ATTRIBUTES OF FOUR-WHEELER (CAR) AND ITS INFLUENCES ON CONSUMER PREFERENCES

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Abstract

Customer preference varies from one person to another person. Thus, success of a business depends on how efficiently they identify their customers taste and preference and manufacture goods in accordance with their customer's expectations. Thus, in this study an attempt has been made to identify the factors considered by a customer before choosing a car. In order to survive in the competitive scenario manufacturers have understand the features considered by the customers before purchasing a car. Thus, an earnest attempt has been made in this study to understand the customer preference before purchasing a car. The main purpose of the paper is to reveal theoretically the relationship between customer preference and to test them empirically. The quantitative research (survey) has been chosen in order to meet the purpose of the research and to test that relationship empirically. The data is collected from structured questionnaire. Sample size is 110 and also descriptive research study is used as a research design and followed simple convenience sampling method. The respondents are the consumers of four wheelers at Perambalur and Tiruchirappalli in Tamil Nadu. In this study Pearson's correlation and regression are used for analysis. The result of the study disclose that customers give due importance for look and style, transmission, availability of spares and mileage.

Keywords: Customer Preference; Four-Wheeler; Design; Price; Seating capacity; Brand name; Quality; Mileage; Maintenance.

Introduction

As organizations become increasingly customer focused and driven by demand, the need to gain customer loyalty and retain their loyalty is critical. Customer preference is the most effective way to achieve customer loyalty. Customer preference and customer loyalty share many similar traits. Customer value is the customer's perception of the ratio of benefits to what he or she gives to obtain those benefits. The customer value triad is a framework used to understand what it is that customers want. The framework consists of three parts: (1) perceived product quality, (2) value-based pricing, and (3) perceived service quality.

Customers are satisfied, when value meets or exceeds expectations. If their expectations of value are not met, there is no chance of satisfying them. Figuring out what the customers want, however, is a difficult and complex process. To be able to create and deliver customer value is important to understand its components. On the most basic level, value from a customer's perspective is the ratio of benefits to the risks being taken while buying the product.

Customer preference

According to Harold Edmondson-Customer preference seems to appear in print more frequently than any other catch phrase used to describe a new found magic for industrial success. Before we proceed in to the study of the dynamics of customer preference it is important to know about, who a customer is and what preference really means.

Who really is a customer?

The question of defining who your customers are seems fairly easy particularly if you have segmented your market properly and understand who you are trying to satisfy. However subtlety that frequently goes undetected by many firms is that is that customer set can be divided into two parts, the apparent customer and the user. The apparent customer is the person or group of people who decide what product to buy and basically have control over the purse strings. The user is a person or is the direct recipient of a service.

What does preference really mean?

As in defining customer above, defining preference also appears simple. However as with customer there is a subtlety that needs addressing. Preference by most definitions simply means meeting the customer's requirement.

Customer preference is a concept that more and more companies are putting at the heart of their strategy, but for this to be successful they're needs to be clarity about, what customer preference means and what needs to happen to drive improvement. Without this, there is a risk that customer preference becomes little more than a good intention, with confused objectives failing to address the real issues for customers, one helpful way to look at the problem is to rephrase the objectives: set the sights on helping the customers meet their goals.

Review of Literature

Vijay, Kumar M; Chandra, Basha and Chand,S. (2015) Price is arguably the most vital and important influence on the positioning of the product and its growth and hence has a direct impact on the volume of the sale of the product and share in the market. If put to the right and thoughtful use, effective pricing can earn a business organization a major and sustained share in a given market. A marketing manager can also maintain resale price of his product, maximize profit and achieve the targeted return on investment. As we know, price of any product can directly influence the demand factor and other factors of production of a product directly. Price fixation of any product is not simple and it depends upon several factors like product cost, availability of substitutes, demand, market share, and geographic factors and so on. Keeping the fixation of price of a product in view, the manufacturer has to think over the price of the product at four levels .i.e. reasonable price, high price, low price and resale value of the product.

Ravi & Rangarajan (2016) investigated the beliefs and evaluations embarked on by a premium car buyer during the process of arriving at a decision to buy a premium car. Marc & Barbara (2013) investigate how consumers' socio-demographic profile impacts on the decision to buy used or new cars across different automobile segments.

Chowdhury et.al, (2016) gave an evidence-based recommendations to increase the share of green cars in new vehicle purchase, and thus contribute to improving the environment. Research

was not limited but extended to hybrid cars. The changes companies need to implement in their transactional marketing strategy to sell to the poor when launching a product innovation in low-income countries. Brand positioning strategies are central to marketing (Singh et.al, 2014).

Bijapurkar, Rama. (2013) Explores the arena of consumerism in India and the strategies that are developed to please the consumer. In this book, the author tries to give readers some information about the environment in which consumers live; the way they think, their heterogeneous nature and their transformation is discussed. India being an emerging market in the world, there are a lot of business opportunities. The author tries to teach readers how to be ready to grab these opportunities and use them. A Never before World contains major inferences needed to evaluate the business opportunities and figure out the current market strategy. As an overall result of various changes, India is now in the third decade after liberalization. Another important finding is that the main factor in selection of the transport mode is the social role, and specifically the role inside the family (Attiyah,2016). Greater regard for consumer experience in sustainable consumption offers the potential for additional strategies to bridge the attitude-behavior gap and marketing of sustainable goods (Diane,2016), In recent years, companies have been confronted with a new type of negative consumer behavior: consumers who have turned hostile and who are strongly determined to cause damage to the brand (Kähr, et.al, 2016).

RESEARCH METHODOLOGY

The research design for this study is descriptive in nature and quantitative research methodologies are used. A structured questionnaire was used for quantitative research. A structured questionnaire was designed and was pre-tested before using as a final instrument for collecting the data, and analyzes these to make a critical evaluation of the performance.

Primary data:

The primary data were collected from the customers of four wheelers at Perambalur and Tiruchirappalli in Tamil Nadu, questionnaire prepared exclusively for find preference of consumers about four wheelers; this questionnaire contains direct questions in the Likert scale.

Secondary data:

Websites, magazines, articles were used widely as support to primary data as a secondary data source.

Sampling Design and Size:

Researchers targeted all the consumers of four wheelers at Thanjavur and Tiruchirappalli in Tamil Nadu, a detailed study comprising of all consumers is an arduous task for an individual researcher. Therefore, to keep the study within the reliable and manageable limits, **CONVENIENCE SAMPLING** was adopted. 150 questionnaires were distributed in the sample areas, in that 117 respondents were return back, and among those 110 questionnaires were found suitable for the study.

Pre-Testing Procedures (Pilot Study)

Before the survey questionnaire was administered to the respondents, a pre-test of the questionnaire was conducted to test the validity of the questionnaire used for data collection 50 Questionnaires were distributed personally to the respondents, some minor wording modifications

to the questionnaire and certain changes were made which enabled the researches to plan the survey effectively and to accomplish the objectives of the study and made as a result of this process.

Reliability:

The internal consistency reliability method was used in this study to determine the reliability of the scale questions by determining the coefficient alpha. Cronbach's co-efficient alpha is a measure of the internal consistency of measurement.

Overall reliability of the study is .718.

Objectives of the Study:
- To analyze attributes of four wheelers and its relationship with customer preferences.
- To assess the influence of attributes of four wheelers on customer preferences.

Hypotheses of the Study

H_{01}: There is no significant relationship between attributes of four wheelers on customer preferences.

H_{02}: There is no significant influence of attributes of four wheelers on customer preferences.

ANALYSIS AND INTERPRETATION RESULTS

Table-1: Attributes of four wheelers and Customer preferences

Attributes of four wheelers	Customer Preferences	
	r-value	p-value
Design	0.829	0.001*
Price	0.826	0.001*
Seating capacity	0.877	0.001*
Brand name	0.911	0.001*
Quality	0.912	0.001*
Mileage	0.881	0.001*
Maintenance	0.811	0.001*

H_1 : Attributes of four wheelers are having significant relationship with customer preferences.

Table – 1 portrays the relationship between attributes of four wheelers and customer preferences. In order to check the existence of any significant relationship between attributes of four wheelers and customer preferences. Pearson correlation test was executed. The calculated p-values are significant at one percent level for the attributes of four wheelers and customer preferences. Hence, it is inferred that the attributes of four wheelers are having significant relationship with customer preferences.

From the correlation values, it is noted that quality (r = 0.912) is highly correlated with customer preferences, followed by brand name and customer preferences (r = 0.911), mileage and customer preferences (r=0.881), seating capacity and customer preferences (r=0.877), design and customer preferences (r=0.829), price and customer preferences (r = 0.826) and maintenance and customer preferences (r=0.811),   It is noted that quality, brand name, mileage, seating capacity, design price and maintenance are the attributes of four wheelers having the significant and positive relationship with customer preferences. However, maintenance is having the least level of relationship with customer preferences.

Table-2. Multiple regression analysis for Attributes of four wheelers and Customer preferences

Model Summary

R-value	R²-value	Adjusted R² Value	F-value	P-value
0.935ᵃ	0.875	0.873	504.927	0.001ᵃ

Predictors	Unstandardized Coefficients		Standardized Coefficients	't'	p-value
	B	**Std. Error**	**Beta**		
(Constant)	11.462	1.513	-	7.575	0.001
Design	0.138	0.359	0.021	.386	0.700
Price	0.127	0.529	0.013	.239	0.811
Seating capacity	4.836	0.784	0.481	6.164	0.001
Brand name	1.946	0.952	0.200	2.043	0.042
Quality	3.315	0.557	0.550	5.954	0.001
Mileage	1.154	0.418	0.231	1.239	0.011
Maintenance	1.005	0.319	0.183	3.151	0.002

H_2 : Attributes of four wheelers namely design, price, seating capacity, brand name, quality, mileage and maintenance have significantly influencing the customer preferences.

Multiple regression analysis is carried out to observe the influential effect of dependent variables on customer preferences. Table - 2 presents the regression analysis result. The adjusted R^2 value is found to be 0.873 which means that 87 percentage of the variation of customer preferences is influenced by independent variables. The R^2 value is also statistically significant (F=504.927; p < 0.001). Hence attributes of four wheelers are the most influencing factor on customer preferences.

The coefficients of each of the variables indicate the amount of change one could except in customer preferences. It is given that for a one-unit change in the value of that variable that all other variables in the model are held constant. To compare the strength of coefficients of predictor variables the column of Beta coefficients has to be referred which is also known as standardized regression coefficients. The beta coefficients are used to compare the relative strength of the various predictors within the model. Because the beta coefficients are all measured in standard deviations, instead of the units of the variables, it can be compared to one another. In other words, the beta coefficients are the coefficients if the outcome and predictor variables were all transformed to standard scores, also called z-scores, before running the regression. In this regression, quality has the largest beta coefficients (0.550) and brand name has the smallest beta (0.200). One standard deviation increase leads to a 0.550 standard deviation increase in customer preferences. In turn, brand name leads to a 0.200 standard deviation decrease in customer preferences when other variables are constant. From the analysis, it is inferred that quality, seating capacity, brand name, mileage and maintenance has positively influenced the customer preferences.

Suggestions

The demand for small car segment is increasing because of the growing number of nuclear families as well as parking problems. Hence the manufacturers should find out the needs, wants, tastes and preferences of the consumers in order to design the products.

The respondents perceive that driving comfort and fuel economy are the most important features of the passenger car followed by availability of spare parts and price of the car, thus the manufacturers should design the product giving maximum weight age to these factors.

As the cost of fuel is high, the car manufacturing companies should achieve the fuel efficiency. So the manufacturers of car should involve such production design and system to withstand and avoid more fuel consumption. This will help consumers to stick on to the specific brand without more utilization about the products.

Mileage level may be improved in order to attract lower middle income group customers to prefer a car.

Experts believe the main driver of the Indian car market is the availability of car finance on easy installments and reasonable interest rates. Hence, the car dealers should have tie-up arrangements with the authorized financial institutions to boost sales.

Frequently dealers have to organize service campaigns at subsidized rate, which will act as an inducement for low-income customers to prefer a car.

Conclusion

The study revealed that customers of cars have very high awareness on various brands, product attributes and characteristics. The easy availability of loans, average of car, low maintenance cost, friendly product attributes are the factors influencing the car consumer. Extent of knowledge through internet technology make customer more update with rise in expectation and frequent change in customer attitude creates urge of more new sale techniques and new ways required to satisfy customer to capture market to larger extent. Where, customer satisfaction of car segment depends on the factors cost orientation, attractive features, product quality, service expectation. If these factors are found satisfactory in their purchase of car, then it clearly indicates customer satisfaction exists. Customer preference provides a leading indicator of customer purchase intentions and loyalty." "Customer preference data are among the most frequently collected indicators of market perceptions. Their principal use is twofold" "Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services."

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