



Consumer satisfaction towards luxury cars –A case study of Kurnool district in A. P.

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Abstract: The most important area of marketing is Consumer Behaviour. The essence of marketing concept is the satisfaction of the consumer. This requires a thorough understanding of consumer behaviour and their buying decision making process. Consumer behaviour is a fundamental ingredient in the marketing process. Consumer research plays an important role in new product introduction and overall increase in marketing expenditure and growing concern for improving productivity.

Key words: Consumer behaviour, automobile manufacturer, automobiles

Introduction:

Indian automobile industry has grown leaps and bounds since 1898, a time when a car had touched the Indian streets for the first time. At present it holds a promising tenth position in the entire world with being # 2 in two wheelers and # 4 in commercial vehicles. Withstanding a growth rate of 18% per annum and an annual production of more than 2 million units, it may not be an exaggeration to say that this industry in the coming years will soon touch a figure of 10 million units per year. Automobile industry is one of the fastest growing industries of the world. With more than 2 million new automobiles rolling out each year, on roads of India, the industry is set to grow further. Automobile industry made its silent entry in India in the nineteenth century. Since the launch of the first car in 1897, India automobile industry has come a long way. Today India is the largest three wheeler market in the world and is expected to take over China as the second largest automobile market, in the coming years.

Indian automobile industry; manufacturing cars, buses, three wheelers, two wheelers, commercial vehicles, heavy vehicles, provides employment to a large number of workforce. The abolition of license in 1991 opened the doors for international automobile manufacturers. A number of leading global automotive companies entered into joint ventures with domestic manufacturers of India and thus started the large-scale production of automobiles in India. Some of the well-known players of Indian automobile industry include: Hindustan Motors, Maruti Udyog, Fiat India Private Ltd, Ford India Ltd., General Motors India Pvt Ltd, Toyota Kirloskar Motor Ltd among others. The production of automobiles in India is mainly for the domestic customers. Cars with 79% of automobiles in India, dominate the automobile industry in India.

SIGNIFICANCE OF THE STUDY : All the firms have started considering 'customer' as the 'king' or 'queen'. Interestingly, after the liberalization of India's economy, the market place is flooded with many new players including



the host of MNCs resulting the availability of more number of brands in every segment of the market. On account of this, the customer has started being choicy about what to buy. Thus all firms are becoming not only customer focus but are also trying to build relationship with them. This is done by continuously updating knowledge, information and understanding of the customer needs and expectations, which is the study of consumer behaviour. Such a study will help to gauge into the consumer's mind and understand the various consumption related aspects of consumers. And will also help to learn about various internal and external influences, which impel the consumer to behave as they do.

REVIEW OF LITERATURE :

Thiripurasundari U and Natarajan P (2011)¹ stated in their study that brand equity is the added value endowed by the brand to the product (Farquhar 1989). Although the idea of using a name or a symbol to enhance a product's value has been known to marketers for a long time, brand equity has gained renewed interest in recent years. The objective of the study are to analyse the importance of various factors like brand knowledge, brand preference, brand loyalty, brand application etc in car market in Puducherry. The primary data were collected from 300 car owners through an interview schedule. From the five factors, brand application factor has been rated as the most important factor in car industry. This study shows that it is possible to establish where a company should focus its improvement efforts in order to make it payoff.

Ernest Johnson and Silas Sargunam (2011)² opined in their study that signatory to the World Trade

Organizations, India could no longer apply quantitative restrictions on the import of used cars. In this study, an attempt has been made to understand the attitude of car buyers towards the import of used cars by using information system. Result reveals that one third of the respondents show interest in the imported used cars. Also, it is found that the demographic factors such as age, monthly household income and the number of earning members in the family have significant impact on the positive attitude towards the imported used cars.

Seyed Fathollah Amiri Aghdaie and Ehsan Yousefi (2011)³ stated in their study that Now-a-days the most important aspect in designing new products is to consider the needs and demands of the market. The result indicates that the most important criteria for domestic cars purchasers, include the technical performance, economic aspect, and after sale services, and for imported cars include, technical performance, beauty of the car as well as its safety.

B. Rameshwaran (2011)⁴ deals in his article that the world automobile industry has been witnessing an unprecedented scale of change since 1991 when liberalization took place in India for the first time. The wave of globalization has directly affected the international automobile industry and the buyer behaviour in the small car market, and the promotional strategies associated with it has accelerated the global reorganization of it.

Asghar Afshar Jahanshahi et al (2011)⁵ discussed in their article that there is a relationship between customer service and product quality with customer satisfaction and loyalty in the context of the Indian automotive



industry? If yes, how is the relationship between these four variables? The automotive industry in India is one of the largest in the world and one of the fast growing globally. Customer satisfaction and loyalty are the most important factors that affect the automotive industry. On the other hand, customer service can be considered as an innate element of industrial products. Customer service quality, product quality, customer satisfaction and loyalty can be measured at different stages, for example, at the beginning of the purchase, and one or two years after purchase. The population of the study is all of the Tata Indica car owners in Pune.

NEED FOR THE STUDY : The most important area of marketing is Consumer Behaviour. The essence of marketing concept is the satisfaction of the consumer. This requires a thorough understanding of consumer behaviour and their buying decision making process. Consumer behaviour is a fundamental ingredient in the marketing process. During the last decade, a number of new brands and models were introduced and the people have wide variety of options before them. It was, therefore, considered meaningful to explore whether the Indian consumers displayed similar pattern of consistent brand consumption or differed significantly. It is relevant to study the effect of certain market variable on subsequent buyer behaviour in the usage of small cars. The consumers purchase process and their buying habits are of vital importance and is relevant to the present day problems and needs of the consumer in general. In view of the above studies and the importance of consumer satisfaction, the present study is targeted at understanding consumer satisfaction

with reference to premium car users of Kurnool district in Andhra Pradesh.

OBJECTIVES OF THE STUDY : The primary objective of this study is to assess the consumer satisfaction with reference to luxury car users in Kurnool district of Andhra Pradesh. The other objectives are:

1. To examine the ownership pattern, mode of payment and reasons for buying.
2. To assess the level of satisfaction towards different aspects of marketing mix
3. To offer suitable suggestions for further development of luxury car industry in India.

METHODOLOGY

SECONDARY DATA : In order to fulfill the objectives of the study, secondary data were collected. The secondary data pertaining to Kurnool district were collected from various government publications and records ; the major source of secondary data being Census of India 1991, 2001 (provisional results), District Statistical Centre and Collectorate. The secondary data has been collected from various magazines, journals, daily newspapers, survey reports and reference books etc.,

SAMPLING : The study has been based on convenient sampling technique and a sample size of 180 luxury car users of Kurnool district. A sample of 60 car users have been considered in each of the three revenue divisions of the district (Adoni, Nandyal and Kurnool). After eliminating partially unfilled questionnaires, the resultant sample size is 171. The sample covers various socio-economic backgrounds of the population.



DATA COLLECTION : The data collected for the present study comprises of both primary and secondary sources. The primary data has been collected through questionnaire. The respondents were interviewed and asked to fill the questionnaire. The first part deals with their behaviour towards two wheelers and factors influencing in making decisions. The second part of the questionnaire contains the questions concern to the respondents profile in terms of their age, sex, occupation, educational background and income.

TOOLS OF ANALYSIS : The data collected through primary sources has been analysed with the help of simple statistical tools namely percentages and charts.

DATA ANALYSIS AND INTERPRETATION : The primary and secondary data collected from different sources have been tabulated and interpreted meaningfully. The information has been represented in a simple way for better understanding.

OWNER / USER OF CAR

Table No. 1: Details of Owner / User of the Car

| S.No | Particulars | Sample Size | Percentage |
|------|-------------|-------------|------------|
| 1 | Owner | 137 | 80.12 |
| 2 | User | 34 | 19.88 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be inferred from the above table that, an overwhelming majority of 80.12% of the respondents are owners followed by 19.88% of the respondents are users of the car.

PURPOSE OF CAR

Table No. 2: Details of Purpose of Car

| S.No | Purpose of Car | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | Personal use | 92 | 53.80 |
| 2 | Commercial purpose | 53 | 30.99 |
| 3 | Provided by office | 26 | 15.20 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be examined from the above table that, majority of the respondents 53.80% are having car for personal use, followed by 30.99% are having



car for commercial purposes and for 15.20% of the respondents, car is being provided by the office.

MODE OF AWARENESS

Table No. 3: Details of Mode of Awareness about Car Brands

| S.No | Mode of Awareness about the Brand | Sample Size | Percentage |
|------|-----------------------------------|-------------|------------|
| 1 | News Papers | 21 | 12.28 |
| 2 | Magazines / Journals | 29 | 16.96 |
| 3 | Television Promos | 38 | 22.22 |
| 4 | Internet | 2 | 1.17 |
| 5 | Mass Media / Hoardings | 34 | 19.88 |
| 6 | Family / Friends | 47 | 27.49 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, 27.49% of the respondents said that, they are aware of their brand through family / friends, followed by 22.22% through television promos, 19.88% through mass media / hoardings, 16.96% through magazines / journals, followed by 12.28% through news papers and a very small segment of 1.17% of the respondents through internet.

MODE OF PAYMENT FOR PURCHASED CAR

Table No. 4: Details About Mode Of Payment For Purchased Car

| S.No | Mode of Payment for Purchased Car | Sample Size | Percentage |
|------|-----------------------------------|-------------|------------|
| 1 | One Time Payment | 53 | 36.55 |
| 2 | Installment Basis | 92 | 63.45 |
| | Total | 145 | 100.00 |

Source: Field Survey

INFERENCE: It can be evaluated from the above table that, majority of 63.45% of the respondents said that, they have purchased the car on installment basis and 36.55% of the respondents said that, they have purchased by paying total amount at one time.

SATISFACTION LEVEL TOWARDS PRODUCT ASPECTS

Table No. 5: Satisfaction Level towards Product Aspects of Vehicle



| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 64 | 37.43 |
| 2 | Moderate Satisfied | 97 | 56.73 |
| 3 | Dissatisfied | 10 | 5.85 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be seen from the above table that, with regard to satisfaction level of respondents towards product aspects of vehicle, majority of 56.73% rated as moderately satisfied, followed by 37.43% rated as highly satisfied and a small segment of respondents 5.85% rated as dissatisfied.

SATISFACTION LEVEL TOWARDS PRICE ASPECTS

Table No. 6: Satisfaction Level towards Price Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 59 | 34.50 |
| 2 | Moderate Satisfied | 85 | 49.71 |
| 3 | Dissatisfied | 27 | 15.79 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be observed from the above table that, with regard to satisfaction level of respondents towards price aspects of vehicle, 49.71% rated as moderately satisfied, followed by 34.50% rated as highly satisfied and 15.79% of the respondents rated as dissatisfied.

SATISFACTION LEVEL TOWARDS PLACE / DISTRIBUTION ASPECTS

Table No. 7: Satisfaction Level towards Place / Distribution Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 67 | 39.18 |
| 2 | Moderate Satisfied | 86 | 50.29 |
| 3 | Dissatisfied | 18 | 10.53 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be interpreted from the above table that, with regard to satisfaction level of respondents towards place / distribution aspects of vehicle,



majority of 50.29% rated as moderately satisfied, followed by 39.18% rated as highly satisfied and 10.53% of the respondents rated as dissatisfied.

SATISFACTION LEVEL TOWARDS PROMOTIONAL ASPECTS

Table No. 8: Satisfaction Level towards Promotional Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 71 | 41.52 |
| 2 | Moderate Satisfied | 78 | 45.61 |
| 3 | Dissatisfied | 22 | 12.87 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be evaluated from the above table that, with regard to satisfaction level of respondents towards promotional aspects of vehicle, 45.61% rated as moderately satisfied, followed by 41.52% rated as highly satisfied and 12.87% of the respondents rated as dissatisfied.

SATISFACTION LEVEL TOWARDS PEOPLE (SERVICE PERSONNEL) ASPECTS

Table No. 9: Satisfaction Level towards People (Service Personnel) Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 56 | 32.75 |
| 2 | Moderate Satisfied | 48 | 28.07 |
| 3 | Dissatisfied | 67 | 39.18 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be visualized from the above table that, with regard to satisfaction level of respondents towards people (service personnel) aspects of vehicle, 39.18% rated as dissatisfied, followed by 32.75% rated as highly satisfied and 28.07% of the respondents rated as moderately satisfied.

SATISFACTION LEVEL TOWARDS PROCESS (SERVICE PROCESS) ASPECTS

Table No. 10: Satisfaction Level towards Process (Service Process) Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 48 | 28.07 |
| 2 | Moderate Satisfied | 52 | 30.41 |
| 3 | Dissatisfied | 73 | 42.69 |
| | Total | 171 | 100.00 |

Source: Field Survey



INFERENCE: It can be evident from the above table that, with regard to satisfaction level of respondents towards process (service process) aspects of vehicle, 42.69% rated as dissatisfied, followed by 30.41% rated as moderately satisfied and 28.07% of the respondents rated as highly satisfied.

SATISFACTION LEVEL TOWARDS PHYSICAL EVIDENCE ASPECTS

Table No. 11: Satisfaction Level towards Physical Evidence (Showroom & Service Centre) Aspects of Vehicle

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 45 | 26.32 |
| 2 | Moderate Satisfied | 52 | 30.41 |
| 3 | Dissatisfied | 74 | 43.27 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be inferred from the above table that, with regard to satisfaction level of respondents towards physical evidence aspects of vehicle, 43.27% rated as dissatisfied, followed by 30.41% rated as moderately satisfied and 26.32% of the respondents rated as highly satisfied.

OVERALL SATISFACTION LEVEL TOWARDS THE CAR

Table No. 12: Overall Satisfaction Level towards the Car

| S.No | Satisfaction Level | Sample Size | Percentage |
|------|--------------------|-------------|------------|
| 1 | High Satisfied | 58 | 33.92 |
| 2 | Moderate Satisfied | 63 | 36.84 |
| 3 | Dissatisfied | 50 | 29.24 |
| | Total | 171 | 100.00 |

Source: Field Survey

INFERENCE: It can be analysed from the above table that, with regard to overall satisfaction level of respondents towards their vehicle, 36.84% rated as moderately satisfied, followed by 33.92% rated as highly satisfied and 29.24% of the respondents rated as dissatisfied.

SUGGESTIONS : It is suggested to take up following measures for further improvement of luxury cars market in Kurnool District of A.P.:

- ✓ Measures to be taken to speed up the after sales service because customers are highly dissatisfied in this aspect. Service personnel should be trained properly in treating and responding to the requirements of the customers.



- ✓ Expedite the Service process there my meeting the urgencies of the customers.
- ✓ Physical evidence should be maintained both in the sales and service aspects making the sense felt by the customers. It is suggested that the manufacturers should run driving schools and extend service to the prospective customers.

LIMITATIONS OF THE STUDY : In a study of this magnitude though, meticulous care has been taken in each and every aspect of study. Certain limitations are likely to be there in the study.

- Some respondents were not aware of certain procedures and aspects.
- A few respondents were hesitant to give details.
- There might be a sense of bias crept in answers given by the respondents.

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