Consumer Expectation towards C- Segment Cars in Chennai City

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Abstract

The automobile sector is a key performer in the global and Indian economy. The automotive industry in India is one of the largest in the world and one of the fast growing globally. The study covers consumer expectation towards C- Segment cars in Chennai city. Sample size is 680 in all obtained through simple random sampling in Chennai. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.80. Various statistical tools employed are frequency distribution, percentage analysis, and one way ANOVA. The study found that the important factors such as exterior, convenience, performance, safety, economic aspect, attitude to mark and after sales & service are considered and expectation by the consumers before decision making. So the manufacturers have to analyze all these factors and find out the best suitable tools for promoting their small cars in India. . Hence it is concluded that In order to fulfill the expectations of the consumers a proper market survey should be conducted to ascertain their needs and expectations, and accordingly they should be fulfilled to satisfy the customers and entice this lot to buy c-segment cars.

Introduction

India assisted by its economic advancement, is experiencing fast motorization on its road and is becoming a highly motorized society. After liberalization many new vehicle models are produced and sold by domestic and foreign vehicle manufacturers. Due to a wide range of makes and models, people make choices based on their preferences and needs when choosing which C – Segment car to buy.

Increase in number of C – Segment car consumers and heavy usage is credited to increasing per capita income and several car model availability .Traditionally, economists and market researchers were inquisitive about identifying the factors that may have an effect on consumers' automobile purchase behaviours, and have developed different models to estimate market share. A consumer's buying preference behaviour and expectation is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behaviour of the consumers. In this study, the researcher tried to emphasizes the importance of demographic variable and its impact on the C – Segment car buyer preference and expectation by considering consumers characteristics and age and occupation as factors that will have an effect on the vehicle preference expectation.

Indian Car Industry

India's passenger automobile car production is the sixth largest in the world, in keeping with recent reports, According to the Society of Indian Automobile Manufacturers, annual vehicle sales are projected to increase to 5 million by 2015 and more than 9 million by 2020. By 2050, the country is expected to top the world in car volumes with approximately 611 million vehicles on the nation's roads. The small car automotive market in India is increasing by leaps and bounds. The marketplace for small cars currently occupies a considerable share of around 70% of the annual car production in India. Most players within the small car automotive industry are trying to out-do one another in terms of style, innovation, pricing, and technology, so as to achieve increased market share in India.

Need of the study

India produced about one million passenger cars and six million two-wheelers in 2014-15. It is a global major in the primarily produces motorcycles, two-wheeler industry and mopeds and scooters of engine capacities below 200 cc. It position 13th in the production of passenger cars and 2nd in the world in the manufacturing of two-wheelers. The car industry has grown at a compounded annual growth velocity of greater than 10 percent during the last five years and also witness a move in the require mix particularly, with sales of C- segment cars showing an accelerated trend. The increased income level of the middle class family motivates and fulfilled their dream of owning a car through purchasing a C-segment car, which is much suitable for the Indian road condition and financial capacity of the middle-middle and low-middle category of the respondents.

Scope of the Study

Scope of the study is as follows

1. The study is centered at Chennai only.
2. Study is related only with C- segment cars.
3. Age, education and occupation and income as demographic and price and sales points as product related variables only considered.

Review of Literature

Vishal S.Rana and Lokhande (2015) studied about "A Study of Consumer Preferences & Attitude towards Passenger cars of Maruti Suzuki & Hyundai Motors in Marathwada Region of Maharashtra." Descriptive research plan was used in the study. Convenient sampling technique was adopted for selecting the respondents. The primary data was collected through structured questionnaire. The study stated that the customer's preferred Maruti cars on parameters like fuel efficiency, availability of spare parts, after sales service and resale value. Whereas in view of Hyundai customers they preferred vehicles on parameters like exterior, technology, comfort & convenience, etc. The author concluded that customer care approach plays very important role in fulfilling & delight the customers.

Rohit Markan (2015) in his study on Perception of Indians regarding Comfort Level in Different Car-Sizes and convenience sampling technique was used. Sample size was 61 respondents. Statistical techniques such as Scaling Technique, Scatter Diagram and Regression analysis were used. The study found that expected earlier that there might be higher score with respect to the size of car but it was not so in this study. Scatter diagram analysis of few variables was found that the comfort level of cars or the scoring of the individual was affected by the height variable and in negative trend. The study also found that income level does affect the factor that which type of car you own.

Beena John and Pragadeeswaran (2013) have studied "A Study of Small Car Consumer Preference in Pune City." Descriptive research plan was used in the study. The data was collected from Pune city. Simple random sampling technique was chosen for this study. Descriptive statistics and one sample t test were adopted in this study. The research identified that influence of demographic variables affecting the vehicle choice of small cars. The researcher concluded that promoting the product consumption and creating awareness Manufactures have use advertising to promote higher utilization of small cars with helps of promotional offers.

Balakrishnan Menon and Jagathy Raj (2012) have studied "Model Development and Validation for Studying Consumer references of Car Owners." Exploratory research design was adopted. The study was conducted car owners in the State of Kerala. Two-stage sampling method was adopted. SEM analysis technique was used. The study found that main differentiator in the passenger car industry, wherein the customer expect personalized care for his after sales service with the manufacturer / dealer.

Menon & Raj (May 2012) in his researched that "consumer preferences of car owners are highlighted on various consumer purchase behavior patterns of passenger car owners in Kerala." The research found that customer focus is a main differentiator in the passenger car manufacturing industry; the customers except for personalized cares his after sales and service with the manufacturing industry. The study also shows that for the peer group and youths are the most influencing factor, of their car purchase decision passenger car.

Manmohan & Ganapathi (May 2012) studied about "Customer preferences and attitudes towards Maruti cars in Pollachi taluk." Contribution of the study of highlighted on customer preferences, expectation, attitude and satisfaction regarding Maruti cars. The authors found that Omni, Zen, Maruti 800, and Wagon are popular models of Maruti Suzuki. The study recommended that Maruti Suzuki should focus and enhance their services like after sales service, handling customer enquiries and timely delivery, etc. They also suggested that the company should begin its car with some extras features, quality with competitive prices of others passenger car.

Suganya (Jan 2012) researched that "effect of brand equity on consumer purchasing behavior on car," the research focus that brand acting very important role in car sales, not only to attract but also to keep the customers. The research concluded that perceived quality and brand awareness influence the brand loyalty. Also brand association and brand loyalty influence the customers' attitudes towards brand.

Dharmaraj and Sivasubramanian (2011) studied about "A Study on Factors Contributing Brand Preference of Passenger Car." The research was studied at Coimbatore, Tamil Nadu in India. The data's were collected from 712 respondents. Friedman's test was used. The study found that the factors that contribute more on brand preference which will be more important and useful for general public as well as the manufacturers and dealers and also provides means which would equip them with effective promotion strategies to develop their performance, keep the customers and safe new customer for the business.

Research Methodology

Objectives of the study

1. The main Objective of the study is to study the consumer expectation towards C- segment cars in Chennai City.
2. To identify the existence of demographic variables is the second objective.

Hypothesis of the study

1. Respondents do not differ significantly towards customer expectation with respect to age.
2. Respondents do not differ significantly towards customer expectation with respect to occupation.

Primary data collection

With the help of structured interview schedule primary data was collected. The interview schedule was prepared after sufficient reviews of literatures and books to pre-testing and pilot went with 60 dealers and car users, and it was further critically analyzed by research scholars and research experts. Then finally redrafted interview schedule was administered among the car users from Chennai city.

Secondary data

Through possible mass media such as text books, magazines, journals and dailies, internet web resources, others published and unpublished sources of information, the secondary data was received.

Simple Random Sampling Technique

Simple random sampling technique is usually opted and given the equal chance of C- Segment car users. Here area as well as sample strength allocated to that area are constructed (Kothari, 2009). This method allows a lottery method of data collection Chennai city. The technique can be allocated on the Demographic, Sociographic and psychographic elements of any study.

Sampling Frame

Under this technique random sampling technique was opted. Sample size was 680. The list of the consumers who had bought car was collected through dealers and authorized company show rooms in Chennai city. Based on the lists on Saturday, Sunday and National Holidays were used for data collection from October 2014 to March 2015. Based on the Yamane (1973) formula for determining the sample strength was adopted which suggested 625 as suitable sample size. In anticipation of non response, an additional 30 percentage of the expected sample size was planned. Therefore, a total of 811 questionnaires were distributed. But, 740 questionnaires have been collected out of which 60 were found to be improperly filled and hence, 680 questionnaires were found to be fit for further analysis.

Statistical tools

Sino.	Tools
1	**Descriptive Statistics**
	Frequency Analysis
	Percentage Analysis
2	**One way ANOVA**

Data Analysis and Interpretation

Table 4.1 Showing Age of the Respondents

Variable	Category	Frequency	Percentage
Age	20 - 30	52	7.6
	31 - 40	304	44.7
	41 - 50	204	30.0
	51 - 60	88	12.9
	60 and above	32	4.7
	Total	**680**	**100.0**

Source: Primary Data

Most of the respondents belonging to the age group of below 31 - 40 years 304 (44.7%), followed by the respondents in the age group of 41 - 50 years 204 (30%), respondents in the age group of 51 - 60 years 88 (12.5%), respondents in the age group of 20 - 30 years 52 (7.6%) and 32 (9.5%) of the respondents are in the age group of above 60 and above years category.

Table 4.2 Showing Employment of the Respondents

Variable	Category	Frequency	Percentage
Employment	Academician	64	9.4
	Business	280	41.2
	Government Employee	72	10.6
	Private Employee	264	38.8
	Total	**680**	**100.0**

Source: Primary Data

Regarding occupation, 280(48.6%) are business peoples, 264(38.8%) are private employees, 72(10.6%) are government employee and 64(9.4) are academician.

Table 4.3 Showing one way ANOVA between age and consumer expectation towards C - Segment Cars

Factors	Age	N	Mean	SD	F	Sig.
Exterior	20 - 30	52	3.6731	.82477	6.783	.000
	31 - 40	304	3.6875	.77302		
	41 - 50	204	3.5637	.76378		
	51 - 60	88	4.0341	.64459		
	60 and above	32	3.9063	.35780		
	Total	**680**	**3.7044**	**.75723**		
Convenience	20 - 30	52	3.9231	.57210	4.060	.003
	31 - 40	304	3.6447	.85814		
	41 - 50	204	3.6765	.69886		
	51 - 60	88	3.9205	.75196		
	60 and above	32	3.9688	.73438		
	Total	**680**	**3.7265**	**.78143**		

Performance	20 - 30	52	3.9423	.83522	4.642	.001
	31 - 40	304	3.8322	.81284		
	41 - 50	204	3.7549	.59449		
	51 - 60	88	4.1364	.76085		
	60 and above	32	3.9688	.32223		
	Total	**680**	**3.8632**	**.73921**		
Safety	20 - 30	52	3.5769	.91493	1.091	.360
	31 - 40	304	3.4770	.90395		
	41 - 50	204	3.4608	.81756		
	51 - 60	88	3.6364	.94907		
	60 and above	32	3.3125	1.11261		
	Total	**680**	**3.4926**	**.89690**		

Continuation of table 4.3

Factors	**Age**	**N**	**Mean**	**SD**	**F**	**Sig.**
Economic Aspect	20 - 30	52	3.7308	.66761	9.436	.000
	31 - 40	304	3.6809	.71245		
	41 - 50	204	3.5441	.53844		
	51 - 60	88	4.0227	.70266		
	60 and above	32	3.9375	.54993		
	Total	**680**	**3.7000**	**.66890**		
Attitude to mark	20 - 30	52	3.5192	.77625	2.300	.057
	31 - 40	304	3.3882	.67535		
	41 - 50	204	3.4314	.65855		
	51 - 60	88	3.6250	.65981		
	60 and above	32	3.3750	.82305		
	Total	**680**	**3.4412**	**.68666**		
Sales Service	20 - 30	52	3.2115	.63281	6.782	.000
	31 - 40	304	3.3882	.74505		
	41 - 50	204	3.1912	.76979		
	51 - 60	88	3.5341	.82454		
	60 and above	32	2.8750	.86136		
	Total	**680**	**3.3103**	**.77401**		
After Sales & Service	20 - 30	52	3.8654	.68324	2.634	.033
	31 - 40	304	3.8849	.77015		
	41 - 50	204	3.8676	.60040		
	51 - 60	88	4.0682	.73961		
	60 and above	32	4.1875	.70425		
	Total	**680**	**3.9162**	**.71278**		

Source: Primary Data

Above the table shows the frequency distribution, mean, standard deviation and F ratio of the different four age groups towards expectation. The total sample strength is 680. The dependent variable expectation is sub divided in to eight sub factors such as Exterior, Convenience, Performance, Safety, Economic aspect, Attitude to mark, sales service and After Sales service. Age is includes five groups such as 20 - 30, 31 - 40, 41 - 50, 51 - 60 and 60 and above.

Null hypothesis H_o = There is no significant difference between different five age groups with respect to consumer expectation towards car in Chennai city.

Alternate hypothesis H_A = There is a significant difference between different five age groups with respect to consumer expectation towards car in Chennai city.

Exterior shows the F ratio 6.783 and p value is 0.000; Convenience shows the F ratio 4.060 and p value is 0.003; Performance shows the F ratio 4.642 and p value is 0.001; Economic Aspect shows the F ratio 9.436 and p value is 0.000; sales service shows the F ratio 6.782 and p value is 0.000 and After Sales Service shows the F ratio 2.634 and p value is 0.033. All the p values are less than 0.05% and the hypotheses are rejected and significant at 1% level of significance.

The factor Safety shows the F ratio 1.091 and p value is 0.360 and Attitude to mark shows the F ratio 2.300 and p value is 0.057. All the p values are greater than 0.05% and the hypotheses are accepted and not significant.

Further the mean wise comparison of Exterior shows the highest mean of 4.0341 is with the age group 51 – 60 years; lowest mean value of 3.5637 is with the age group 41 to 50 years; Convenience shows the highest mean of 3.9688 is with the age group 60 and above years; lowest mean value of 3.6447 is with the age group 31 - 40 years; Performance shows the highest mean of 4.1364 is with the age group 51 - 60 years; lowest mean value of 3.7549 is with the age group 41 - 50 years; Economic aspect shows the highest mean of 4.0227 is with the age group 51 - 60 years; lowest mean value of 3.5441 is with the age group 41 - 50 years; sales service shows the highest mean of 3.5341 is with the age group 51 - 60 years; lowest mean value of 2.8750 is with the age group 60 and above years; After Sales Service shows the highest mean of 4.1875 is with the age group 60 and above years; lowest mean value of 3.8654 is with the age group 20 - 30 years.

It is found that the respondents significantly differ with respect to their five age groups towards expectation such as exterior, convenience, performance, economic aspect, sales service, but do not differ with respect to their five age groups towards the factors safety and attitude to mark.

Table 4.4 Showing one way ANOVA between Employee and consumer expectation towards C - Segment Cars

Factors	Employee	N	Mean	SD	F	Sig.
Exterior	Academician	64	3.5469	.88290	1.262	.287
	Business	280	3.7143	.82987		
	Government Employee	72	3.7917	.61237		
	Private Employee	264	3.7083	.67348		
	Total	**680**	**3.7044**	**.75723**		
Convenience	Academician	64	3.7188	.77600	9.056	.000
	Business	280	3.8750	.70932		
	Government Employee	72	3.3750	1.24258		
	Private Employee	264	3.6667	.64868		
	Total	**680**	**3.7265**	**.78143**		

Factors	Employee	N	Mean	SD	F	Sig.
Performance	Academician	64	3.8438	.82556	8.951	.000
	Business	280	4.0179	.69731		
	Government Employee	72	3.5833	1.04477		
	Private Employee	264	3.7803	.61896		
	Total	**680**	**3.8632**	**.73921**		
Safety	Academician	64	3.2188	1.09063	7.253	.000
	Business	280	3.6250	.88471		
	Government Employee	72	3.6944	1.06333		
	Private Employee	264	3.3636	.76916		
	Total	**680**	**3.4926**	**.89690**		
Economic Aspect	Academician	64	3.8125	.77408	11.427	.000
	Business	280	3.7357	.66111		
	Government Employee	72	3.2778	.75475		
	Private Employee	264	3.7500	.58172		
	Total	**680**	**3.7000**	**.66890**		
Attitude to mark	Academician	64	3.6719	.66499	5.387	.001
	Business	280	3.4964	.66598		
	Government Employee	72	3.2778	.97825		
	Private Employee	264	3.3712	.59504		
	Total	**680**	**3.4412**	**.68666**		
Sales Service	Academician	64	3.1875	.80917	14.358	.000
	Business	280	3.4929	.78399		
	Government Employee	72	3.4861	.87401		
	Private Employee	264	3.0985	.66252		
	Total	**680**	**3.3103**	**.77401**		
After Sales & Service	Academician	64	3.8750	.83095	10.511	.000
	Business	280	4.0857	.63906		
	Government Employee	72	3.6667	.85580		
	Private Employee	264	3.8144	.67592		
	Total	**680**	**3.9162**	**.71278**		

Source: Primary Data

Above the table shows the frequency distribution, mean, standard deviation and F ratio of the different four employee groups towards expectation. The total sample strength is 680. The dependent variable expectation is sub divided in to eight sub factors such as Exterior, Convenience, Performance, Safety, Economic aspect, Attitude to mark, sales service and After Sales service. Employee is includes four groups such as Academician, Business, Government Employee and Private Employee.

Null hypothesis H_o = There is no significant difference between different four employee groups with respect to consumer expectation towards car in Chennai city.

Alternate hypothesis H_A = there is a significant difference between different four employee groups with respect to consumer expectation towards car in Chennai city.

Convenience shows the F ratio 9.056 and p value is 0.000; Performance shows the F ratio 8.951 and p value is 0.000; safety shows the F ratio 7.253 and p value is 0.000; economic aspects shows the F ratio 11.427 and p value is 0.000; Attitude to mark shows the F ratio 5.387 and p value is 0.001; sales service shows the F ratio 14.358 and p value is 0.00 and After Sales Service shows the F ratio 10.511 and p value is 0.000. All the p values are less than 0.05% and the hypotheses are rejected and significant at 1% level of significance.

The factor Exterior shows the F ratio 1.262 and p value is 0.287, hence the p value is greater than 0.05% and the hypothesis is accepted and not significant.

Further the mean wise comparison of Convenience shows the highest mean of 3.8750 is with the employee group business; lowest mean value of 3.3750 is with the employee group Government Employee; Performance shows the highest mean of 4.0179 is with the employee group business; lowest mean value of 3.5833 is with the employee group Government Employee; safety shows the highest mean of 3.6944 is with the employee group Government Employee; lowest mean value of 3.2188 is with the employee group Academician; economic aspect shows the highest mean of 3.7357 is with the employee group business; lowest mean value of 3.2778 is with the employee group Government Employee; attitude to mark shows the highest mean of 3.6719 is with the employee group Academician; lowest mean value of 3.2778 is with the employee group Government Employee; sales service shows the highest mean of 3.4929 is with the employee group business; lowest mean value of 3.0985 is with the employee group private Employee; after sales service shows the highest mean of 4.0857 is with the employee group business; lowest mean value of 3.6667 is with the employee group government Employee.

It is found that the respondents significantly differ with respect to their four employee groups towards expectation such as safety, convenience, performance, attitude to mark, economic aspect, sales service and after sales service but do not differ with respect to their four employee groups towards the factor exterior.

Findings, discussions and suggestions

Most of the respondents belonging to the age group of below 31 - 40 years 304 (44.7%), followed by the respondents in the age group of 41 - 50 years 204 (30%), respondents in the age group of 51 - 60 years 88 (12.5%), respondents in the age group of 20 - 30 years 52 (7.6%) and 32 (9.5%) of the respondents are in the age group of above 60 and above years category.

Regarding occupation, 280(48.6%) are business peoples, 264(38.8%) are private employees, 72(10.6%) are government employee and 64(9.4) are academician.

It is found that the respondents significantly differ with respect to their five age groups towards expectation such as exterior, convenience, performance, economic aspect, sales service, but do not differ with respect to their five age groups towards the factors safety and attitude to mark.

It is identified that the respondents significantly differ with respect to their four employee groups towards expectation such as safety, convenience, performance, attitude to mark, economic aspect, sales service and after sales service but do not differ with respect to their four employee groups towards the factor exterior.

Consumer expectation cannot be exactly predicted but can be done to a certain extent with the help of consumer research activity. Globalization has bought along with it competition in the C – segment car & the companies have to concentrate in analyzing the consumer expectation to satisfy and retaining the consumers in the long run. The income changes and increasing petrol prices is driving demand of the C – segment cars in India.

Age and occupation of the consumers' wise analysis shows 51 to 60 years and above 60 years of age groups and business peoples of occupation group consumers are highly expected towards c-segment cars when compared other respective groups. In order to fulfill the expectations of age and occupation of the consumers' a proper market survey should be conducted to ascertain their needs and expectations, and accordingly they should be fulfilled to satisfy the age and occupation of the consumers' and entice this lot to buy c-segment cars.

Conclusion

The automobile sector is a key performer in the global and Indian economy. The automotive industry in India is one of the largest in the world and one of the fast growing globally. The study covers consumer expectation towards C- Segment cars in Chennai city. Sample size is 680 in all obtained through simple random sampling in Chennai. Researcher designed questionnaire is with 5 point scale in the continuum of agreeing. Reliability of this tool is 0.80. Various statistical tools employed are frequency distribution, percentage analysis, and one way ANOVA. The study found that the important factors such as exterior, convenience, performance, safety, economic aspect, attitude to mark and after sales & service are considered and expectation by the consumers before decision making. So the manufacturers have to analyze all these factors and find out the best suitable tools for promoting their C- segment cars in India. Hence it is concluded that in order to fulfill the expectations of the consumers a proper market survey should be conducted to ascertain their needs and expectations, and accordingly they should be fulfilled to satisfy the customers and entice this lot to buy C-segment cars.

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