



A STUDY ON CUSTOMER PREFERENCE ON BUYING DIFFERENT BRAND OF CAR

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ABSTRACT

The purpose of the study has to understand consumers' various preferences for purchasing a particular brand of car. As "cultural accessories and personal philosophies," brands have grown in significance throughout both the economy and culture. By projecting the image of the company, the product, and the nation as a whole, the brand building process added value. The automobile sector was selected as a suitable study subject due to the recent rise in the number of new car product brands. The aim of the research was to delineate the Brand Equity measurement approaches that are relevant to the automotive sector. 254 respondents were examined in the paper. The study's findings indicated that brand choice was a significant factor in brand loyalty.

KEYWORDS: *Customer Preference, Brand, Image, Loyalty.*

INTRODUCTION

India's automobile industry, ranked third globally as of 2023, has a rich history dating back to 1897 when the first car was introduced. Until the 1930s, automobiles were imported, but the sector began to emerge in the 1940s. Today, the motor car is a symbol of status for the upper and middle class. An important engine of the Indian economy, the automobile industry grew rapidly following liberalization in 1991, when 100% FDI was permitted through automatic methods. Major players include Maruti Suzuki, Hyundai Motor, Tata Motors, and Mahindra & Mahindra. The industry often considered the backbone of the Indian economy, saw passenger cars and two-wheelers dominating with 77% and 18% market shares respectively in 2021-22. India aims to double its auto industry size to Rs. 15 lakh crores by the end of



2024. Especially, the industry attracted significant FDI, totaling \$33.77 billion from April 2000 to September 2022, representing 5.48% of India's total FDI inflows during that period.

OBJECTIVES OF THE STUDY

- To find out demographic profile and customer buying behaviour of the respondents.
- To examine the association between customer buying preference and gender.
- To analyze the factors of customers preference on buying different brands of cars.

REVIEW OF LITERATURE

- ✓ Mahammadali A.Masi (2018) the author focused in this study on consumer preference towards cars was made with regard to selected car owners and 100 car users from Visnagar city. The study regarding consumer preference towards cars was made with regard to selected car owners in Visnagar city. The main objective of the study was customer preference on brand in addition to determining the socioeconomic standing of the customer towards cars. The tool used was the Chi-Square test. The study identified that among other brands, Maruti 800 was the most chosen brand by the majority of the people.
- ✓ **Anjali Gupta and Manav Sharma (2021)** the research focused on comparing consumer preferences for passenger cars between Maruti Suzuki and Hyundai Motors in Delhi. The study aimed to analyze whether consumers favored one brand over the other in terms of various factors. It utilized convenience sampling with 150 respondents and employed an Independent t-test analysis to compare consumer preferences. The findings of the study indicated that while there was a noticeable disparity in the price and resale value between the cars of Maruti Suzuki and Hyundai Motors, there was no significant difference in consumer preferences concerning interior design, features, and after-sales service for both brands.
- ✓ **Rana V. S & Lokhande M. A (2015)** the study focused on passenger car preferences between Maruti Suzuki and Hyundai Motors in Maharashtra's Marathwada Region. It explored several variables related to customer satisfaction and behavior. The primary aim was to examine consumer preferences and opinions regarding fuel efficiency, resale value, after-sales service, and the factors influencing their choice between Maruti and Hyundai brands. The research employed



a structured questionnaire to gather primary data. The study concluded that an effective customer care strategy plays a crucial role in delighting and satisfying customers.

METHODOLOGY

- ✓ This is a descriptive and an analytical study.
- ✓ An empirical study was conducted with a structured questionnaire having a five-point Likert scale.
- ✓ A sample size of 254 and method of convenience sampling was adopted.
- ✓ This study utilized a combination of primary and secondary data sources. Primary data was gathered through a questionnaire administered to respondents, while secondary sources included published papers, websites, books, and other relevant literature.

DATA ANALYSIS AND INTERPRETATION

❖ Percentage Analysis:

Table 1: Demographic Profile

Category	Sub-Category	Percentage (%)
Gender	Male	54.7
Age	21-30	44.9
Marital Status	Married	54.7
Occupation	Private Employee	42.9
Annual Income	2 to 5 Lakhs	35.4

- **According to the gender:** male 54.7% of the respondents and female 45.3% of the respondents.
- **According to the age:** 44.9% of the respondents of the study belong to the age group of 21-30, 33.1% belongs the age group of 31-40, 10.8% belongs to the age group of 41-60 and 6.4% belongs to the age group of above 60.
- **According to the marital status:** 55.4% of the respondents were unmarried and 44.6% of the respondents were married.



- **According to the occupation:** 12.2% of the respondents belongs to the Government employee, 42.2% of the respondents belongs to the Private employed, 19.3% of the respondents belongs to the own business and others nil
- **According to the annual income:** 18.1% earn below 2 lakhs, 35.4% earn between 2 to 5 Lakhs and 34.3% earn between 5 to 10 Lakhs and 12.2% earn above 10 Lakhs.

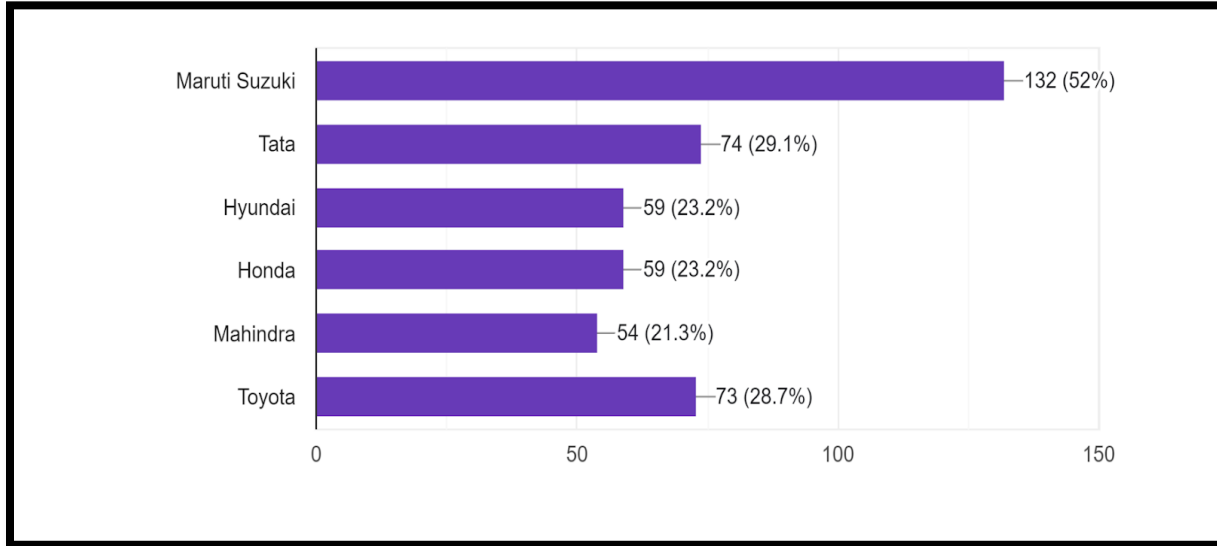
Table 2: General Opinion of Customer Buying Preference

Category	Sub-Category	Percentage (%)
Purpose of Using Car	Family Travel	50.0
Mode of Finance	Loan	51.6
Source of Information	Internet	42.9
Preference for Music System	To listen MP3 song	38.6

- **Purpose of Using Car:** 11.8% of the respondents were use for an asset and a prestige symbol and 50% were use for Family Travel and 26.4% were use for their convenience.
- **Mode of Finance:** 51.6% majority of respondents was use Loan and 48.4% of respondents were use Ready cash.
- **Source of Information:** 12.6% of the respondents collected source from TV Advertisement and 8.3% of respondents collected from News Paper and 42.9% of the respondents collected source from Internet and 36.2% of the respondents collected source from Friends and Relatives
- **Preference of Music System:** 23.2% of the respondents were use Without any deck USB and 38.6% of the respondents were use To listen MP3 songs and 24.8% of the respondents were use I-pod connectivity and 13.4% of the respondents were use Navigation.



Chart 1: Multiple Responses



The above Chart shows that Maruti Suzuki has highest rating selected by most of the people (52%) and Tata overall rating of (29.1%), Toyota overall rating of (28.7%), Hyundai overall rating of (23.2%), Honda overall rating of (23.2%), Mahindra overall rating of (21.3%) as the graph shows that Maruti Suzuki was selected by majority of 132 people.

❖ **Chi-Squared Test:**

H_0 = There is no significant association between the general opinion of customer buying preference and gender.

H_1 = There is a significant association between the general opinion of customer buying preference and gender.



Table 3: Association between the General Opinion of Customer Buying Preference and Gender

General opinion of customer buying preference	Chi Square Value	Degree of Freedom	Significance	H ₀ is
Purpose of Using Car	2.756	3	0.430	Accepted
Mode of Finance	3.269	1	0.070	Accepted
Source of Information	9.004	3	0.029	Rejected
Preferences for Music System	5.952	3	0.113	Accepted

The above table depicts that purpose of using car, mode of finance, preferences of music system of the respondents do not have any association (P Value >0.05) with gender. On the other hand, Source of information of the respondents has an association (P value < 0.05) gender.

❖ **Factor Analysis**

Table 4: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.971
Bartlett's Test of Sphericity	Approx. Chi-Square	5983.769
	Df	325
	Sig.	0.000

KMO & Bartlett's Test of Sphericity is a statistical tool to measure sampling adequacy which is generally prescribed to probe the variable ratio for the analysis of the data that is being directed in the study. In this study, the KMO analysis revealed that the Kaiser-Meyer-Olkin Measure of Sampling Adequacy value is 0.971 and Chi-Square value is 5983.769. Bartlett's test has also been observed to be highly significant (since $p < .001$), and so Factor Analysis is appropriate for this study. The Sig. value of this study is .000 which is way below 0.05. So, this study meets all the requirements for conducting a Factor Analysis.



TABLE 5: Total Variance Explained

Total Variance Explained									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.946	61.332	61.332	15.946	61.332	61.332	11.067	42.565	42.565
2	1.193	4.589	65.921	1.193	4.589	65.921	6.073	23.356	65.921

The 26 variables are reduced to 2 predominant factors of cumulative variance of 65.961. These 2 factors individually possess the variance of 42.565% and 65.921%. The individual variable loadings are given in the Rotated Component Matrix.

Table 6: Rotated Component Matrix

Items	Component	
	1	2
Factor influencing to buy car		
My car has changed my social reputation	.707	
My car gives me a comfortable travel	.765	
New model of car influences my buying decision	.573	
I want my car to have a convenient air conditioning	.750	
My automobile has provided features and activities.	.749	
I check the manner of display of cars at showroom	.584	
Advertisement majorly infuses to choose my car.	.711	
I check car availability in showroom before purchasing.	.612	
I check review of other customers' choices.	.769	
I check car availability in showroom before purchasing.	.697	
I enquire about discounts offered.	.811	
Style determines my choices	.785	
Preferred Colour influences my choices	.789	



Speed of the car plays an important role	.783	
I consider mileage as an important factor	.834	
Internal Look is important in buying decision	.610	
External Look influences my choice	.516	
I want my car to give me the comfort	.754	
I view safety as a crucial factor while buying cars	.837	
Brand decision while purchasing Cars		
I prefer buying eco-friendly cars		.618
My family focused to buy a new Automobile		.732
My choice of a brand depends on marketing and promotional efforts		.708
I consider purchasing affordable cars		.581
I check the warranty provided by the brand		.529
I'm motivated to buy car for social status		.715
I want my car to have a convenient air conditioning		.600
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.		

- Component 1- Factor influencing to buy car: In this component, there are 18 item and the highest loading value is for “I view safety as a crucial factor while buying cars” (.837).
- Component 2- Factor influencing to buy car: In this component, there are 7 item and the highest loading value is for “My family focused to buy a new Automobile” (.732).

SUGGESTIONS

This study contributes significantly to the understanding of brand preference dynamics in the Indian car industry. By refining these factors and uncovering their impact on customer preference, the research offers actionable insights for businesses aiming to thrive in this vibrant market. The findings from this study offer valuable insights that can significantly benefit various stakeholders in the automotive industry, including manufacturers, dealers, and the general public. Understanding consumer



preferences regarding factors such as fuel efficiency, resale value, and after-sales service helps manufacturers refine their marketing strategies. By addressing the specific preferences identified in the study, manufacturers can enhance customer satisfaction. Implementing the study's implications can contribute to the overall success of manufacturers and dealers in India's automotive market. Manufacturers and dealers gain a deeper understanding of the factors that influence consumer decisions. The study's insights are also beneficial to the general public as they provide transparency and information about different aspects of car ownership and satisfaction.

CONCLUSION

The automotive industry is very competitive and active currently with a wide range of companies and services. This study contributes to the growing body of research on brand by exploring the impact of various factors such as brand knowledge, brand applications, brand relationships, brand preferences, and brand loyalty on the development of brand of the industry. Maruti Suzuki India Limited is an established leader in the automobile industry, due to its innovative and effective positioning of the brand, advertising, and marketing efforts. In today's climate, a company's ability to succeed depends on how effectively it structures and reorganizes its advertising strategies and frequently develops its products and services. The findings of the study highlight the significance of brand preference and brand loyalty. These components need to support in their actions of the firm that is recognized and valued by customers. The research concludes that consumer awareness about cars has increased, and they can make decisions about which brand to buy and what type of promotions are available in various categories. They make planned purchases of quality cars that are branded from renowned brands.

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