INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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    NEED/IMPORTANCE OF THE STUDY

    STATEMENT OF THE PROBLEM

    OBJECTIVES

    HYPOTHESES

    RESEARCH METHODOLOGY

    RESULTS & DISCUSSION

    FINDINGS

    RECOMMENDATIONS/SUGGESTIONS

    CONCLUSIONS

    SCOPE FOR FURTHER RESEARCH

    ACKNOWLEDGMENTS

    REFERENCES

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

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WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

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CONSUMERS PERCEPTION & ATTITUDES TOWARDS FOREIGN AUTOMOBILE BRANDS IN INDIA

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ABSTRACT

Post-Liberalization, there has been a spurt in number of foreign automobile brands in India. Consumers have umpteen numbers of foreign brands to choose from. This study aims to understand the consumer attitudes and perceptions about foreign automobile brands in India. Both qualitative and quantitative approaches are followed in this study. In-Depth interview technique is used to understand the qualitative aspects of perception and attitude of consumers towards foreign automobile brands, to identify the quantitative aspects of the study, primary data is collected from respondents by administering questionnaire The data collected after conducting the quantitative research was then run through SPSS and analyzed by using Factor Analysis. The study revealed that the consumers have positive attitude towards foreign brands. However, they also perceived Indian brands to be as good as foreign automobile brands. The consumers perceive foreign brands to be more expensive and more stylish compared to Indian brands. However, the performance of both is rated almost equal.

KEYWORDS

Consumer, Perception, Foreign, Automobile Brand, India.

INTRODUCTION

Post Liberalization, there has been a spurt in number of foreign automobile brands entering the Indian Auto market. Almost all the major Global Brands are available in India, to name a few, Suzuki, Hyundai, Ford, Volkswagen, Benz, Mitsubishi, Toyota, Renault, Yamaha, Harley Davidson, etc. These have provided many choices to Indian Consumers in terms of choosing Automobiles.

Many consumers use brand names as decision indicators to indicate product performances, instead of engaging themselves in lengthy search for information. During the recent years, there has been an increasing shift from local brands to global brands. In view of this, this study proposes to analyse the perception and attitude of Indian Consumers towards the Foreign Automobile Brands. Why they buy these brands? What do they think about these brands? How do they compare Local Brands with Foreign Brands?

LITERATURE REVIEW

Many researchers have worked on related topics and few of the key ones are presented below.

Bearden and Etzel, (1982) stated that the reason for global brands having higher prestige is due to relative scarcity and higher price as compared to local brands. In this study, it was pointed out the major factors which may be responsible for the consumers' perception is availability and its value in terms of its price. Levitt (1983) defines global brands as the brands that use the same marketing strategy and mix in all the markets. Local brands are defined by Wolfe (1991) as brands that exist in one country or in a limited geographical area. The researcher has included the geographical factor for differentiating the two types of brands. Shocker et al (1994), found that perceived brand globalness for global brands could create consumer perceptions of brand superiority. International and global brands have been linked with high status or prestige in addition to quality Batra et al, (2000). Steencam (2003), said that consumers become perceptive to global brands when believe the brand is marketed in multiple countries and is recognized as global in these countries

OBJECTIVE OF THE STUDY

The main objective of this study is as per following:

To understand consumer perceptions & attitude towards foreign automobile brands vis-a-vis. local automobile brands in India.

The perceptions and attitudes of consumers are very important tools in marketing. The main objective of the study is to understand which attributes of foreign automobile brands are rated as important and which attributes are rated as not so important. The consumer perception about foreign automobiles can be based on their personal set of values and attitudes.

METHODOLOGY

Data: This study is based on primary data gathered from respondents. Two types of Data was collected

(1) The qualitative research was conducted using in-depth interview technique. The questionnaire was a semi-structured questionnaire which included the basic themes and questions on consumer perceptions about foreign automobile brands. The questions were semi structured because every respondent had a different response to every question, thus, each respondent had to be probed based on his/her response to a particular question. The qualitative research was conducted on 10 respondents. The responses of these respondents were then analyzed and the basic variables common to all the responses were used in the quantitative questionnaire.

(2) Based on the inputs from the In-depth Interview, a questionnaire was prepared which consisted of questions based on consumers' current automobile brands, their personal details etc. Then, the respondents were asked to rate the variables (shortlisted by the quantitative research) on a scale of 1 to 5. (Likert Scale, where 1 stands for Strongly Agree, 2 stands for Agree, 3 stands for Neither Agree nor disagree, 4 stands for Disagree and 5 stands for Strongly Disagree).

SAMPLE

Using purposive sampling, a group of 50 respondents were selected, based on criteria of having either two-wheeler vehicles or cars .The questionnaire was sent via Google forms.

The responses were recorded in an excel sheet and the data was further analyzed using SPSS.

ANALYTICAL TOOLS

The data collected after conducting the quantitative research was processed using SPSS. The statistical method used to analyze this data was Factor Analysis. This technique is used when there are large numbers of variables and one needs to reduce the number of variables into a few Factors.

DATA ANALYSIS

FACTOR ANALYSIS OUTPUT

TABLE 1: KMO AND BARTLETT'S TEST		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.600
Bartlett's Test of Sphericity	Approx. Chi-Square	167.709
	Df	55
	Sig.	.000

The KMO test is used to confirm whether Factor Analysis is applicable on the set of data or not. The KMO test is used to test the adequacy of the sample size. The sample size in this case is 50. For KMO test to be significant, the KMO value should be 0.5 or above. Since in the table above we can see that the value is 0.6, we can conclude that the sample size is adequate to carry out factor analysis on it.

The Bartlett's Test of Sphericity is a test used to test the hypothesis that the correlation matrix is an identity matrix (where the diagonal values are one and the non-diagonal values are zero). In order to apply factor analysis on the data, the bartlett's test should be insignificant or below 0.05. In this case, the value is 0.00. Thus we can conclude that the correlation matrix is not an identity matrix and there does exist some correlation between the variables. Hence, factor analysis is applicable.

TABLE 2: COMMUNALITIES

	Initial	Extraction
Feel_different_from_others	1.000	.629
Good_quality	1.000	.749
More_expensive	1.000	.608
More_stylish	1.000	.700
Better_engineered	1.000	.829
More_features	1.000	.638
Better_mileage	1.000	.650
as_good_as_indian_brands	1.000	.782
Depends_on_type_of_vehice	1.000	.707
Always_purchase_indian_brands	1.000	.657
Status_symbol	1.000	.705

TABLE 3: TOTAL VARIANCE EXPLAINED

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.462	31.473	31.473	3.462	31.473	31.473	2.824	25.674	25.674
2	1.694	15.396	46.869	1.694	15.396	46.869	1.670	15.183	40.857
3	1.392	12.658	59.527	1.392	12.658	59.527	1.649	14.990	55.847
4	1.106	10.058	69.585	1.106	10.058	69.585	1.511	13.738	69.585
5	.820	7.458	77.043						
6	.719	6.533	83.577						
7	.583	5.304	88.880						
8	.451	4.101	92.981						
9	.357	3.245	96.226						
10	.235	2.140	98.366						
11	.180	1.634	100.000						

In this table above, we can see that the first four components have eigen values of above 1. This means that majority of the variance is explained by the first four components. Component 1 explains 31.4% of variance, component 2 explains 15.3% of variance, component 3 explains 12.6% variance and component 4 explains 10.0% of variance. Together, these four components explain 69.5% of the total variance in the entire set of data.

FIG. 1
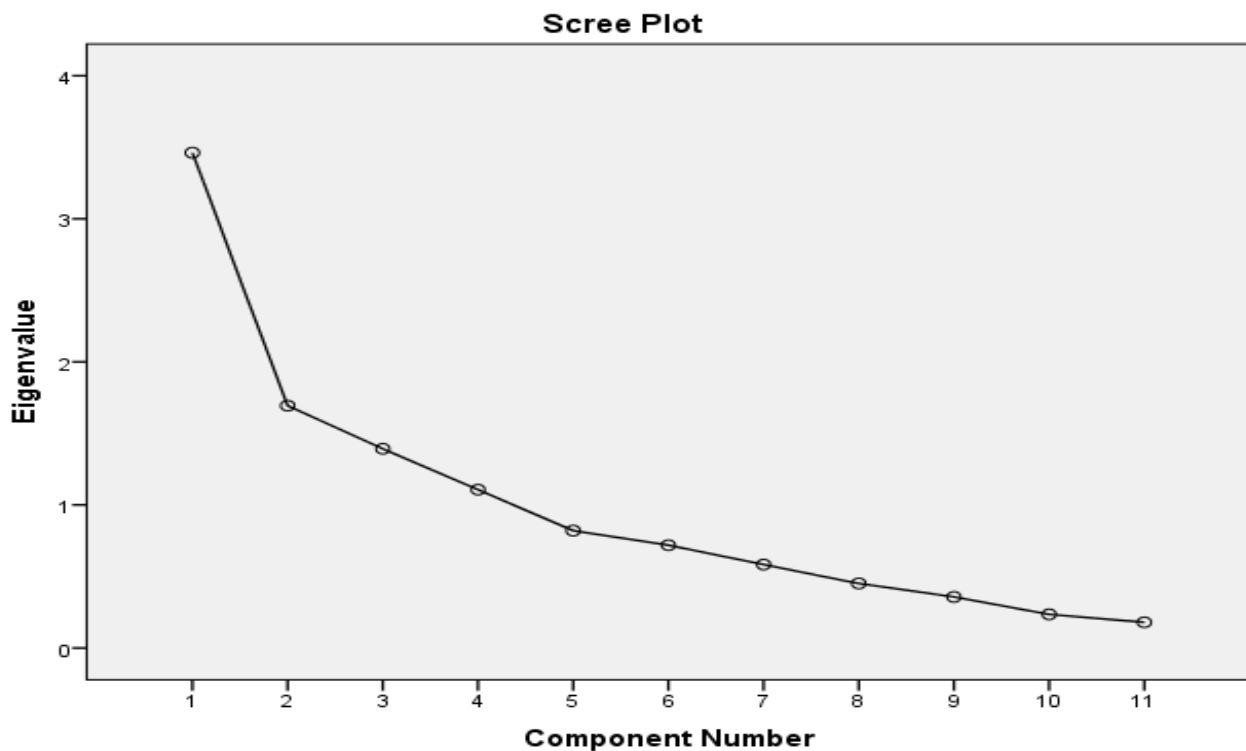
Scree Plot

Since the variance explained by the first component is 31.4%, we can see a break after component 1 in the above scree plot. The next break is after component 4 which means the components 2,3 and 4 are the next set of components contributing to the variation. The plot after component 4 is flat, this means the other components are not significant.

TABLE 4: COMPONENT MATRIX[a]				
	Component			
	1	2	3	4
More_stylish	.805			
Better_mileage	.704			
More_features	.656	.326		
Status_symbol	.608	.517		
Feel_different_from_others	.605			.430
Better_engineered	.594	-.441	.449	
as_good_as_indian_brands	-.559	.377	.530	
Always_purchase_indian_brands		.673		.329
Good_quality	.397	-.551	.358	.401
Depends_on_type_of_vehice			.708	
More_expensive	.453		.311	.539

The values above 0.30 means that the variables correlate strongly with the components. Hence, the table above shows that the components correlate strongly with the variables since all the values are above 0.30. The negative sign indicates there is an opposite relationship. Since there are many variables that correlate with the factors, it is important to rotate the matrix and get the minimum number of variables which have high correlation with the factors. Varimax rotation is used in this case. It is used when any given variable has a high loading on a single factor.

TABLE 5: ROTATED COMPONENT MATRIX[a]				
	Component			
	1	2	3	4
More_features	.786			
Better_mileage	.780			
More_stylish	.763		.313	
Status_symbol	.741			-.327
Always_purchase_indian_brands		.782		
Better_engineered	.357	-.669	.423	
as_good_as_indian_brands		.592		.590
Good_quality		-.309	.807	
More_expensive			.751	
Depends_on_type_of_vehice				.826
Feel_different_from_others	.465		.382	-.477

The rotated matrix shows that less number of variables are now correlated with the components. Hence, this gives a better picture.

FINDINGS

From the above analysis, we find that there are four factors that can be used to define the consumer attitudes and perceptions towards foreign automobile brands. The table (6) shows that:

- The first component or factor has high factor loadings with the variables "more features", "better mileage", "more stylish", "status symbol". Since these variables have high factor loading with the factor no. 1, we can call this factor as "Better overall package".
- For the second factor, the variables which have high loadings are, "Always purchase Indian brands", "better engineered", "as good as Indian brands". The variable "better engineered" has negative factor loadings, thus, it can be said that consumers perceive Indian brands better than foreign automobile brands. Thus, this factor can be called, "Indian brands are as good as foreign brands in terms of performance".
- The variables "good quality" and "more expensive" have high loadings for the third factor. Thus, the third factor can be interpreted as "Perceived to be more expensive and good in quality".
- The last factor, has high loadings with variables "as good as Indian brands" and "depends on the type of vehicle". The consumers perceive the Indian brands to be as good as foreign brands. Their opinion is also based on the fact that the type of vehicle plays an important role in deciding whether Indian brands are better or foreign brands are better. For eg., the consumers may think that foreign automobile brands may be better in case of four wheeler automobiles or cars, whereas, they may think that Indian brands are better in the two-wheeler segment and vice-versa. Thus, factor 4 can be interpreted as "Foreign automobile brands may or may not be better than Indian brands depending on the type of vehicle."

CONCLUSION

From the above analysis, we can conclude that the Indian brands are perceived to be better in terms of value for money. The consumers perceive foreign brands to be more expensive and more stylish compared to Indian brands. However, the performance of both is rated almost equal. Indian brands are perceived better because the consumers' attitude towards foreign brands is that the foreign brands are more expensive. Also, consumers choose the type of brands (foreign or Indian) depending on the type of vehicle they are purchasing.

The four factors that are used to define consumers' attitudes towards foreign brands are:

- Better overall package
- Indian brands are as good as foreign brands in terms of performance
- Foreign brands are Perceived to be more expensive and good in quality
- Foreign automobile brands may or may not be better than Indian brands depending on the type of vehicle.

Thus, we can conclude that the consumers have positive attitude towards foreign brands. However, they also perceive Indian brands to be as good as foreign automobile brands.

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