

CHAPTER No. 1

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INTRODUCTION TO THE STUDY & RESEARCH METHODOLOGY

1.1 Introduction to Study

The present study takes the initiative to understand the close relationship of IMC Mix and consumer buying behavior with special reference to small car segment in the area of SATARA TALUKA

Indian Automobile Industry is growing at great pace and assures bright prospects in days to come. The key to success for an automobile industry lies not only in having good products but also in being able to provide the customer with the level of service they desire. Today every auto maker wants to maximize their sales with increasing consumer satisfaction, moreover a large portion of society depends heavily upon small cars for transportation and travel. Thus in the era of growing competition every automobile manufacturers has to create its own unique identity to have an upper hand over rivals.

It has been observed that consumer buying decision is largely influenced by how a marketer communicates with prospective buyers by using IMC Mix. IMC Mix is a very broad subject which encompasses advertisement, personal selling, direct marketing, public relations, sales promotion and cyber marketing. Indian consumers are making a well informed decision before they can reach a specific buying decision. These decisions can be influenced in the favor of marketer if they use a perfect blend of IMC tools.

The primary objective of this research was to understand the marketing practices especially integrated communication mix tools used by small car manufacturers and find out if these tools have an effect on the choice or buying behavior of consumers. For that, the researcher needed to understand the customers buying behavior. The researcher has collected consumer data from the dealers of small cars from the area under study. The main aim of this step was to draw out the customers brand perception of this particular segment (small car segment). The researcher also tried to find out the demographic and psychographic analysis which helped customers in making their decision before buying a car. All these factors were analyzed using various types of questions and basing on these answers the researcher segregated various attributes which directly or indirectly influence in buying of a car. The second step in the process was the compilation of various data collected. According to the data collected statistical analysis was done for each of the data. On the basis of this data habits of people were deciphered.

Various cultural factors were seen to be governing the buying patterns of various classes in the region under study. Majority of the respondents surveyed made their decision after seeing an

advertisement on TV, reading an article in newspaper, etc a very small percentage of the mass visited the company websites or visited the dealers before deciding on the brand Reference group here was strongly dominated by the friends and relatives of the person concerned. As people tend to choose products that communicate their life-style and personality, it was also amply reflected in the survey conducted

More than 35% of the customers were credit card owners Most had motive to spend their free time with their family and friends The personal factor attributes of the customer were also varying Most respondents belonged to self employed class i e 45% and 35% of respondents belonged to working professional class Among the self employed category it is observed by the researchers that more number of doctors use the car followed by businessman The preferred brand of newspapers read were SAKAL followed by EKYA, hence dealers also find newspapers as a very potential way of advertising to the local people The dealer also offers various financing options to its customers. Dealers also conduct road-shows in various posh localities to boost their sales. Their sales see a peak during the festive seasons like DUSHERA and DIWALI while for the rest of the months of the year the sales are average.

It has also come to light that most respondents give weightage to price, i e, price is the most important factor in their mind before making the purchase Other attributes which are thought to be important by the customers are fuel-efficiency, style and features, power/performance Attributes to which the consumers don't give a lot of weightage are boot space, parking space, etc The three most liked features in regards to small cars are its design, power and fuel efficiency. The attributes on which the company should improve on, according to the respondents, are price and after sales service. Respondents were always ready to suggest their car to another prospective buyer because of the various good attributes/features of the car and also because of the good experience they had with cars they own and brand name that it carries.

1.2 Objectives of the Study

In today's competitive world, the importance of IMC Mix cannot be ignored from a marketer's view point. IMC Mix plays a major role in present market conditions in making or modifying the consumers' purchase decision. Every task is objectively oriented The major objectives for this study would be as follows.

- I. To study the *impact of IMC Mix* as a promotional tool in small car segment on consumer buying behaviour.
- II To study the *need analysis* of consumers.
- III To analyze the *consumer decision making process*
- IV To find out the *motivating factors* for consumers in purchasing small cars.

1.3 Statement of Problem

Indian Auto Industry has undergone a noticeable transformation over a past few decades owing to presence of global auto manufacturers. As a result it is very interesting to understand what transformation took place in the buying behavior of consumers for automobile products with the help of small car segment in SATARA TALUKA. Indian consumers have also become more selective and demanding. This can ensure bright prospects for Indian automobile Industry in days to come. This all can constitute a major challenge to every auto maker to attract consumers. Hence to create a distinctive image of one's products in the mind of consumers one has to make the best use of IMC Mix. Since the key to success of any business lies not only in having good products but also in being able to use an ideal communication mix that can modify consumer behavior in the favor of marketer. Thus it is believed that use of the ideal mix of IMC tools may help bring about desired change in consumers' buying behavior.

IMC is one of the crucial factors in the marketing efforts, responsible for product identification by the public & creating awareness among target customers for a firm's products. The reason for focusing on small car segment is that it has the largest contribution (i.e. almost 68%) amongst total vehicle segment.

1.4 Significance of the Study

This study has explored the impact of IMC Mix on consumer buying behavior with special reference to small car segment in SATARA TALUKA. The potential findings and outcomes of the study would give an insight to small car manufacturers for creating as well as evaluating promotional strategies. It has also analyzed the effectiveness of IMC tools in relation to small car segment, in SATARA TALUKA.

1.5 Scope of the Study

The study can reveal the consumer buying behavior and sources of information they use to make the purchase decision and importance given to evaluation criteria. The study would also help small car manufacturers to take care of significant factors while promoting or launching new products in the market.

1.6 Need to Study the Consumer Buying Behavior

The buyer behavior gives an insight into the various factors which prompt him to purchase a particular product. If it is known that it is the packing or taste or habit or fashion which attracts the buyer then the producer will pay special attention to these attributes in his products also it is equally important in framing price policies. The buyer of some products buys only because particular products

(articles) are cheaper than the competitive products (articles) available in the market. In such a case, the price of such product cannot be raised. On the other hand, some other products are purchased because it enhances the prestige and social status of persons. The price of such things can be raised easily or fixed higher. Some products are purchased under particular attitudes and emotion.

A study of buyer behavior is also vital in taking decisions regarding sales promotion. It enables the producers to know what motives that promotes the buyer to make purchase and the same are utilized in advertising media to awaken the desire of society to purchase. The marketer takes decisions regarding brand, packaging, discount, gifts, etc on the basis of buying behavior for promoting sales of the products also decisions regarding channels of distribution are taken on the basis of buying behavior. Thus study of buyer behavior plays an important role in decision making.

1.7 Introduction to research methodology

A large portion of society depends upon small cars for transportation and travel; therefore the relationship between the customers and the market players must be established and explored to make the marketing effort fruitful and profitable. Thus it is reflected in the above wording that the present study shall be useful in meeting and exploring the proposed objectives.

1.8 Research process

Research Process consists of series of actions or steps necessary to effectively carry out research and the desired sequencing of these steps. They do not necessarily follow each other in any specific order. However, the following order concerning various steps provides a useful procedural guideline regarding the research process.

1. Formulating the research problem
2. Extensive literature survey
3. Developing the hypothesis
4. Preparing the research design
5. Determining the sample design
6. Collecting the data
7. Execution of the project
8. Analysis of the project
9. Hypothesis testing
10. Generalizations and interpretations
11. Preparation of the report or presentation of the results

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1.9 Research Design

“Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure” In fact, the research design is the conceptual structure within which research is conducted, it constitutes the blueprint for the collection, measurement and analysis of the data. “Research Design is plan, structure and strategy of investigation conceived so as to obtain the answers to research questions and to control variance ”

There are three types of Research Design

1. Exploratory Research
2. Descriptive Research
- 3 Casual Research

1.10 Research Instrument

The proposed study is based on both primary and secondary data.

Primary Data

This is the first hand data which is not present in books, journals, reports etc. This data can be collected through number of methods, most common are questionnaire, personal interviews, observation, direct mails etc. For the primary data customers will be contacted with the help of questionnaire which will be designed to gather the data relevant to the objectives of the study.

1.11 Methods Of Collecting Primary Data;

- a. Survey Method.
- b. Questionnaire Method.

Survey Method

Survey methods are the most widely used technique in marketing research. A survey has the advantage of getting to the original source of information. In this methods, information is collected by the number customer in the market and required information is sorted form it In this method we can directly contact with customers. Survey is given in the research adopt this method of getting primary data

Questionnaire Method

A researcher adopts a Questionnaire Method for collection of data and process of collecting data is given below. The questionnaire is by the most common instrument in collecting primary data. A questionnaire consists of a set of questions presented to a respondent for his/her answer. The questionnaire is very flexible in that there are many ways to ask questions.

The researcher first of all studies the topic of research carefully and frames out the various questions which are required for analysis step by step. The research guide arranges the questions in proper sequence and the questionnaire is prepared. The questionnaire is prepared in such a manner as to cover the whole research topic. The questionnaire is categorized on the basis of various customers.

The copies of questionnaires are prepared and distributed among respondents. The topics are first of all explained to them so that it becomes easier for them to answer the questions.

Finally, all the questionnaires are arranged in sequence so that proper analysis can be carried out. At the end, every question given in the questionnaire. On the basis of the questionnaire, various tables are prepared.

1.12 Methods Of Collecting Secondary Data

Secondary data is readily available, so it is less costly and takes little time to collect. The same. The main sources of secondary data would be newspapers, magazines and journals, published reports of the industry (small cars), players and the Internet. Secondary data are those which are already collected by someone for a purpose and are available for reference. A researcher usually starts their investigation by examining secondary data to see whether their problem can be partly or wholly solved.

Secondary data provides a starting point of research and offers the advantage of lower cost and quicker availability.

1.13 Sampling Plan/ Sample Design

While designing the logical questionnaire to collect primary data from the sample, the researcher has emphasized on three major issues as shown below;

1.14 Sampling Unit

The target population is the place where there is presence of small car users. This can be a town or village from SATARA TALUKA. The sampling unit is all small car users from the area under study.

1.15 Sample Size

There are approximately 2000 small cars in the **SATARA TALUKA**, based on the information received from SATARA RTO. Thus the total population is 2000 small car users. For the purpose of collecting the first hand data, the researcher has considered 10% of the total population i.e. 200 small car users. Thus 200 small car users constitute a sample size for the study at hand. Equal number (25) of small car users of each major small car producer was contacted with the help of a questionnaire.

Sample distribution table is as follows.

Sr. No.	Companies	No. of Respondents
1.	MARUTI UDYOG LTD.	25
2.	TATA MOTORS	25
3.	HONDA MOTORS	25
4	FIAT MOTORS	25
5	HYUNDAI MOTORS	25
6.	NISSAN MOTORS	25
7.	TOYOTA MOTORS	25
8	CHEVROLET	25
Total Respondents		200

1.16 Sampling Technique/Procedure

Data on cars sold over last 10 years i.e. from the year 2001 to 2011, is collected from **SATARA RTO**, showroom managers of respective small car manufacturers and personal references. The researcher has preferred to go for **Convenience Sampling Method** for data collection

1.17 Sampling Area

The area which is considered for the purpose of present study is different clusters from **SATARA TALUKA**.

1.18 Hypotheses

Following hypotheses were made on the onset of the project:

- I H_{01} . All personal selling activities are perceived as honest by the target audiences
- II. H_{02} . Sales promotions exert the greatest influence on consumer buying behavior.

1.19 Limitations of the Study

The way questionnaire is structured may influence answers of the respondents.

This study was conducted in a few selected clusters in the **SATARA TALUKA** due to time constraint hence it is not possible to contact each respondent from the area under study

Consumers sometimes find it difficult to express their feelings due to various barriers, and thus the results may be far from reality.

Time and money are also big constraints in the course of the research process

Sample size being smaller may not lead to the generalized results for a larger population base

Intensity of advertising, their frequency and media has a combined effect on consumers along with their cultural background. Thus it is quite difficult to segregate and measure the individual factors' impact on customers

Response Errors - These arise when the respondents give inaccurate or incomplete answers. For e.g. in our survey a respondent may not mention that he had test driven a car before purchasing it. A major problem faced in the survey involved the comparative ratings of various attributes for all the brands of cars. Many of the respondents were not very willing to rank so many factors as they perceived it to be time consuming.

Open Ended Questions – All the questions in the questionnaire were open-ended to avoid any kind of bias from the respondents end. But a drawback of this approach is that there was an incomplete capture of his responses as the respondent could not always come out with the purchase steps and the time taken in them. The reasons for such inaccuracy could be because of unfamiliarity, fatigue, boredom, faulty recall and the question format.

1.20 Chapterisation

This report is organized into six chapters. They are as follows

Chapter 1 is titled as, '**Introduction to the study and Research Methodology**', which deals with the introduction to the Study, research problem, hypothesis, objectives of the study, scope and importance of research and research methodology followed for study

Chapter 2 is titled as, '**Literature Review**', which narrates an overall appraisal of research studies done in the area of communication mix and its potential impact on consumer buying behavior

Chapter 3 is titled as, '**Automobile Sector in India**' which explores the past, present and future opportunities and challenges before automobile sector in India. This chapter also discusses present small car players in the Indian automobile market

Chapter 4 is titled as; '**Introduction to IMC Mix & Consumer buying behavior**' which deals with communication tools employed by all major small car makers to get positive behavior towards the products they introduce This chapter has managed to explain all major tools like sales promotion, personal selling, advertising, direct marketing, cyber marketing etc . to a greater length

Chapter 5 narrates analysis and presentation of data, in which collected data has analyzed and interpretation has been provided by researcher. Data has been presented in tabular and graphical form to ease analysis work. This chapter is titled as, '**Data Analysis and Interpretation**'

Chapter 6 presents **Findings, Suggestions and Conclusion** based on the analysis of data this chapter is titled as, 'Findings, Suggestions and Conclusion.'

Besides these chapters the dissertation is appended with Schedule used for data collection and list of references.