



## A study on customer preferences of branded vehicles of Mercedes and Audi with special reference to Coimbatore city

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### Abstract

This empirical study looks into the nuances of customer preferences for branded vehicles, with an emphasis on Mercedes and Audi in the lively city of Coimbatore. Understanding the dynamics behind brand selection is critical for industry stakeholders in a booming automobile market with different customer tastes and changing purchasing behaviours. Using a mixed-method approach that includes quantitative surveys and qualitative interviews, this study seeks to illuminate the subtle interplay of factors determining customer preferences between these two well-known vehicle brands. Through a comparative analysis, we uncover the relevant drivers impacting client decisions, which include elements such as price sensitivity, brand image perception, performance expectations, and design aesthetics.

This study on Mercedes and Audi, not only adds to the current body of information in the automotive realm, but it also serves as a compass, guiding industry practitioners towards greater alignment with the discerning preferences of Coimbatore's automotive enthusiasts.

**Keywords:** Car, customer happiness, preferences, vehicles, cost, performance etc

### Introduction

In the automotive industry, consumer tastes and choices have a significant impact on market dynamics and the tactics of manufacturers and dealerships. In this context, the fight between prominent brands such as Mercedes-Benz and Audi is not only a struggle of engineering acumen and design elegance, but also a contest for consumer hearts and minds. Coimbatore City, located in southern India, emerges as a dynamic microcosm of the global automotive arena, distinguished by a discriminating clientele with various interests and preferences.

The value of this study stems from its ability to close this knowledge gap, providing significant insights to industry stakeholders such as manufacturers, dealerships, and marketers. By identifying the underlying factors influencing consumers' decisions between Mercedes and Audi vehicles, this study hopes to provide these stakeholders with actionable intelligence to help them refine their product offerings, improve marketing strategies, and strengthen brand positioning in the Coimbatore market.

This study uses a mixed-method approach, using both quantitative surveys and qualitative interviews, to provide a full knowledge of the varied nature of consumer preferences. Through a comparison analysis, we hope to discover and deconstruct the important elements driving brand selection, which range from price sensitivity and brand image perception to performance expectations and design aesthetics.

Furthermore, by investigating demographic characteristics such as age, income levels, and educational backgrounds, we hope to understand the complex interplay between socioeconomic factors and customer choices in the Coimbatore automotive scene.

In summary, this study aims not only to contribute to the scholarly discourse on consumer behaviour and brand preference, but also to provide actionable insights that are relevant to the specific preferences and goals of

Coimbatore's automobile enthusiasts. This study aims to highlight the route forward for industry practitioners attempting to navigate the complicated terrain of the Coimbatore automobile market by conducting a nuanced investigation of preferences for Mercedes and Audi vehicles.

### Literature Review

Consumer behaviour studies in the automotive industry have revealed numerous major drivers of brand preference. Brand image and reputation emerge as critical variables influencing consumer perceptions and purchasing decisions. Research by Aaker (1991) and Keller (1993) emphasises the importance of brand equity and its impact on consumer behaviour, implying that strong brand connections and a positive brand image can improve consumer preference and loyalty.

Price sensitivity is also an important factor in consumer decisions in the automotive industry. Hinterhuber and Liozu (2014) and Lian and Wen (2016) found that pricing tactics influence consumer perceptions of value and willingness to purchase. While luxury brands such as Mercedes and Audi attract high costs, customers may perceive variations in value proposition and affordability, which influences their brand preferences.

Performance expectations and technological innovation are two more factors impacting consumer preferences in the car sector. Hult et al. (2009) found that while considering vehicle options, buyers prioritise reliability, safety, and fuel efficiency. Furthermore, technology improvements in areas such as connectivity, autonomous driving, and electric propulsion are altering consumer expectations and preferences. Studies by Lee et al. (2019) emphasise the relevance of innovation in driving brand distinctiveness and competitive advantage.

Design aesthetics and appearance have a huge impact on consumer choices in the automotive business. Bloch et al. (2003) and Mugge and Schifferstein (2008) found that visual aesthetics can generate emotional responses and shape brand impressions. Luxury brands such as Mercedes and Audi frequently use distinctive design elements and style cues to convey status and exclusivity, driving consumer preferences and brand loyalty.

**Objectives**

- Identify the demographics of Mercedes and Audi buyers in Coimbatore, including age, income, occupation, and education level.
- Identify the most popular Mercedes and Audi models and features among Coimbatore City buyers.
- Recommend marketing methods for Mercedes and Audi dealerships in Coimbatore City to better cater to client preferences and increase market presence.

**Research methodology**

Coimbatore has been chosen as the study location. The sample size is being reduced to 200 responders. The respondents were selected using the convenient random sampling method. The questionnaire has been utilised as a research tool. Tables and graphs were utilised to analyse the acquired data.

Data can be acquired using two distinct approaches. They are

- **Primary Data:** Researchers collect information directly from primary sources, such as interviews, surveys, and experiments. Primary data is often acquired directly from the source and is considered the best sort of data in research.
- **Secondary Data:** Secondary data is material that has previously been gathered from primary sources and made available for researchers to utilise in their own studies. It refers to previously acquired data. A researcher may have collected data for a particular study and subsequently made it available for use by another researcher. As with a national census, the data may have been collected for broad use rather than a specialised study aim. Data that was classed as secondary in one study may be considered primary in another.

**Limitations of the study**

1. The study is limited to Coimbatore city.
2. The study used a sample size of 200 respondents. This situation may not exactly match their records.
3. Access to customers is limited in this study.
4. The study's validity depends on respondents' knowledge level.

**Data analysis**

**Table 1:** Simple percentage analysis

Variables		Frequency	Percentage
Age	20 – 30 years	12	6%
	31 – 40 years	16	8%
	41 – 50 years	80	40%
	51 years & above	92	46%
Gender	Male	134	67%
	Female	66	33%
Marital Status	Married	200	100%
	Unmarried	-	-
Educational Qualification	School level	18	9%
	Undergraduate	120	60%
	Postgraduate	42	21%
	Professional course	20	10%
Occupation	Private employee	56	28%
	Government employee	10	5%
	Self-employed	100	50%
	Professional	24	12%
	Retired	10	5%
Annual Income	Rs.5 to 10 lakhs	66	33%
	Rs.11 to 15 lakhs	14	7%
	Rs.15 lakhs and >	120	60%
Nature of family	Joint	60	30%
	Nuclear	140	70%
Number of members	2 members	15	7.5%
	3 members	50	25%
	4 members	92	46%
	Above 5 members	43	21.5%
Brand of your car	Mercedes	125	62.5%
	Audi	75	37.5%

**Chi-Square Test**

**Table 2:** Association between the annual income of the respondents and their mode of payment

Annual income * Mode of payment Crosstabulation					
	Count				Total
	Mode of payment				
	Cash from savings	Loan	Gift	Others	

Annual income	Rs. 5 - Rs. 10 Lakhs	9	122	4	3	138
	Rs.11 to Rs.15 lakhs	3	12	1	0	16
	Rs.15 lakhs and above	46	0	0	0	46
Total		58	134	5	3	200

	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	148.480 <sup>a</sup>	6	.000

7 cells (58.3%) have expected count less than 5. The minimum expected count is 0.25

**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 annual income of the respondents and their mode of payment.

**Table 2:** Association between the occupation of the respondent and the category of the car purchased

Occupation * Model of the car Crosstabulation						
Count						
		Model of the car				Total
		.00	1.00	2.00	3.00	
Occupation	Private employee	65	14	10	8	97
	Government employee	3	1	0	0	4
	Self employed	64	10	9	9	92
	Professional	5	0	1	1	7
Total		137	25	20	18	200

	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	3.184 <sup>a</sup>	9	.957

8 cells (50.0%) have expected count less than 5. The minimum expected count is .36

**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 occupation of the respondent and the category of the car purchased.

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

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Price	Between Groups	1.575	3	.525	.852	.467
	Within Groups	120.805	196	.616		
	Total	122.380	199			
Mileage	Between Groups	8.434	3	2.811	16.415	.000
	Within Groups	33.566	196	.171		
	Total	42.000	199			
Appearance	Between Groups	.670	3	.223	4.127	.007
	Within Groups	10.610	196	.054		
	Total	11.280	199			
ABS	Between Groups	39.310	3	13.103	242.068	.000
	Within Groups	10.610	196	.054		
	Total	49.920	199			
Interior Spacing	Between Groups	19.422	3	6.474	9.869	.000
	Within Groups	128.578	196	.656		
	Total	148.000	199			
Strength and safety	Between Groups	2.085	3	.695	.734	.533
	Within Groups	185.595	196	.947		
	Total	187.680	199			
After sales service	Between Groups	41.240	3	13.747	55.279	.000
	Within Groups	48.740	196	.249		
	Total	89.980	199			
Availability of spares	Between Groups	11.363	3	3.788	32.340	.000
	Within Groups	22.957	196	.117		
	Total	34.320	199			
Ground clearance	Between Groups	2.151	3	.717	1.499	.216
	Within Groups	93.769	196	.478		
	Total	95.920	199			
Performance	Between Groups	39.310	3	13.103	242.068	.000
	Within Groups	10.610	196	.054		
	Total	49.920	199			

It can be interpreted that the level of significance is at 5%, and there is a significant difference between occupation of the respondent and level of satisfaction on various factors of the car. Hence, null hypothesis is rejected. But it is noted that price, appearance, strength and safety and ground clearance is not significant as it shows a level of 0.467, 0.007, 0.533 and 0.216 respectively.

**Table 4: Rank Analysis**

	Products	1 <sup>st</sup> Rank	2 <sup>nd</sup> Rank	3 <sup>rd</sup> Rank	4 <sup>th</sup> Rank	5 <sup>th</sup> Rank	6 <sup>th</sup> Rank	7 <sup>th</sup> Rank	8 <sup>th</sup> Rank	9 <sup>th</sup> Rank	10 <sup>th</sup> Rank	Mean Score	Rank
1	Price	2	8	13	12	26	58	9	32	18	22	910	8
2	Engine Power	48	12	5	18	33	29	14	21	13	7	1243	4
3	Resale value	3	12	7	6	23	46	17	23	47	16	852	10
4	Spacing of interiors	22	18	32	9	58	26	12	13	8	2	1283	2
5	Society status	16	44	26	17	46	23	13	5	7	3	1356	1
6	Mileage	12	29	7	14	5	18	21	13	48	33	907	9
7	Ground clearance	7	13	21	14	29	33	18	5	12	48	953	7
8	After sales service	26	9	12	22	18	32	8	58	2	13	1085	6
9	Safety and security	14	22	31	29	51	14	9	6	6	18	1244	3
10	Spare parts availability	58	13	18	9	12	22	26	2	8	32	1240	5

The table clearly shows that the most desirable attribute about the car, is the societal value and status, which was ranked first with a mean score of 1356, followed by spacing of interiors, which obtained the second position with a mean score of 1283, then came safety and security, with a mean score of 1244, engine power which came in fourth position with a mean score of 1243, availability of spare parts acquired the fifth rank with a mean score of 1240 and other features such as after sales service, ground clearance, price, mileage and resale value 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 41 – 50 years.
- 67% of the respondents were male.
- 100% of the respondents were married.
- 60% of the respondents were Under graduates.
- 50% of the respondents were self-employed.
- 60% of the respondents had an annual income of Rs.15 lakhs and above
- 70% of the respondents had a nuclear family.
- 46% of the respondents has 4 members in their family.
- 62.5% of the respondents owned Mercedes.
- There is association between annual income of the respondents and their mode of payment.
- There is association between occupation of the respondents and the category of car purchased.
- H<sub>1</sub>: There is significant difference between annual income of the respondents and level of satisfaction of various factors of the car except for price, appearance, strength and safety and ground clearance is not significant as it shows a level of 0.467, 0.007, 0.533 and 0.216 respectively.
- Most attracted reason for buying the car is Societal status which has a mean score of 1356 and obtained the first rank.

### Suggestions and conclusion

According to the findings of the aforementioned survey, the most important factors that satisfy the majority of selected respondents are societal status and vehicle interior spacing. It was also observed that poll participants from Mercedes and Audi are significantly more satisfied with the most of the variables, with the exception of price and resale value, than those from other brands. A branded car is now a must

for all types of individuals. The purpose of this study project was to assess customer decision making in particular and to improve our current understanding of the car market as a whole.

The study attempted to provide light on consumer preferences. It has also concentrated on vehicle manufacturers to raise awareness of their diverse, high-quality, and fairly priced products among various demographics. If the aforementioned advices are implemented, the company will be able to import a large number of consumers very fast.

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