in different age group. It indicates different age group people in different categories.

**Income:**
The above graph shows % income of the people. The graph shows people with different income in different categories. It also shows the purchasing power of the consumers.

**Sampling**

The survey was done where the samples gathered in a process that does not give individuals in population being given change of getting selected. it, which we got 43 responses as it was done on sample basis. It was done through Google forms and the forms were send on emails, WhatsApp etc. to get the responses.

**Research objective**

To study consumer behavior towards brand in automobile segments

To find out the influencing factor of purchasing the automobile brand

H1 Less than 30% of the respondent fell after sale service is the main influence for choosing a brand

H2 Brand of car is independent of gender

H3 Ownership of car is independent of income

**Research design:**

The research was carried out on 2 phases namely

1. Exploratory. And
2. Descriptive

**Research type:** The research type is quantitative

**Data source:** the information collected primary data and secondary data

The information collected from secondary data is from internet search, published journals
Primary data was collected through the Google form, which were send through email and WhatsApp. The number of respondent were 43

Data analysis

The research done indicates that the people spending on accessories is between 0-2000 is more people does spend much on car accessories. As now days manufacturer provide company fitted accessories.

Ideal budget

The research indicates that the budget of people choosing a car is between 5lakh-10lakh is much high. people choose semi luxury car more than other car

Hypothesis Testing:

hypo1. more than 30% of the responded felt after sale service is the main influence for choosing a brand
Conclusion: more than 30% of the respondent felt after sales service is the main influence for choosing a brand.

Business decision: The preference for after sales service choosing is more as people use their car for long time. If the service or maintenance of the car is not done properly the car will not work properly.

**Hypothesis 2. Brand of car is independent on gender**

<table>
<thead>
<tr>
<th>Observed</th>
<th>Compact</th>
<th>Compact</th>
<th>Hatchback</th>
<th>Sedan</th>
<th>SUV</th>
<th>Grand Total</th>
</tr>
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<tbody>
<tr>
<td>Female</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>5</td>
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</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>81%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>1</td>
<td>3</td>
<td>10</td>
<td>5</td>
<td>7</td>
<td>42</td>
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<th>Expected</th>
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<th>Compact</th>
<th>Hatchback</th>
<th>Sedan</th>
<th>SUV</th>
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</thead>
<tbody>
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<td>0.50</td>
<td>1.67</td>
<td>0.83</td>
<td>1.17</td>
</tr>
<tr>
<td>Male</td>
<td>0.81</td>
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<td>8.10</td>
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<table>
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<th>$(fo-fe)^2/fe$</th>
<th>Compact</th>
<th>Compact</th>
<th>Hatchback</th>
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<th>SUV</th>
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</thead>
<tbody>
<tr>
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<td>0.17</td>
<td>0.50</td>
<td>1.07</td>
<td>0.83</td>
<td>0.60</td>
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<tr>
<td>Male</td>
<td>0.04</td>
<td>0.13</td>
<td>0.22</td>
<td>0.08</td>
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</table>
Null Hypothesis: Decision to purchase type of car is independent of gender
Alternate hypothesis: Decision to purchase type of car is not independent of gender
It is always right tail

Test: Chi Square test
Confidence level: 0.99
Alpha: 0.01
Probability: 0.01
Critical: 13.28
Observed: 3.83
Alpha: 0.01

Decision - Failed to reject the null

Conclusion: type of car is Decision to purchase type of car is independent of gender

Business decision: as there is a perception that female cannot drive car in India know days females are getting power to buy a car as education awareness is increasing females have been getting equal rights

Hypothesis 3. Ownership of car is independent of income

<table>
<thead>
<tr>
<th>observed</th>
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<th>Male</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>1</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>Yes</td>
<td>6</td>
<td>19</td>
<td>25</td>
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<tr>
<td>Grand Total</td>
<td>7</td>
<td>34</td>
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</table>

<table>
<thead>
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<th>Female</th>
<th>Male</th>
<th>Grand Total</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>No</td>
<td>2.73</td>
<td>13.27</td>
<td>16.00</td>
<td>39%</td>
</tr>
<tr>
<td>Yes</td>
<td>4.27</td>
<td>20.7</td>
<td>25.00</td>
<td>61%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>7.00</td>
<td>34.00</td>
<td>41.00</td>
<td>100%</td>
</tr>
</tbody>
</table>

\[(FO - FE)^2 / FE\]

<table>
<thead>
<tr>
<th>(FO - FE)^2 / FE</th>
<th>Female</th>
<th>Male</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>1.10</td>
<td>0.23</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>0.70</td>
<td>0.14</td>
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</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
<td>2.17</td>
</tr>
</tbody>
</table>
Ho: Ownership of car is not independent of income
Ha: Ownership of car is independent of income

RIGHT TAIL TEST

CHI SQUARE

CONF LVL 99%
A 1%
P 1%
df=(r-1)*(c-1)

CRITICAL 6.63

OBSERVED 2.17

P value 0.14

A 0.01

D Failed to reject the null

Conclusion: the income is independent of ownership

Business decision buying of car depends upon the income of ownership. If the person or consumer has no income how he will able to do the expenses of the car such as fuel, etc.

**Conclusion:**

Brand value is the goodwill of the company. If the goodwill of the company is very good consumer will be attracted towards the brand-by-brand name. Now days Every manufacturer is trying to create goodwill in market. in automobile sector the manufacture has many competition to attract their consumer. The company study attitude of the consumer towards their brand the study was conducted the brand preference in automobile sector and it is total dependent on income, gender and factor influencing them to buy the car. It is observed that more male are then females buy cars

We conducted hypothesis to understand and prove the dependent of income. The data shows most people of the population is engaged in service.

We conducted hypothesis to understand and prove independent of gender. The shows there are more male driving car than females

At last We conclude that there should be given more emphasis auto gear shift car for women so that they can drive car easily.

Value for money company must create car which provide value for money so the because the consumer afford car below 6 lakhs


**Limitation:**

The research is not done with entire population. A small amount of sample population is being taken in the research

It is does not separate urban and rural population

As compared to primary data and secondary data is limited. Because automobile industry is very huge and there is an everyday change in the product. Therefore, manufacturer has to develop new product according to the market competition.

Sometimes there will be unfair consideration between the researcher’s preferences

In the future the research should continue with large no of population within the country and including other countries, other manufacturer to study more in deep of consumer behavior and purchase intension

**Reference:**

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http://research-methodology.net/research-methods/research-limitations

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**book**

Brand perception journal of scientific, and research study

What is branding ?