

A Survey on Brand Choice of Millennials in Passenger Car Segment; Focussing Chennai Region

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Abstract—Automobile industry in India is witnessing a change in consumerism due to the presence of numerous foreign brands and evergreen Indian brands competing and providing utmost satisfaction to consumers in making their shopping experience a fulfilled one. Thus market is now predominantly consumer driven and their expectations and preferences have become the important goals of the marketer in today's world. According to the Economic survey, India will be the youngest country by 2021 with 64% of its population in the working age group of 20 - 35 who are called millennials. They are the future of the Indian economy and that is the main reason that every marketer should understand their taste and preferences. Millennials no longer consider only engine performance as an important factor because it has become a standard already in almost every car. They look for those differentiating parameters, which can make the choice from one brand to another. The main purpose of this paper is to come up with the identification of possible parameters that influence the millennials purchase behaviour patterns and their brand choice. A total of 208 millennial respondents were collected through questionnaires for the purpose of the study.

1. INTRODUCTION

Transportation system is a sign of technical wonder by human kind which satisfies one of the most basic needs of the human being precisely, the mobility. Automobile industry plays an important role in economic growth of a country and has been in the booming phase for the past 10 years. It is influenced by the presence of various foreign multi-national brand and evergreen Indian manufacturers. The Government of India allowed Foreign Joint Venture in the industry since early 1990. Subsequently, the Indian Government allowed Foreign Direct Investment with an equity cap in the industry, which raised many automobile giants entering the Indian market with their models, readily available, without much waiting time for the delivery.

Thus major car manufacturers such as Suzuki, Toyota, Ford, General Motors, Hyundai, Skoda, Honda, Renault, Mitsubishi, Volvo, Audi, BMW, Nissan and Benz, set up their manufacturing units in India with Joint Venture collaboration with Indian companies. These foreign manufacturers began to compete with the Domestic Players such as Hindustan Motors, Tata Motors, and Fiat India etc to increase their market share, with their high-tech, ingenious and charismatic models of passenger cars.

Consumers shift towards interest on global players has made Indian auto industry very competitive, as India provides twin benefit of ready market and low cost manufacturing base for them. Customers have started thinking to change over to the new models of cars matching their lifestyles.

The proposed study is planned to be conducted in Chennai as it is the home of 35 - 40 % of India's total automobile industry and for this reason it is known as the Detroit of Asia. Thus all the foreign majors prefer to set shops in Chennai, because they are importing most of their models in the country. Also there are few manufacturers which build their cars in India but aim at global markets. For them, Chennai serves as an export hub. India will become the youngest country by 2021, with 64% of its population in the working age group of 20-35, according to the 2013-14 Economic Survey, companies need to shape their strategies to remain relevant to this section, called millennial. That is the main reason of choosing this age group for the proposed study as they are the trend setters and the future of the Indian economy.

2. THEORETICAL FOUNDATION:

Cooper (1993) noted that most new innovations come with high risks as most of them failed in the market creating the need for marketers to have a clear understanding of success factors in brand preferences. Customers brand preference is influenced by brand equity and marketing mix elements.

Theories of customers' brand preference (Rogers, 1995; Tornasky and Klein, 1982; Mason, 1990; Cherney, 2003) emphasise on the importance of complexity, compatibility, observability, relative advantage, risk, cost, communicability, divisibility, profitability, social approval, and product characteristics on brand preference. The relative importance of each factor depends on the nature of goods/services under consideration, culture and social characteristics of the consumers of the different brands.

Mandeep Kaur and Sandhu (2006) attempted to find out the important features which a customer considers while going for the purchase of a new car. The study covers the owners of passenger cars living in the major cities of the State of Punjab and the Union Territory of Chandigarh. The respondents

perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness. So manufacturers must design the product giving maximum weightage to these factors.

Chidambaram and Alfreed (2007) postulates that there are certain factors which influence the brand preferences of the customers. Within this framework, the study reveals that customers give more importance to fuel efficiency than other factors. They believe that the brand name tells them something about product quality, utility, technology and they prefer to purchase the passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price.

Menon and Jagathyraj (2010) argued that, for the youth, who is on the move, peer group is the greatest influencing factor, of their car purchase decision. Engine, performance and power are more important than comfort in driving, interior and exterior design.

Nezakati, Kok, & Asgari (2011) found that majority respondents give Weightage to the quality of the car before they made decision to purchase. Consumers seem to purchase car based on the experience from the past.

Brown et al (2010) analysed the consumers' attitude towards European, Japanese and the US cars. The country of origin plays a significant role in the consumers' behaviour. The brand name, lower price and distributor's reputation completely have a significant impact on the sale of passengers' car.

So Lai Man, Stella (2011) has compared the Chinese Generation X and Generation Y females based on the luxury brands and luxury brand values. Brand values, brand attitudes and real brand purchases of the female Generation X and Generation Y were compared in this study. The study concluded that the younger female consumers i.e. Generation Y was different from their older counterparts belonging to the Generation X in terms of their attitudes and values toward luxury brand consumptions. It was concluded that the younger consumers were savvier and more prone to buying the luxury brands.

3. OBJECTIVE OF THE STUDY :

- The primary aim of the study is to identify the choice of brand preferred by millennials in passenger car segment.
- The secondary aim is to identify millennials taste and preferences towards buying a passenger car .

4. RESEARCH METHODOLOGY

The research design is exploratory in nature. The sample consists of Young people staying in Chennai city meeting qualifications: over 18 years old, well educated, well informed of latest trends & currently using a car. Convenient sampling technique is used in this research paper. The sample size was

208 consumers living in Chennai and meeting the above mentioned criteria. The structured questionnaire was used to collect the primary data.

5. ANALYSIS AND INTERPRETATION

Table 1.1 - Frequency distribution of Gender distribution among millennial buyers

Gender	Frequency	Percentage
Male	145	69.7%
Female	63	30.3%
Total	208	100%

From the above table it is implied that majority of the respondents are males contributing 69.7% and remaining 30.3% are female respondents

Table 1.2 - Frequency distribution of annual Family income among millennials buyers

Annual family income	Frequency	Percentage
Below 7 lakhs	63	30.3%
7 - 15 lakhs	109	52.4%
Above 15 lakhs	36	17.3%
Total	208	100%

From the above table it is implied that majority of the respondents family income falls under 7 -15lakhs category and minimum are from above 15 lakh category.

Table 1.3 - Frequency distribution of role played in purchasing a car among millennials buyers

Role played in purchasing the car	Frequency	%
Only decision maker	35	16.8%
One of the decision makers and played decisive role	119	57.2%
One of the decision makers, but not played decisive role	51	24.5%
Totally decided by others	3	1.5%
Total	208	100%

From the above table it is implied that majority of the respondents are one of the decision makers and played a decisive role in purchasing the car and minimum amount of 1.5% respondents have purchased a car which is totally decided by others.

Table 1.4 - Frequency distribution of preferred brands among millennials buyers

Brand preferred	Frequency	Percentage
Indian brand	72	34.6%
Foreign brand	136	65.4%
Total	208	100%

From the above table it is implied that majority of the respondents (65.4 %) prefer foreign brand cars over Indian brand.

Table 1.5 - Mean distribution of factors measuring level satisfaction among millennials buyers

From the above table it is inferred that millennials prefer kindness and good manners of the sales representative followed by atmosphere of the showroom, abundance of timing of the service, ease of contact with the sales representatives and wide range of product offer. Maximum respondents prefer kindness and good manners of the sales representative as an important one

From the above table it is inferred that majority of respondents prefer top speed as an important feature followed by mileage of the car, stability at high speed followed by pick up .

1.5.1 Purchase service quality	Mean
Kindness and good manners of the sales representative.	4.428
Ease of contact with the sales representatives.	4.337
Atmosphere of the showroom.	4.399
Wide range of product offer.	4.303
Abundance of timing of the service.	4.361

From the above table it can be inferred that majority of the millennials prefer seating comfort as an important feature followed by quality of audio system, parking cameras, boot capacity, interior space, functionality of steering elements and air-conditioning and ventilating systems of the car.

1.5.2 Highway dynamics	Mean
Pick Up	4.399
Stability at high speed	4.452
Top speed	4.553
Mileage	4.462

1.5.3 Comfort and functionality	Mean
Seats comfort.	4.606
Quality of stock audio system in car.	4.500
Interior space.	4.385
Functionality of steering elements.	4.385
Boot capacity.	4.404
Airconditioning/ventilating systems.	4.428
Parking cameras.	4.447

From the above table it can be inferred that majority of the millennials prefer antilock breaking system in car followed by airbags for rear passengers, Reverse warning system, fog lights, anti theft system, air bags for driver safety and seat belts.

From the above table it can be inferred that majority of the respondents prefer reliability of the car followed by superior break quality, quality of the upholstery, quality of interior materials and finishing, suspension quality followed by quality of exterior painting.

1.5.3 Safety	Mean
Air Bags for driver safety	4.168
Air bags for rear passengers	4.188
Anti-lock Breaking System	4.255
Reverse warning system	4.183
Fog lights	4.178
Seat belts	4.149
Antitheft system	4.168

1.5.3 Quality	Mean
Reliability of the car	4.466
Quality of exterior painting	4.332
Quality of interior materials and finishing.	4.351
Quality of the upholstery	4.365
Suspension quality	4.341
Break quality	4.413

6. FRIEDMAN TEST:

Null Hypothesis: There is no significant difference among mean ranks towards factors influencing level of satisfaction among millennial buyers

Table 1.6 Friedman test for significant difference among mean ranks towards factors influencing level of satisfaction among millennial buyers

Factors influencing level of satisfaction among millennial buyers	Mean	ChiSquare value	P value
Purchase Service Quality	4.37	68.317	<0.001**
Highway dynamics	5.23		
Comfort and Functionality	5.15		
Safety	3.79		
Quality	4.62		

Note: ** Denotes significant at 1% level

Since P value is less than 0.01, the null hypothesis is rejected at 1 percent level of significance. Hence concluded that there is significant difference among mean ranks towards factors influencing level of satisfaction among millennial buyers. Based on mean rank Highway dynamics (5.23) is most Effective level of satisfaction, followed by comfort and functionality (5.15), quality (4.62), purchase service quality (4.37) and safety (3.79).

7. FINDINGS AND CONCLUSION:

As per the study, Millennial buyers prefer foreign brand cars when compared to Indian brand because of their brand image, exclusivity and excellent quality. They look for kind and a knowledgeable sales representative who will assist in purchasing the best car. Apart from the features of the car the showroom atmosphere plays a major role in millennial minds. This youth generation prefers a good top speed cars as it drives their adrenaline level high. When it comes to comfort and functionality of the car the seating comfort plays a dominant role in millennial buyers as they are inclined to enjoy long road trips often.

This generation buyers prefers anti-lock breaking system and air bags provided not only for the driver but also for the rear passenger as an important safety tool in the car that they purchase. Millennial buyers prefer a reliable car with not only a good break quality but also a high quality upholstery in the car they purchase which gives them a social status. Thus in comparison to all the above said factors millennials give more importance to Highway dynamics as it assist the driver's task in vehicle control and guidance. If it is judiciously applied by all the marketers, such measures could further enhance highway safety.

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