



An Empirical study on customer preferences of branded vehicles of Toyota and Kia motors with special reference to Coimbatore city

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Abstract

Automobiles, especially tiny cars, are no longer considered a luxury in today's world. The desire to acquire an automobile has also been present among the populace. The debut of new automobile models and offers by automakers, as well as simple access to financing at reasonable rates, have all complemented the public's desire. This study is being conducted to evaluate the aspects car buyers take into account when choosing a vehicle and their degree of satisfaction. Two manufacturers – Toyota and a potent competitor, Kia motors – were chosen for this study.

Keywords: Car, customer satisfaction, customer preferences, automobiles, pricing, performance etc.

Introduction

Marketing is an activity a company carries out to persuade a target audience to buy its products or services. Marketing aims to create independent importance for potential customers and consumers using content in order to establish product value, foster brand loyalty and ultimately increase sales. When it comes to marketing, one fundamental question asked is "When, where and how do our customers want to connect with our company". Polls, focus group and internet shopping trends should all be investigated in depth. The automobile industry has vastly improved and specialised in making use of the marketing strategy in order to withhold in the current market.

Travel is becoming more and more necessary, and with it comes a growing demand for transportation. The requirements for speed, comfort, complete location coverage and other criteria cannot be satisfied by public transportation. Due to their jobs, the family's income earning members frequently have to go outside their local areas, with occasional intercity trips as well. A car now plays a part in every aspect of our lives, including driving to the grocery store for supplies, going to the bank and running other errands, in addition to serving the needs of the workplace. We might therefore infer that a car has filled up a space in our minds as an accomplishment and that most people would like one in their life based on the emotion it evokes.

A person can effortlessly approach a car showroom today with the intention of buying a car and easily leave the store that day with the delivery of the new automobile. Thanks to the availability of easy financing for everyone. When it comes to comfort automobiles, the Indian industry has experienced multiple changes in terms of aspects like design language, car types, pollution levels etc., it is recognized as one of the foremost sectors in India.

In India, automobile purchases are continuously rising, and even younger generations are becoming involved by starting

their car careers young. However, the Indian market remains difficult since customers still don't respond as predicted by businesses, despite significant investments in market research. There can be a discrepancy between what a car manufacturer believes and what customers want.

First, a customer needs to be divided according to the segment they are interested in, as the requirements of a customer buying an entry-level car will differ from those of a customer buying an executive or luxury level car. This separation is necessary to recognize the factors that affect a customer to buy a car. Just after segmentation process has been completed, the elements that have the greatest impact on consumer purchasing choices are price as well as brand, fuel economy and efficiency, styling, space, safety and convenience features, ground clearance, after sales and service costs, dealership experience and resale value.

Literature review

Selenes (1993), analysed that, to determine a products or service's quality, only extrinsic factors such as a product's brand, price and packaging should be used.

Oliver (1997), states that customer satisfaction is a response from customers that manifests when consumers express a satisfying level of pleasure when evaluating a good or service.

Chidambaram and Alfred (2007), analysed that there were factors that influence consumers buying habits. The study found that consumers give fuel efficiency more consideration than any other factor. They recognized that the brand names provided consumers with information about a product's quality, utility and innovation and they preferred to choose automobiles that offered excellent fuel efficiency, excellent quality, modern approach, durability and competitive pricing.

Banerjee and Ipsita (2011), analysed the security and ownership patterns of family-owned mechanised vehicles in Surat city. As per research on how people make vehicle

buying decisions, a family’s income should be the major factor in deciding how many and what kind of cars they should acquire and size of the family was the least factor. Due to Pune’s lower infiltration and use of tiny cars relative to its population, this sector had potential.

Dr. Binkey Srivatsava (2020), made a study on Kia motors, if it will survive or fail. In his study he has analyzed that Kia motors has enlarged and bolstered its brand image of high quality and design by offering a seven-year warranty on its products. Beginning with raising customer awareness, moving on to capturing their attention, stimulating their desire and finally calling for action. It influenced customers purchasing habits in this way. It will be interesting to see whether the company’s entry into the Indian soil will be a success or a failure in the upcoming years.

Objectives

- To analyse what influences people when they go to buy a car.
- To evaluate consumer satisfaction with Toyota and Kia Motors.
- To investigate about the difficulties that the users encounter when using their cars.

Research methodology

Coimbatore city has been chosen as the area for study. The sample size has been narrowed down to 200 respondents. The sampling method used to choose the respondents was convenience random sampling method. Questionnaire is

Been used as a research tool. Tables and graphs have been used to assess the collected data.

Data can be collected using two different methods. They are

- Primary Data is information gathered by researchers directly from primary sources, such as interviews, surveys and experiments. Primary data is typically collected from the source – where the data originated and is regarded as the best type of data in research.
- Secondary Data is information that has already been collected from primary sources and made readily available for use by researchers in their own research. It is a type of data that has previously been collected. A researcher may have gathered data for a specific project and then made it available for use by another researcher. As in the case of national census, the data may have been collected for general use with no specific research purpose in mind. Data classified as secondary for one study may be considered primary for another.

Limitations of the study

1. This study is restricted to Coimbatore city.
2. Two hundred respondents were used as the sample size for the study. This situation may not actually match their records.
3. Lack of access to the consumers is a constraint on this investigation.
4. The study is susceptible to respondents’ level of knowledge.

Data analysis

Table 1: Simple Percentage Analysis

| Variables | | Frequency | Percentage |
|---------------------------|---------------------|-----------|------------|
| Age | 20 – 30 years | 42 | 21% |
| | 31 – 30 years | 80 | 40% |
| | 41 – 40 years | 46 | 23% |
| | 51years & above | 32 | 16% |
| Gender | Male | 134 | 67% |
| | Female | 66 | 33% |
| Marital Status | Married | 200 | 100% |
| | Unmarried | - | - |
| Educational Qualification | School level | 4 | 2% |
| | Undergraduate | 134 | 67% |
| | Postgraduate | 46 | 23% |
| | Professional course | 16 | 8% |
| Occupation | Private employee | 52 | 26% |
| | Government employee | 15 | 7.5% |
| | Self-employed | 92 | 46% |
| | Professional | 18 | 9% |
| Annual Income | Retired | 23 | 11.5% |
| | Rs.5 to 10 lakhs | 146 | 73% |
| | Rs.11 to 15 lakhs | 16 | 8% |
| Nature of family | Rs.15 lakhs and > | 38 | 19% |
| | Joint | 58 | 29% |
| Number of members | Nuclear | 142 | 71% |
| | 2 members | 75 | 37.5% |
| | 3 members | 49 | 24.5% |
| | 4 members | 64 | 32% |
| | Above 5 members | 12 | 6% |
| Brand of your car | Toyota | 90 | 45% |
| | Kia Motors | 110 | 55% |

CHI-Square Test

Table 2: Association between the occupation of the respondents and their mode of payment Occupation * Mode of payment Crosstabulation

| Occupation | Mode of payment | | Total |
|------------------|-----------------|------|-------|
| | 1.00 | 2.00 | |
| Private employee | 58 | 50 | 108 |
| Self employed | 0 | 92 | 92 |
| Total | 58 | 142 | 200 |

| | Value | df | Asymp. Sig. (2-sided) |
|--------------------|---------------------|----|-----------------------|
| Pearson Chi-Square | 73.403 ^a | 9 | .000 |

12 cells (75%) have expected count less than 5. The minimum expected count is .06.

Pearson chi-square test

The chi-square test was found to be significant at 5% level as the value is 0.000. Hence, we reject the null hypothesis and

conclude that there is association between occupation of the respondents and their mode of payment.

Table 3: Association between the number of members in the family and the category of the car purchased Number of members in the family * category of the car Crosstabulation

| Number of members in the family | Category of the car | | | | Total |
|---------------------------------|---------------------|----------------|-----|-----|-------|
| | Sedan cars | Hatchback cars | SUV | MUV | |
| 2 members | 0 | 0 | 0 | 98 | 98 |
| 3 members | 44 | 0 | 0 | 0 | 44 |
| 4 members | 0 | 0 | 46 | 0 | 46 |
| 5 members and above | 0 | 12 | 0 | 0 | 12 |
| Total | 44 | 12 | 46 | 98 | 200 |

| | Value | df | Asymp. Sig. (2-sided) |
|--------------------|----------------------|----|-----------------------|
| Pearson Chi-Square | 600.000 ^a | 9 | .000 |

5 cells (31.3%) have expected count less than 5. The minimum expected count is .72.

Pearson chi-square

The chi square test was found to be significant at 5% level as the value is 0.000; hence we reject the Null hypothesis

and conclude that there is association between number of members of the family and the category of the car purchased.

Table 3: ANOVE (One way) Association between the annual income of the respondents and level of satisfaction of various factors

| | | Sum of Squares | df | Mean Square | F | Sig. |
|--------------------------|----------------|----------------|-----|-------------|---------|------|
| Price | Between Groups | 2.319 | 2 | 1.160 | 1.903 | .152 |
| | Within Groups | 120.061 | 197 | 0.609 | | |
| | Total | 122.380 | 199 | | | |
| Mileage | Between Groups | 5.148 | 2 | 2.709 | 14.587 | .000 |
| | Within Groups | 36.582 | 197 | .186 | | |
| | Total | 42.000 | 199 | | | |
| Appearance | Between Groups | .429 | 2 | .215 | 3.899 | .022 |
| | Within Groups | 10.851 | 197 | .055 | | |
| | Total | 11.280 | 199 | | | |
| Anti-lock Braking System | Between Groups | 16.253 | 2 | 8.127 | 47.553 | .000 |
| | Within Groups | 33.667 | 197 | .171 | | |
| | Total | 49.920 | 199 | | | |
| Interior spacing | Between Groups | 81.106 | 2 | 43.553 | 140.900 | .000 |
| | Within Groups | 60.894 | 197 | .309 | | |
| | Total | 148.000 | 199 | | | |
| Strength and safety | Between Groups | 65.090 | 2 | 32.545 | 52.300 | .000 |
| | Within Groups | 122.590 | 197 | .622 | | |
| | Total | 187.680 | 199 | | | |
| After sales service | Between Groups | 58.564 | 2 | 29.282 | 183.620 | .000 |
| | Within Groups | 31.416 | 197 | .159 | | |
| | Total | 89.980 | 199 | | | |
| Availability of spares | Between Groups | 2.904 | 2 | 1.452 | 9.106 | .000 |
| | Within Groups | 31.416 | 197 | .159 | | |
| | Total | 34.320 | 199 | | | |
| Ground clearance | Between Groups | 62.253 | 2 | 31.127 | 182.137 | .000 |

| | | | | | | |
|-------------|----------------|--------|-----|-------|--------|------|
| | Within Groups | 33.667 | 197 | .171 | | |
| | Total | 95.920 | 199 | | | |
| Performance | Between Groups | 16.253 | 2 | 8.127 | 47.553 | .000 |
| | Within Groups | 33.667 | 197 | .171 | | |
| | Total | 49.920 | 199 | | | |

It can be interpreted that the level of significance is at 5%, and there is a significant difference between annual income and level of satisfaction on various factors of the car. Hence,

Null hypothesis is rejected. But it is noted that price and appearance is not significant as it shows a level of 0.152 and 0.022 respectively.

Table 4: Rank analysis

| | Products | 1st Rank | 2nd Rank | 3rd Rank | 4th Rank | 5th Rank | 6th Rank | 7th Rank | 8th Rank | 9th Rank | 10th Rank | Mean Score | RANK |
|----|--------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|------------|------|
| 1 | Price | 14 | 22 | 31 | 29 | 51 | 14 | 9 | 6 | 6 | 18 | 1249 | 3 |
| 2 | Engine Power | 16 | 44 | 26 | 17 | 46 | 23 | 13 | 5 | 7 | 3 | 1358 | 1 |
| 3 | Resale value | 58 | 13 | 18 | 9 | 12 | 22 | 26 | 2 | 8 | 32 | 1244 | 5 |
| 4 | Spacing of interiors | 48 | 12 | 5 | 18 | 33 | 29 | 14 | 21 | 13 | 7 | 1246 | 4 |
| 5 | Society status | 3 | 12 | 7 | 6 | 23 | 46 | 17 | 23 | 47 | 16 | 851 | 10 |
| 6 | Mileage | 22 | 18 | 32 | 9 | 58 | 26 | 12 | 13 | 8 | 2 | 1284 | 2 |
| 7 | Ground clearance | 2 | 8 | 13 | 12 | 26 | 58 | 9 | 32 | 18 | 22 | 916 | 8 |
| 8 | After sales service | 12 | 29 | 7 | 14 | 5 | 18 | 21 | 13 | 48 | 33 | 907 | 9 |
| 9 | Safety and security | 7 | 13 | 21 | 14 | 29 | 33 | 18 | 5 | 12 | 48 | 951 | 7 |
| 10 | Spare parts availability | 26 | 9 | 12 | 22 | 18 | 32 | 8 | 58 | 2 | 13 | 1082 | 6 |

The table clearly shows that the most desirable attribute for a car is its engine power, which was ranked first with a mean score of 1358, followed by mileage, which obtained the second position with a mean score of 1284, then came price, with a mean score of 1249, interior space which came in fourth position with a mean score of 1246, resale value acquired the fifth rank with a mean score of 1244 and other features such as availability of spares, safety and security, ground clearance, after sales service, society status obtained the sixth, seventh, eighth, ninth and tenth rank respectively.

Findings of the study

The following are the findings of the study:

- 40% of the respondents belonged to the age category of 31 – 40 years.
- 67% of the respondents were male.
- 67% of the respondents were Under graduates.
- 46% of the respondents were self-employed.
- 73% of the respondents had an annual income of Rs.5 – 10 lakhs ❖ 71% of the respondents had a nuclear family.
- 37.5% of the respondents has 2 members in their family.
- 55% of the respondents owned Kia Motors.
- There is association between occupation of the respondents and their mode of payment.
- There is association between number of members in the family and the category of car purchased.
- H₁: There is significant difference between annual income of the respondents and level of satisfaction of various factors of the car except for price and appearance which showed a level of 0.152 and 0.022 respectively.
- Most attracted reason for buying the car is Engine power which has a mean score of 1358 and obtained the first rank.

Suggestions and conclusion

From the aforementioned study, it can be inferred that the vehicle’s engine and mileage are the most crucial factor to consider when selecting a car. It was also discovered that survey participants of Toyota and Kia Motors are much

more satisfied with the most of the factors, with the exception of the price, than respondents of other automakers. A branded vehicle is currently a necessity for all types of people. The goal of this research project was to evaluate customer decision making in particular and improve our present understanding of the vehicle market in general.

The study made an effort to shed insight on consumer preferences. Also, it has focused on automobile manufacturers to spread the word about their various, high-quality and reasonably priced goods to various demographics. The business will soon be able to import a number of customers if the aforementioned recommendations are put into practise.

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