

Preference and Purchase behavior of various brands of cars in J&k state with special reference to district Baramulla.

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Abstract

Nowadays the market has been engulfed by investors in India. The investors are coming from the foreign countries which have turned the country into world trade centre. The automobile sector is also on its full swing to cope up with the increasing demands of the people. The Jammu and Kashmir State has also witnessed a growth in recent years in the field of automobile industry. The market has become now consumer centric due to the opening of the large no of automobile dealerships, the choices of cars have increased for customers due to the introduction of new brands of cars i, e foreign and local brands. Consumers prefer the features like the fuel consumption, the resale value ,the body strength, and availability of finance .There is a good scope for this research in J&K state .This study is based on the simple random sampling method the primary data was collected from the people through questionnaires and interview schedules, two types of questionnaires were introduced to collect data for this study ,one for car owners and another for car dealers on the other hand the secondary data was collected from the published and unpublished sources like the books ,journals, magazines ,newspapers , govt based reports etc The main focus of this study is to satisfy the customers how they prefer one car over the other and what is their perception regarding the cars which they are going to purchase .

Key words: Investor, Automobile, Brands, preference, perception, Satisfaction

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1. Introduction:

The automobile industry is considered as the industry of industries and is the root cause of development on the Earth's most important economic sectors by revenue. The term automobile industry includes all the industries which produce the vehicles of different brand for the customers. The first automobile with a petrol engine was built by Karl Benz in 1885 in Germany. Benz was awarded a patent for his outstanding work on 29 January 1886, and began the first production of automobiles in 1888. Then after in 1889 other two persons Gottlieb Daimler and Wilhelm May Bach made a vehicle fitted with an engine. Till 2005 U.S.A. was the world's largest automobile producer. [1] Till 1929 the world had 32,028,500 automobiles in use, and the USA would produce over 90% of them. At that time the U.S. had one car per 4.87 persons. In 2006, Japan left behind the U.S.A in terms of production and held this rank until 2009, when China took the top spot with 13.8 million units. [2] Indian Automobile passenger car market is witnessed by the presence of many national and multi-national manufactures post liberalization 1991. The availability of many alternatives within the city provides an opportunity to the consumers to make a rational decision after considering all the options while purchasing the car. Today is an era which is characterized by a consumer's market where the manufacturers and marketers not only takes into consideration the consumer orientation to make them satisfy but goes one step ahead of achieving consumer delight .The Indian car industry is one of the greatest on the planet . Yearly creation of 23.37 million vehicles in FY 2014.The price of the brand plays very important role in the purchasing of a brand, if the price is high that means the consumer will avoid it. The price indicates the level of quality of a brand. More over the name of the country from which these brands originate also plays a good role in the preference of the brands, the brand produced by the developed countries are considered superior as compared to the developing countries .it has been seen that the consumers give preferences to the international brands over the local brands , consumers think foreign brands are quality brands than local ones . [3] Following economic liberalization in India in 1991, the Indian automobile sector witnessed a tremendous growth resulting in more competition. The Indian automobile manufacturers such as, Maruti Suzuki, Tata motors and Mahindra and Mahindra expanded their domestic and international operations. India's robust economic growth led to the further expansion of its domestic automobile market

which has attracted significant India-specific investment by multinational automobile manufacturers. In February 2009, monthly sales of passenger cars in India exceeded more than 95000 units and it continued growing rapidly to a record monthly high of 18128 units in October 2009 and with only 11% of Indian households owning a car in 2009 whereas this figure reaches 76% in Switzerland for example) this progression is unlikely to stop in the coming decade. Domestic automobile production increased at 6.96 % CAGR between FY 1-19 with 30.92 million vehicles manufactured in the country in FY -19. [4] Congestion of Indian roads, more than market demand, will likely be the limiting fact. India is the second most populated country in the world after China the growth rate of Indian economy is also high as compared to developed countries, which attracts the foreign investors demand in the Automobile Industry. India has become emerging market for worldwide auto mobile players. India is on growth path and has good scope for the vehicle expansion. There are multiple reasons for the growth of the Indian automobile industry - 1. The disposable income of the people has increased due to the growth of economy 2. Earlier it was thought as a luxury to own a car but today it has become need for every house hold in India. 3. Banking system has become so flexible that loans are available at the reasonable rates 4. Due to opening of new outlets of different automobile companies and establishment of the workshops it has become easy to purchase the spare parts and do repairment of the cars 5. The maintenance of the roads throughout the country to far flung areas has become possible to travel to such destinations which increased the growth in automobile sector. [5] The India's automobile car industry is the 6th largest in the world. This industry contributes seven percent to the country's GDP and gives employment to around more than 20 million people. In terms of the production India left behind the various countries like the Brazil ,Belgium , UK, Canada , Mexico , France . Due to the intervention of the govt the contribution of the Automotive sector to the GDP is expected to reach at a target of US\$ 145 billion in 2016 according to the automotive mission plan 2006-2016. The industry is expected to reach at a compound annual growth rate (CAGR) of 13 % during 12- 21 more over the industry is expected to touch US\$ 30 billion by 20-21. [6] After the 1991 govt of India gave relaxation in terms of laying the norms to boost the automobile sector in the country the j \$ k state also witnessed its impact on the overall growth which resulted into the increase in the number of consumers in the state with the passage of time the foreign and local brands came into the market the choice for

consumers increased. It was observed that the perception about the availability of offers was going in the minds of the consumers; the consumers focused over the brands of the cars sometimes the foreign cars were given preference over the local brands due to the easy availability of spare parts. The ultimate aim of the automobile industry is to provide safety and satisfaction to the people of the state. In this connection the researcher is interested to study the consumer preference and perception towards various brands of cars in the j&k state .consumers take into account the easy accessibility of the car loans which plays an important role in the purchasing power of the cars. Nowadays the new players of car brands have come into the market which has increased the competition for the car dealers .The market has been mostly engulfed by the brands like Maruti Suzuki ,Hyundai, Honda, Tata etc earlier it was seen that the demand of the cars was very low in the j&k state but with the passage of time the overall income of the people in urban as well as In the rural areas enhanced which led to the increase in the demand for the cars .sometimes the who would like to purchase the highest brands but due to the non availability of the required amount the they could not purchase.

2.Methodology

A random sampling method is applied to perform research on the given topic. the data was collected from the car owners to collect primary data through questionnaires and interview schedules were utilized ad collection of the secondary data has used different sources the like books , newspapers , govt reports ,journals ,research papers of national and international level , internet websites etc. 20 percent of the total number of consumers were selected to obtain the result.

Sample size : 300 car owners were approached to collect the data from the different areas of the district Srinagar , it was examined by the researcher that the customer belong to the various section of the society .

Sampling design: this study was conducted in the various parts of district Baramulla ,the respondents who were approached by the researcher by means of the questionnaires belong to the different sectors of the economy e, g the govt servants , the business community , the professional , etc different tools of analysis were applied like the mean, median ,mode standard deviation to know the preferences of brands.

3. Review of the literature:

Nikhil Monga & Bhuvendra Choudhary in their research paper “Car Market and buying behavior- A study of consumer perception”(2012) have hypothesized that automobile industry is the most influencing in the country and due to increase in the income of the consumers at urban and rural areas the increase in the growth of auto mobile sector has shown a sale of 38 percent per annum in June 2005-06.[7]

Dr K Venkatachalam & M Surum barkazahali in research article ”A study on consumer perception towards Hyundai cars, with special reference to tripuracity “ (2018) have examined the factors that drive consumers buying decisions and preference shown by consumers towards the brands of cars by examining the years of working of the companies . The perception of the same good varies from customer to customer as per the social status, economic position and social status of the consumer.[8]

Dr Ravi chandran and et all in the research paper “ A study on customer preference of automobiles using fuzzy logic decision making approach , graph theory and matrix approach “ has highlighted the key factors that influence consumers while selecting the appropriate four wheelers especially cars by considering the parameters such as mileage , maintenance cost , brake failure , comfort , and brand name which obscure and imprecise in nature with regards to the four wheelers especially cars a customer is in dilemma which one of them to choose for himself as an appropriate model. [9]

Dorsch et al,(2000) studied consumer choice behavior using the five step process (need – information- search- evaluation of alter natives- pre purchase and post purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice. [10]

Ashish Kumar Rai,(2015) has elaborated that the decision making is the important factor in case of the consumers both at individual as well as at the group level. This paper has provided the details of the various brands of the different companies and their preferences. It was highlighted that the people from all the sectors of the economy took part in this business of the modern automobile sector .moreover the research paper shows the priority given to the international over the local brands. [11]

Sakshi Modi , (2012) Examined that the Indian automobile industry is under continuous reforms so an attempt has been made to know the features of the various brands of cars which are most important for the customers to be preferred while purchasing the cars. This industry is the key of the economic development in the India. Is the highest contributor of the GDP. The role of car industry cannot be ignored in this scenario of development. These automobile manufactures should consider the features as an integral part of it. [12]

4. Objectives of the study:

1. The main objective of this paper is to study the preference of consumers towards various brands of cars.
2. To see the level of competition among the consumers towards the cars of different brands.
3. To analyze the preference given by the people belonging to the various sectors of the economy.

5. Statement of the research problem:

Statement of the research problem : consumer gives priority on the basis of the features which he/she finds In the different brands of the cars at this stage when the market is engulfed by the foreign automobile players there is a cut throat competition .this is a complex process through which the consumer passes it includes the brands , the decision making and the right choice at the right time . the researcher has tried to find the level of preferences given by the consumers towards the various brands of the premier cars .In this ca se there is a cut throat competition for the consumers to prefer their selected cars among the various brand available In the market .There are plenty of car dealers present in the market with their latest brands now the consumer is the final decision maker which of the brand he /she is giving the most priority. So this research will show the customers which cars they prefer and why keeping in the features of the various car brands.

Table -1 Occupation of the car owners (Respondents).

Occupation of the respondents	Number of respondents	Percentage of the respondents
Govt Servants	87	29
Businessman	141	47
Private Job	48	16
Others	30	10

Interpretation of the data:-

The above table shows that the number of respondents which belong to the government service was 87 which accounts 29 percent of the total number of the respondents ,the number of respondents which belong to the business class are 141,that equals 47 percent of the total number of the respondents, the percentage of the people doing private job private job was 48 which equals 16 percent of the respondents and rest of the people whose number was 30 were only 10 percent.

Table -2 Educational Qualification of the respondents

Educational Qualifications	Number of respondents	Percentage of the respondents
Post Graduates	51	17
Graduate	75	25
Under Graduate	102	34
10 th	42	14
Middle Pass	27	9

Interpretation:

The researcher observed that the percentage of the car owners who were post graduate was 17 percent , the graduates were 25 percent , the under graduates were 34 percent , the 10th pass consumers were 14 percent and the middle pass were 9 percent only .

Suggestions: - As per the survey done by the researcher it was observed that the number of car owners is increasing day by day the preference of the different types of the brands is given by the consumers on the basis of their source of income and the fuel consumption.

It was seen that the cars of lowest range were available mostly at the dealers of the Maruti and Hyundai Company. While in case of the high profile customers the cars of other brands like Tata, Ford, Jeep, Mahindra, were used. It was analysed that the preference of cars also depended on the topography and geographical location of the people. The urban people preferred the cars of foreign brands and other local brands also which were costlier than other brands. It was observed that the number of cars which were mostly purchased by customers belonged to the Maruti Suzuki. the reason was that the minimum price ranges from 3.50 lakhs this interpreted that a person of normal income range could also manage to buy such a car apart from the Maruti Suzuki the cars manufactured by Hyundai were also given preference by customers but the price range of such cars was more than the cars of Maruti Suzuki .the number of cars which were petrol based was less than the cars which were diesel based.

Table -3 Brand Preference

Brand Name	Number of respondents	Percentage of Respondents
Maruti Suzuki	142	47.33
Hyundai	47	15.66
Tata	31	10.33
Honda	16	5.33
Ford	12	4
Chevrolet	9	3
Volkswagen	8	2.7
Nissan	7	2.33
Jeep	8	2.7
Mahindra &Mahindra	9	3
Atul	11	3.7
Total	300	100

Interpretation:

The above table shows that 47.33 percent people own Maruti Suzuki cars, 15.66 percent of the people own the Hyundai cars, 10.33 percent of the people own the Tata Cars, 5.33 own the Honda cars, 4 percent of the people own Ford cars, 3 percent own the Chevrolet and Mahindra, 2.7 percent like Volkswagen and jeep cars, 2.3333 percent like Nissan cars, 3.7 People like the Atul cars.

6. Scope of the research:

The research will help in knowing about the preferences given to the various car brands, the prices of the major four wheel vehicles produced by the companies will make a difference to the consumers. It will thus be giving knowledge to the readers of the research about the direction of these companies, how they are going to be preferred by the various sectors of the people of the j&k. The research will also be giving information and inferences as to how the balance sheets of these companies look like and how these companies are different from each other. Thus a helper to those who are going to risk their money at the hands of these automobile producers. The trends of the companies will also be compared to the industry as a whole and try to draw anything that would help in understanding this industry better.

Table.4 Car preferences on the basis of engine type.

Engine Based	No. of respondents	Percentage
Diesel	195	65
Petrol	69	23
CNG	24	08
LPG	12	04

The above table shows that 65 percent of the people prefer to have cars based on diesel engine, 23 percent of the customers like to cars based on the petrol engine, and 8 percent of the customers like the CNG, only 4 percent of the people like to have the cars having the LPG Based engine.

Findings:

The numbers of customers which belong to the business sector are 47percent this indicates that the business community has a major role to play in the Indian car market. The Business community has a privilege to own the cars of higher prices. The govt servants are the second after business man to beat the market with percentage 29, the third community whose percentage is 16 are the people who belong to the private sector the rest of the customers are the other community than these three whose percentage is only 10 percent.

Out of all the samples which have been collected during the survey the analysis done on the basis of the educational qualification shows that the post graduates among the car owners are the 17 percent .then after the graduate who own their cars are 25 percent, the

percentage of the under graduates is 34, the 10th pass customers are equal to 14 percent from the total samples taken, while rest of the people are only 9 percent.

From the various brand available in the market a sample of 300 car owners was taken into account it was seen that 47.33 persons like the cars from of the MarutiSuzuki brand, 15.66 percent of the people own the cars of Hyundai, 10.33 percentage of the customers like the Tata,5.33 percent like the Honda, 4 percent like the Ford , Chevrolet like the 3 percent of the cars, Volkswagen own 2.7 percent of the people, Nissan is owned by 2.33 percent of the people, Jeep is owned by 2.7 and Mahindra by only 3 percent of the respondents and Atul cars are owned by 3.7 percent of the customers. On the basis of the engine quality the cars owners also gave preferences to the cars. Among 300 respondents 65 percent of the people prefer to have the cars based on the diesel engine and the 23 percent of the car owners like the petrol cars, 8 percent of the car owners prefer the CNG cars and only the 4 percent of the people like the LPG engine based cars. Above all the majority of the car owners were the male as compared to the female person's .From the chi square test it has been analyzed that there is a direct relation between the income of the customer and the car opted.

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