

BUYER'S PREFERENCE AND SATISFACTION TOWARDS USED CARS IN COIMBATORE CITY

¹K. SUDHA DEVI, ²DR. C. BEULAH VIJAYARANI

¹Research scholar Ph.D (Part time), Providence College for Women, Coonoor

²Head, Department of Commerce, Providence College for Women, Coonoor

ABSTRACT

The automobile industry has been providing more inventions in car production and most profitable sector in India. Due to the increase of the car requirements in both family and business purpose and also the financial supports available from the financial institutions for new and used cars in the market. The used car sales have also increased at the rate of 32 percent per annum. Now days, the transportation amenities are well-developed due to rapid industrialized escalation and growth the standard of living of the people is enhanced. The decision making on the purchase of used cars or services occupies many processes. The choices of customers rarely have not fulfills the buyers expectations of the used cars and some of the issues are faced by the second hand owners in Coimbatore City. So, the researcher has taken effort to measure the customer's preference and satisfaction on used cars in the study. The used car business is playing crucial role in Coimbatore district. The sellers of the cars were classified into different categories like agents and showroom dealers functioning in the study area. The population size of the car owners is unknown in the present study. Hence, the researcher has been chosen convenient sampling method for the present study. The researcher has selected 150 used car users and that questionnaire has been distributed to the respondents. The study has written as an empirical and descriptive manner, which provides the results of the analytical data. The present study has taken required data analysis methods like Simple Percentage Method, Ranking method and ANOVA test.

Keywords: ANOVA test, Automobile Industry, Used Cars, Satisfaction

1. INTRODUCTION

The automobile industry has been providing more inventions in car production and most profitable sector in India. Due to the increase of the car requirements in both family and business purpose and also the financial supports available from the financial institutions for new and used

cars in the market. The used car sales have also increased at the rate of 32 percent per annum. Now days, the transportation amenities are well-developed due to rapid industrialized escalation and growth the standard of living of the people is enhanced. Road transport plays a larger role in the recent years. The user prefers this because of its availability, adaptability to individual needs, door to door services and reliability. Most of the companies now recognize that the new global economy has changed things forever. Increased competition, huddled markets with very little product differentiation and years of continual sales growth followed by 20 years of compressed pre-owned automotive sales curves have indicated to today's sharp competitors that their focus should modification. The marketers who will be successful recognize that customer satisfaction is a critical strategic weapon that can bring. Indian used car Industry has a mix of organized and unorganized car sellers. Where most of the corporate companies now opening their own retail chain across Indian market for sale of their own used cars. Customer has wide choice from this organized market where most of the cars are certified by the company itself and therefore ensures customer satisfaction by giving maximum value for their money. The tools utilized by shoppers have conjointly evolved, leading to the necessity for dealers and makers to essentially modification their approach to the sale of vehicles.

2. LITERATURE REVIEW

There are more studies focus the car buyer's satisfaction and preference in market. Dharmaraj (2010) in his study says a consumer's decision to buy a product is the result of interplay of many internal and external forces or stimuli. But the environmental stimuli enter the buyer's mind through cultural, social, personal and psychological factors that influence the consumer Preferences. Isac & Magdalena (2011) presented in their research measuring customer satisfaction can be considered a tool for monitoring, evaluation and quality improvement processes and internal activities, to reflect the degree to which organizations achieve their objectives and goals. The quality of management and the quality of various products had become critical coordinates of the competitiveness. It was also a necessary tool for providing information about customer's needs and behavior. Johnson (2011) has collected data by using an interview schedule from the sample respondents drawn from the car owners in the city of Chennai, India. The list of shoppers given by the dealers of the automotive corporations was because the population frame. 150 respondents were selected using the simple random sampling method. Also, it was found that the barriers established by the Government were instrumental in dissuading the respondents from preferring an imported car. Hence in the interest of the domestic car manufacturing sector, it is appropriate to continue with these restrictive measures. Nataraj & Nagaraja (2012) have collected data from 50 online customers were extracted the questionnaire and 38 respondents have given their opinions. In this study the respondents are selected using simple random sampling technique. The study concluded that the Automobile companies will

need to establish and maintain a true two-way dialogue with individual consumers through personalized communication to boost online customer satisfaction.

3. STATEMENT OF THE PROBLEM

Customer preference has been changing and motivating them to purchase the vehicles for their requirements. The decision making on the purchase of used cars or services occupies many processes. The choices of customers rarely have not fulfills the buyers expectations of the pre-owned cars and some of the issues are faced by the second hand owners in Coimbatore City. So, the researcher has taken effort to measure the customer's preference and satisfaction on pre-owned cars in the study.

4. OBJECTIVES OF THE STUDY

The main objectives of the present study are:

1. To analyze the customer's preference on used cars in Coimbatore city.
2. To determine the customer's satisfaction on used cars in the study area.
3. To analyze the changes between the customers satisfaction and demographic variables of the used car owners in Coimbatore city.

5. METHODOLOGY

The used car business is playing crucial role in Coimbatore district. The sellers of the cars were classified into different categories like agents and showroom dealers functioning in the study area. The population size of the car owners is unknown in the present study. So, the researcher has been chosen convenient sampling method for the present study. The researcher has selected 150 used car users and that questionnaire has been distributed to the respondents. The study has written as an empirical and descriptive manner, which provides the results of the analytical data. The present study has taken required data analysis methods like Simple Percentage Method, Ranking method and ANOVA test.

6. SCOPE OF THE STUDY

The buyer's preferences are measured through the satisfaction of the users of the cars in Coimbatore. Establishing service quality may be one of the major ways of differentiation particularly, in the case of automobile industries, where majority of them offer nearly identical cars to the users. The people who are living in Coimbatore city are mostly using more branded cars to fulfill their personal needs and requirements of family. The car user preference has been

changed due to more varieties of the cars. The present study provides more details about the awareness about used cars to the society.

7. FINDINGS AND INTREPRETATION

The demographic profile of the sample respondents has elaborately given below:

Table 1: Demographic Detail of the Sample Respondents

| Variables | | Frequency | Percent |
|------------------------------|-----------------------|-----------|---------|
| Age | Below 30 years | 42 | 28.0 |
| | 30 – 60 years | 68 | 45.3 |
| | Above 60 years | 40 | 26.7 |
| Sex | Male | 50 | 33.3 |
| | Female | 100 | 66.7 |
| Marital Status | Single | 58 | 38.7 |
| | Married | 92 | 61.3 |
| Type of Family | Joint | 56 | 37.3 |
| | Nuclear | 94 | 62.7 |
| No. of Family Members | Small | 40 | 26.7 |
| | Medium | 68 | 45.3 |
| | Big | 42 | 28.0 |
| Monthly Income | Below Rs.10,000 | 32 | 21.3 |
| | Rs.10,000 - Rs.20,000 | 47 | 31.3 |
| | Rs.20,000 - Rs.30,000 | 50 | 33.3 |
| | Above Rs.30,000 | 21 | 14.0 |
| Literacy Level | Schooling | 24 | 16.0 |
| | UG | 38 | 25.3 |
| | PG | 33 | 22.0 |
| | Professional Degree | 40 | 26.7 |
| | Others | 15 | 10.0 |
| Occupation | Student | 8 | 5.3 |
| | Employed | 103 | 68.7 |
| | Business | 26 | 17.3 |
| | Retired | 8 | 5.3 |
| | Others | 5 | 3.3 |

| | | | |
|------------------------------|-----------------------|------------|--------------|
| Area of Residence | Rural | 35 | 23.3 |
| | Urban | 61 | 40.7 |
| | Semi-urban | 54 | 36.0 |
| Source of Awareness | Advertisement | 72 | 48.0 |
| | Friends and Relatives | 26 | 17.3 |
| | Agent | 34 | 22.7 |
| | Personal decision | 18 | 12.0 |
| Customer Satisfaction | Low | 22 | 14.7 |
| | Medium | 24 | 16.0 |
| | High | 104 | 69.3 |
| | Total | 150 | 100.0 |

Source: Primary Data

Table-1 has represented that the demographic variables with the percentage analysis in the present study. The majority of respondents belong to 30-60 years old and more female members who have purchased used cars in Coimbatore city. There are mostly married respondents coming under nuclear family with 2-3 members (medium size). The respondents who are mostly earning monthly salary of between Rs.20,000 – Rs.30,000 and they were employed with some professional degree in the study area. The used car buyers are mostly living in urban area and mostly aware about the car purchase through advertisements in newspaper and websites. The used car users were mostly satisfied with the purchase second hand vehicles in Coimbatore city.

Table 2: Reasons for Preferring to Purchase the used Cars in Coimbatore

| Sl.No. | Factors | Ranks |
|---------------|----------------------------------|--------------|
| 1 | Low Price | 1 |
| 2 | Availability of Different Brands | 4 |
| 3 | Convenience | 3 |
| 4 | More Offers and Discounts | 2 |
| 5 | More Outlets Available | 5 |

Source: Primary Data

Table-2 showed that the customers preference to purchase the used cars. There are more reasons stated by the buyers to purchase the used cars in Coimbatore. The buyers are purchasing the cars due to low price and for discounts. The buyers are mostly purchased for their convenience and highly satisfied with the usage of the used cars in Coimbatore City.

Table 3: ANOVA - Changes in the Customer Satisfaction on used Cars

| | Sum of Squares | df | Mean Square | F | Sig. |
|----------------|-----------------------|-----------|--------------------|----------|-------------|
| Between Groups | 8.086 | 2 | 4.043 | 6.642 | .002 |
| Within Groups | 89.487 | 147 | .609 | | |
| Total | 97.573 | 149 | | | |

Source: Calculated Value

Table-3 indicated that changes in the satisfaction of used car buyers in Coimbatore City. The result showed that there are significant changes between the satisfaction and demographic profile of the used cars users in Coimbatore City.

8. CONCLUSION

The used car market has been developing and providing more chances to the middle class family members in India. Most of the branded cars have utilized by the respondents in the present study. The used car buyers are mostly living in urban area and mostly aware about the car purchase through advertisements in newspaper and websites. There are more options to purchase and sell the cars in the study area. The buyers are mostly purchased for their convenience and highly satisfied with the usage of the used cars in Coimbatore City.

REFERENCES

1. Kusuma, P. (2015). A Study on Impact of Consumer Behaviour Pattern on Buying Decision of Small Cars in Karnataka. *International Journal of Innovative Research in Science, Engineering and Technology*, Volume 4, Issue 10, pp.10167-10177.
2. Sheetal (2014). A Study of Consumer Behavior towards Premium Passenger Car Segment in U.P. in Post-Liberalization Era (A Case Study of Kaval Towns). Ph.D. Thesis, University of Lucknow, Lucknow.
3. Essays, UK. (2013). Family Decision Making Purchase Of Vehicle Marketing Essay. <https://www.ukessays.com/essays>.
4. Kusuma, P. (2015). A Study on Impact of Consumer Behaviour Pattern on Buying Decision of Small Cars in Karnataka. *International Journal of Innovative Research in Science, Engineering and Technology*, Volume 4, Issue 10, pp.10167-10177.
5. Vijay. P (2017). Impact Study on Consumer Perception towards Digital Transactions on Online Shopping in Tirupur City. *Journal of Management and Science*, Volume 1(1), pp.175-182.

6. Pandurangan.G and R.Senthilkumar (2015). Customers Level of Satisfaction towards the Performance of Pre-Owned Cars with Reference to Coimbatore City. *Asia Pacific Journal of Research*, Volume 1, Issue 33, pp.34-40.
7. Shiva Shankar (2016). A Study on Consumer Behavior towards Pre- Owned Cars in India. *Indian Journal of Research*, Volume 5, Issue 11, pp. 200 -203.
8. Nicoleta ISAC & Magdalena Radulescu (2011). Analysis of the Consumers Satisfaction for Quality Dacia Cars. *Scientific Bulletin – Economic Sciences*, Volume 13, Issue 1. pp.55 -61.
9. Vijay. P (2018). Customers’ Perception towards GST with Special Reference to Insurance and Automobile Industry in Tirupur District. *International Journal of Research in Commerce and Management*, Volume 9(2), pp.2-8.
- 10.Rajpurohit, R.C.S. & Vasita, M.L. (2011). Consumer Preferences and Satisfaction towards Various Mobile Phone Service Providers an Exploratory Study in Jodhpur City, Rajasthan. *Gurukul Business Review (GBR)*, Volume 7, pp. 1-11.
- 11.Nataraj S & N.Nagaraja (2012). Customer Satisfaction in Automobile Industry – An Indian Online Buyers’ Perspective of Car Manufacturers’ Websites. *International Journal of Multidisciplinary Research*, Volume 2, Issue 6, pp. 92 -107.