

A Study on Customer Preference towards Heavy Commercial Vehicle in Ashok Leyland

¹Mr.R. Ruban Kumar, ²Dr.S.T.Surulivel

¹II Yr. MBA Student, School of Management, SASTRA University, Thanjavur, South India
²Senior Assistant Professor, School of Management, SASTRA University, Thanjavur, South India

Abstract: The main objective of this study is to determine the customer preference when buying Heavy commercial Vehicle with various attributes like Mileage, Performance, Serviceability, Resale value, Availability of spare parts, Comfort, Technology, Discounts, Down payment and to know which of the above attributes compliment more to increase the sales of the company. The duration of his study was between the months of March- April of 2016. The study is based on Primary data that was collected from respondents using well-structured questionnaire. Buyers of Heavy Commercial Vehicles in the Chennai city were included for this study. Simple Random Sampling method is adopted and 343 respondents were included for this study. The data were analysed using percentage analysis, Correlation analysis and Regression analysis with the help of SPSS package. The result revealed that the customer preference has a positive impact on the attributes that build confidence in increasing company sales. It has been found that the factors like loading ability, Performance, Safety, Resale value, Serviceability, Warranty plays very important role in preference of the Heavy Commercial Vehicle.

Keywords: Heavy commercial Vehicles, Customer preference, Attributes, Increase sales.

1. INTRODUCTION

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundle of goods. They allow the consumer to rank these bundles depending upon the quantum of utility derived by their consumption. It is to be noted that preference is independent of income and prices. One's capability to purchase is not a determinant factor for one's likes or dislikes. Consumer preference is the foundation of consumer demand. How high the prices will be, what will be the reaction of consumer by change in price, how much the consumer is willing to pay and accordingly profitability depends upon understanding of consumer behavior.

Customer preferences over heavy commercial vehicles would be based on various factors that are decided by the customers as per the requirements. There are various factors that would be considered in case of purchasing of a heavy commercial vehicle. The factors such as service quality, Delivery time, Customization, Strong Relationship Management, Accessibility, Comfort, Availability of vehicles, Latest Technology and Resale Value might be the key reason for the customer preference of the heavy vehicle.

STATEMENT OF PROBLEM:

The world is changing very rapidly and also the buying behavior of consumer. Since the preferences of various products are decided by their own features, it is very much essential for the companies to know what those features are influencing consumers buying behavior. The automobile industry is a very competitive sector as variety of new vehicles is launched every day. The automobile manufacturing industries need to assess the buying behavior of their market to sustain in the competition. Here assessing various factors which influences the customers are determined along with the service level need to be delivered. Therefore this study has been conducted to find the Customer Preference towards Heavy Commercial Vehicles and to know the respondents problems towards Heavy Commercial Vehicles.

OBJECTIVES OF PROJECT:

- To ascertain the customer preference towards the Heavy Commercial Vehicles.
- To determine which is the most attractive attributes for purchasing Heavy Commercial Vehicles.
- To identify the factors which influence consumer decision making process.
- To study association between demographic variables and different attributes of Heavy Commercial Vehicles.
- To identify possible area of improvement in Heavy commercial vehicles.

LIMITATIONS OF STUDY:

- Small sample size (350)
- Study is limited to Chennai city only.

2. RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research problem. This research follows the survey research methodology based on previous research in related area, a questionnaire was constructed to study the customer preference towards Heavy Commercial Vehicles in Ashok Leyland .After pilot testing the questionnaire was administered to 343 respondents who are owning the heavy commercial vehicles. Here we take minimum age as 19 years. The data was obtained through the use of structured questionnaire and the method used is Simple Random Sampling method. The data were analysed with percentage method, correlation, regression analysis. Charts and tables are also prepared with the help of excel.

3. REVIEW OF LITERATURE

Arjun Chowdhri (2006) has remarked that brand commitment is an important determinant in buying behavior for consumers.

Ali Nasr Esfahair (2012) has analyzed the psychological factors on consumer's buying behavior.

Timothy J. Ross (2010) has given the concepts of fuzzification and defuzzification to identify the key issues in the perfect way by giving the due weightage to the parameters.

Zeenat Ismail et al (2012) have compared a preferred solution between global brand and local brand. It was designed to find out the buying behavior patterns. The results revealed that most important factors that influence a consumer's final decision are the price and quality of the product.

Mandeep Kaur and Sandhu (2006) tried to find out the important features a customer might consider while purchasing a new car. The respondents recognized that safety and comfort were the most important features of the passenger car followed by luxuriousness.

Satya Sundaram (2008) analyzed how the competition makes the automobile manufacturer to launch at least one new model or a variant of the model every year. This survey also pointed out that diesel cars are becoming popular in India and the announcement of reductions in excise duties by the government has helped to some extent to boost the demand.

Clement Sudhakar and Venkatapathy (2009) examined the power of peer group in buying Automobile with reference to Coimbatore District. It was also found that the influence of friends is higher for the purchase of small sized and mid-sized cars.

Schiffman and Kanuk, (1997) Consumer behavior is a study of the process concerned when people choose, purchase, use, or eliminate products, services, ideas, or experiences to satisfy wants and needs.

Anuj kumar Kanojia, (2011) in his article explored the impact of consumer preference on sales of two wheeler in urban areas of India. However, the study also showed that urban and rural regions have different preferences when it comes to selecting the vehicle model.

Kerav Pandya & H. J. Jani (2011), the topic for the research was that Satisfaction among two-wheelers users and the findings was that Factor that affect consumer purchase is style and power.

Ms. Ameer Asra Ahmed & Dr. M.S. Ramachandra & Mr. Siva Nagi Reddy (2014), the topic for the research was that Satisfaction level and customer preference towards Royal Enfield and the findings was that Youngers are more prefer Royal Enfield bullet; and they are satisfied with overall performance.

Mrs. Beena John & Dr. S. Pragadeeswaran 2013), the topic for the research was that Preference towards small cars and the findings was that Demographic variables involved and indirectly influenced customer preference and Price quality that influenced customer for purchasing cars.

Rao and Kumar (2012) revealed from the study that majority of customers are satisfied with the safety, dealer service, customer relationship and availability of spares.

Gaedebe (2007) identified brand name, pricing and distributor's reputation as the most important factors to determine brand equity of different models of cars.

Yee, San & Khoon (2012), instead of brand, consumers focused more on perceived quality for the product which includes reliability, durability and maintenance factors.

Mousavi (2006) in their study also showed that at present, factors such as income and its changes, occupation, gender affect the purchase of Iran khodro cars more than any other variable under study.

4. DATA ANALYSIS & INTERPRETATION

In the present scenario, Preference among customer for selecting a Heavy Commercial Vehicle is different from one person to other person, so to understand preference of different customer various dimensions like performance, mileage, technology, down payment, spare parts are used in this study.

TABLE 1 PERCENTAGES ANALYSIS OF DEMOGRAPHIC VARIABLES

VARIABLES	CATEGORY	PERCENTAGE
Education	10 th	15.5
	12 th	19.5
	Diploma	13.7
	UG	19.8
	PG	31.5
Age	20-40 years	32.7
	40-60 years	29.2
	>60 years	38.2
Gender	Male	95.9
	Female	4.1
Residence	Rural	15.7
	Urban	84.3
Income	2-5 lakhs	48.7
	8-10 lakhs	51.0
	>10 lakhs	0.3

Source: Primary Data

Above table 1-shows that Out of 343 respondents the education level of most of them falls under Post graduation level with the percentage of 31.5 %, the age of respondents who own Heavy Commercial Vehicle mostly falls under above 60 years of age with the percentage level of 38.2 %, out of 343 respondents who own Heavy commercial vehicles were men with the percent level of 95.9 % as compared to women in the city and the respondents mostly live in urban area with the percentage level of 84.3 % as compared to the rural area. The income level of the customers mostly falls between 8- 10 lakhs per annum with the percentage level 51 % and the remaining falls under 2- 5 lakhs per annum.

TABLE 2 Relationship Between Educational Qualification and Income of the respondents.

Correlation	Education Qualification	Income per annum
Educational qualification	1	0.897

Above Table 2 shows that the that there is a significant correlation between the Education qualification of consumers with the Income level, since the p-value less than .05.If you look at the Pearson Correlation value of .897, which shows the strong relationship between Education qualification and Income per annum. Reject Null hypothesis .i.e. there is a significant relationship between the Education Qualification and Income Level.

TABLE 3 Relationship Between Educational Qualification and Brand of the Vehicle.

Correlation	Education qualification	Brand of the Vehicle
Brand of the vehicle	1	0.920

Above table 3,shows that there is a significant correlation between the Education qualification of consumers with the Brand preference, since the p-value less than .05 .If you look at the Pearson Correlation value of .920 , which shows the strong relationship between Education qualification and Brand preference. Reject Null hypothesis .i.e. there is a significant relationship between the Education Qualification and Brand preference.

TABLE 4 Relationship Between Nature of Residence and Brand of the Vehicle.

Correlation	Nature of Residence	Brand of the Vehicle
Brand of the vehicle	1	0.398

Above table 4, shows that there is a significant correlation between the Education qualification of consumers with the Brand preference, since the p-value less than .05 .If you look at the Pearson Correlation value of .398 , which shows the weak relationship between Nature of the Residence and Brand preference. Reject Null hypothesis .i.e. there is a significant relationship between the Nature of Residence and Brand preference.

TABLE 5 Percentage Analysis for Brand of the Vehicle.

Particulars	Frequency	Percentages	Cumulative Frequency
Ashok Leyland	167	48.7	48.7
Eicher	68	19.8	68.5
Tata	108	31.5	100.0
Total	343	100.0	

SOURCE: Primary Data collected using SPSS 16.0

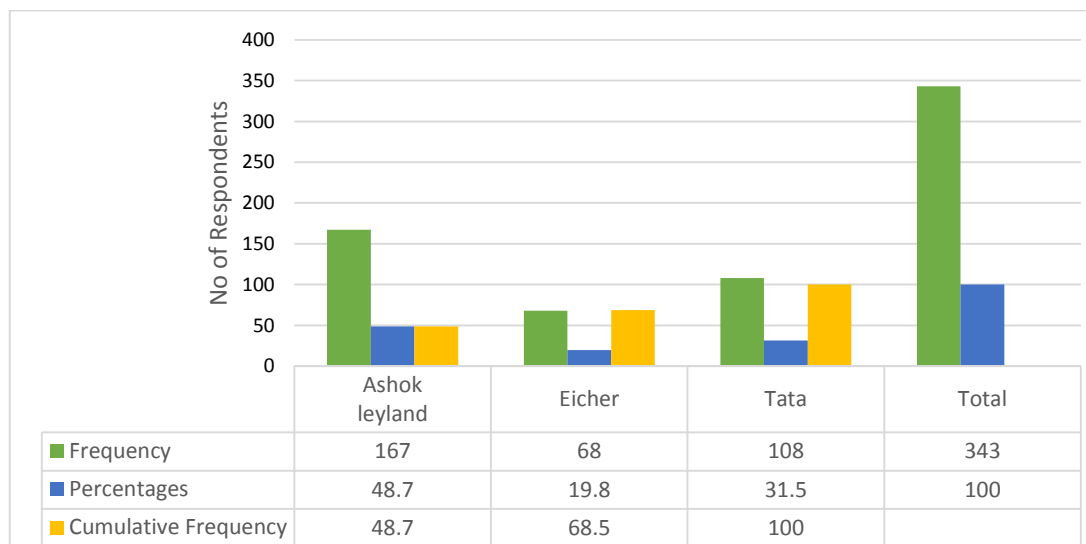


CHART 1 Percentage Analysis for Brand of the Vehicle

From the above table 5, it is inferred that out of 343 respondents, 48.7% respondents purchased vehicles from Ashok Leyland, 19.8% respondents purchased vehicles from Eicher motors, 31.5% respondents purchased vehicles from Tata motors in Chennai city. Here most of the respondents purchased Heavy commercial vehicles from Ashok Leyland rather than other brands.

TABLE 6 Percentage Analysis for Technology.

Particulars	Frequency	Percent	Cumulative Percent
unimportant	116	33.8	33.8
neither unimportant nor important	190	55.4	89.2
important	18	5.2	94.5
highly important	19	5.5	100.0
Total	343	100.0	

SOURCE: Primary Data collected using SPSS 16.0

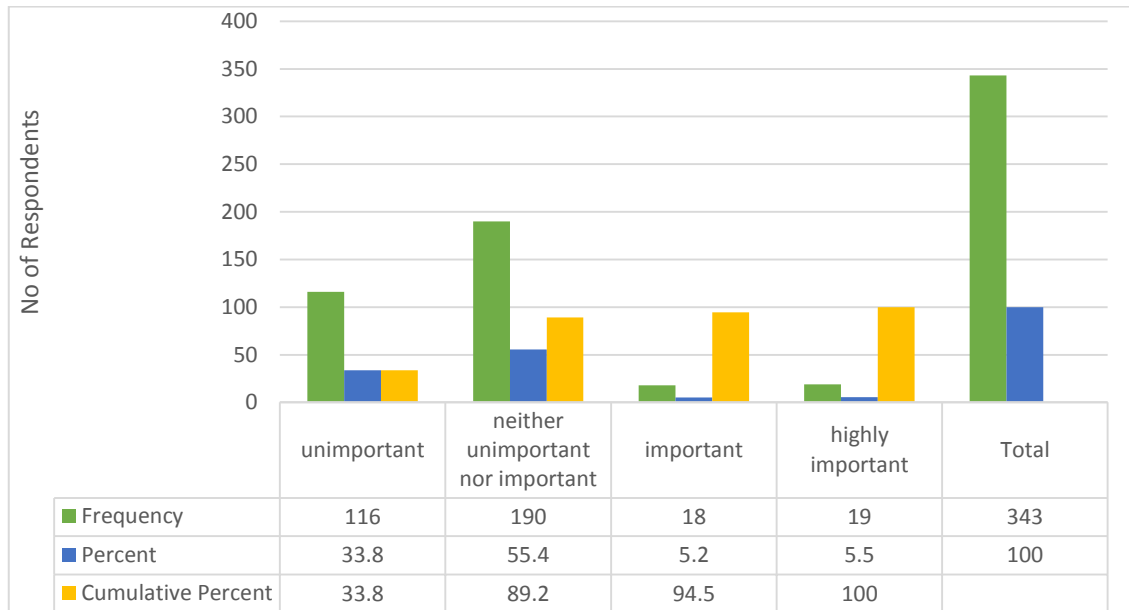


Chart 2 Percentage Analysis for Technology

From the above chart 2 depicts that out of 343 respondents, 33.8 % consider the attribute Technology as unimportant 55.4% consider the attribute Technology as neither important nor unimportant,5.2 % consider the attribute Technology as important,5.5 % consider the attribute Technology as Highly important. Here most of the respondents consider Technology as neither important nor unimportant attribute when preferring the Heavy commercial vehicle.

TABLE 6 Relationship Between Attributes and Preference in Brand of the Vehicle

VARIABLES	SIGNIFICANCE	HYPOTHESIS
Mileage of the vehicle	.000	H_0 is rejected
Performance of the vehicle	.000	H_0 is rejected
Serviceability of the vehicle	.013	H_0 is rejected
Resale Value for the vehicle	.000	H_0 is rejected
Availability of the Spare Parts	.000	H_0 is rejected
Technology of the vehicle	.000	H_0 is rejected
Loading Ability of the vehicle	.000	H_0 is rejected
Down payment for the vehicle	.000	H_0 is rejected
Safety of the vehicle	.081	H_0 is accepted

Above table 6 – shows that outcome of relationship between various attributes like Mileage, Performance, Serviceability, Resale Value, Spare parts, Technology, Loading Ability, Down payment are important reason for Preferring the Heavy Commercial Vehicle. So the dependent variable Brand of the vehicle has influenced several independent variables like Mileage, Performance, Serviceability, Resale Value, Spare parts, Technology, Loading Ability, Down payment but the attribute safety has not influenced the Brand. Based on the above analysis it is inferred that there is a significant relationship between these independent attributes and the dependent variable brand of the vehicle.

5. FINDINGS, RECOMMENDATION AND CONCLUSION

The Study reveals that most of the respondents in the Chennai city who purchase Heavy commercial vehicle have their education upto post graduation level with 31.5%, the age of respondents who owns the Heavy commercial vehicle majority falls under above 60 age with 38.2 % adding to that most of them are male respondents and the nature of their residence is in the urban area with 84.3%, with the help of correlation analysis it is inferred that there is strong relationship between Education Qualification and Brand of the vehicle, Income of the respondents. From Regression analysis it is inferred that the dependent variable Band of the vehicle depends on several attributes like mileage, performance, serviceability, loading ability, resale value, spare parts, down payment which are known to be independent variable.

On the basis of data analysis and interpretations, the following suggestions can be made, the technology implementation in the vehicle can be improved and most importantly the sales person must emphasize the importance of the technology to the customer in terms of usage, then the safeness of driving the vehicle must be considered as an important factor such that the driver can have more confidence while carrying loads.

Ashok Leyland doing very well on its mileage, performance, comfortable ride, after sales services and wide availability of spare parts thus increasing the sales of the company and most of buyers are satisfied in ease of contact with the sales persons, their willingness to share the information about the product and the offerings given to the customer at the time of purchase. So with all these factors the preference of the customer towards heavy commercial vehicle has been determined which is very useful for the company to increase their sales and to increase their market share in India.

REFERENCES

- [1] Arjun Choudhri, "Emotion and Reason in Consumer Behavior", Elsevier Ltd, 2006 pp.
- [2] Ali Nasr Esfahair, "Studying Impacts of Psychological Factors on Consumers Buying Behaviour at Iranian chair stores", Interdisciplinary Journal of Contemporary Research in Business, volume 3, # 10, February 2012
- [3] Timothy J. Ross, "Fuzzy Logic with Engineering Applications" Wiley India, Delhi, 2010.
- [4] Zeenat Ismail., "Factors Affecting Consumer Preference of International Brands over Local Brands", 2nd International Conference on Social Science and Humanity IPEDR vol.31 (2012), Singapore.
- [5] Mandeep Kaur and Sandhu, H.S, A Study on Factors Influencing Buying Behaviour of Passenger Car Market", Paradigm, Vol. 8, No.2, July – December 2006, p.69.
- [6] Dr.I. Satya Sundaram, Car Market: Ride ,The High Tide, Market Survey, August 2011.
- [7] Clement Sudhakar J., and Venkatapathy R, A Study on Automobile Purchase – Peer Influence in Decision Making", Indian Journal of Marketing, Vol.35, No.6, June 2009, p.16.
- [8] Schiffman, Leon G. Kanuk, Leslie Lazar, Consumer behavior, Prentice Hall 6th edition 1997.
- [9] Anuj Kumar kanojia (2011), Analyzing the state of competition in Indian two wheeler industry. A report submitted to Competition Commission of India, New Delhi.
- [10] Kerav Pandya, Jani & H. J. "Customer Satisfaction among Two-Wheeler Users An Indian experience – with special reference to motorcycle users." SIES Journal of Management (2011).
- [11] Ms. Ameer Asra Ahmed, Dr. M.S. Ramachandra, Mr. Siva Nagi Reddy. "A study on customer satisfaction level of royal enfield bullet." International Journal of Business and Administration Research Review (2014).
- [12] John, Mrs. Beena and Dr. S. Pragadeeswaran. "A study of small car consumer preference in pune city." Asian Journal of Marketing & Management Research (2013).
- [13] Rao, V. R., & Kumar, R. V. (2012). Customer Satisfaction towards Tata Motors. South Asian Journal of Marketing and Management Research 2(4), 127-150.
- [14] Gaedebe R (2007), Consumer Attitude Toward s Cars made in Developing Countries? Journal of Retailing, 49, (summer), pp13-24.
- [15] Yee, C.J., San, N.C. & Khoon, C.H. (2011). Consumers' Perceived Quality, Perceived Value and Perceived Risk Towards Purchase Decision on Automobile. American Journal of Economics and Business Administration, 3(1), 47-57.