



# “A STUDY ON FACTORS INFLUENCING CONSUMERS BEHAVIOUR IN AUTOMOBILE INDUSTRY WITH REFERENCE TO TOYOTA VEHICLE”

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## ABSTRACT

The automotive industry is facing new and pressing challenges. Globalization, individualization, digitalization and increasing competition are changing the face of the industry as we know it. In addition, increasing safety requirements and voluntary environmental commitments by the automotive industry will also contribute to the changes ahead. Size is no longer a guarantee of success. Only those companies that find new ways to create values will prosper in the future. The purpose of this paper is to present a short overview of the automotive industry today and highlight challenges facing the industry.

**Key words:** Automotive, Industry, TOYOTA, UAE

## INTRODUCTION

The study of consumer behaviour (CB) is very important to the marketers because it enables them to understand and predict buying behaviour of consumers in the marketplace; it is concerned not only with what consumers buy, but also with why they buy it, when and where and how they buy it, and how often they buy it, and also how they consume it & dispose it. According to Professor Theodore Levitt of the Harvard Business School, the study of Consumer Behaviour is one of the most important in business education, because the purpose of a business is to create and keep customers. Customers are created and maintained through marketing strategies. And the quality of marketing strategies depends on knowing, serving, and influencing consumers. In other words, the success of a business is to achieve organisational objectives, which can be done by the above two methods. This suggests that the knowledge & information about consumers is critical for developing successful marketing strategies because it challenges the marketers to think about and analyse the relationship between the consumers & marketers, and the consumer behaviour & the marketing strategy.

Kiichiro Toyoda, founder of the Toyota Motor Corporation, was born in 1894. His father Sakichi Toyoda became famous as the inventor of the automatic loom. Inheriting the spirit of research and creation from his father, Kiichiro devoted his entire life to the manufacturing of cars, which was an unknown frontier at that time. After years of hard work, he finally succeeded in completing the A1 prototype vehicle in 1935. That was the beginning of the history of the Toyota Motor

Corporation. In 2006, Toyota was engaged in a variety of projects designed to solidify its foundations while continuing to grow. On the product front, Lexus launched its new flagship model, the LS, and the new global Camry went on sale. In Japan, a new

Corolla range was introduced,

emphasizing the importance of this bestselling car. In manufacturing, several new projects were started around the world. In May, manufacture of the Camry began in Guangzhou, China, while in the United States, the Kentucky plant, which in October celebrated 20 years of production, started manufacturing the first Toyota hybrid vehicle to be made in North America, the Camry Hybrid. In November, the Texas plant began producing the new

Tundra truck, a key vehicle in Toyota's North American lineup. In Japan, Toyota Motor Kyushu, Inc. began full-scale operations at its engine factory, while Toyota Motor Tohoku Co., Ltd. increased its manufacturing capacity. In human resources development, following the establishment of the Asia Pacific Global Production Center in Thailand in August 2005, Toyota established the North American Production Center in the U.S. in February, and the European Global Production Center in the United Kingdom in March. Established as branches of the Global Production Center in Japan, these were created to spread Toyota's manufacturing knowledge and skills throughout the world in pace with the rapid growth of Toyota's overseas manufacturing. The centers educate trainers for local manufacturing plants in all regions, with trainees passing on what they learn to team members on their return to their plants. In R&D, Toyota focused its efforts on three key areas: environment, safety and energy. It made a special effort in the area of the environment by expanding its lineup of hybrid vehicles, and has worked on R&D relating to plugin hybrid. In addition, as part of Toyota's efforts to respond to the diversification of energy, in 2007 Toyota plans to introduce a flex fuel vehicle\* in the Brazilian market that will run on 100% bio-ethanol fuel. From this point on, based on the philosophy of providing "the right car, in the right place, at the right time," and in accordance with the infrastructure and continue to promote efforts to develop environmentally friendly technology and vehicles.

customer needs of each region, Toyota will

### PROBLEM OF THE STUDY

- This study is limited to Vapi and its surroundings areas. ○ Many buyers have no knowledge about the product. ○ Data presented in this study is based on the opinion of the limited respondents i.e. 100 members. ○ The secondary data is based on the information from newspaper, magazine, and library literatures only.
- Scope of the Study is too limited due to Time Constraints.

### OBJECTIVES OF THE STUDY

- To find out the motivational factor to purchase Toyota car. ○ To find out features / equipment / accessories necessary for a buyers for next car purchase. ○ To find out the consumer behaviour to buy Toyota car.
- To get the clear understanding of how people buy, what they buy, when they buy and why they buy.
- To analyze various factor that affect or influence the customers buying decision with respect to the Toyota Cars.
- To find the consumer reactions and satisfaction level towards the Toyota cars with respect to others.

### LITERATURE REVIEW

**Bhattacharya, C. B. and, S., 2003 :** Customer behavior advert to the mental and emotional process and the noticeable behavior of customer during searching, buying and post consumption of a product or service . It includes study of how people buy, what, when, and why they purchase. It amalgam the aspects from psychology, sociology, socio psychology, Anthropology and Economics. And also tries to evaluate the access on the customers from groups such as ancestry, friends, reference groups and society in general.

**Marketing Management by Philip Kotler:** The customer is always considered as a core of business of activity. Author discussed in this book that marketing is only one factor in attracting and keeping customers. Peter F. Drucker observed that company's first task is "to create customer." Customer estimate will deliver the most value. The book highlighted consumer decision making process and buying role. The book customer as value maximises within the bounds of search costs, limited knowledge, mobility and income.

**Deborah, Maclnnis, Wayne D. Hoyer (2008, 5):** consumer behaviour is complex and consists of various pivotal elements. consumer behaviour involves the following components: goods, services, activities, experiences, 4 people and ideas. Another important aspect which has a dramatic impact on the consumer decision making process is time: a consumer needs to have an understanding about the value of time and the opportunity cost.

**Consumer Behaviour By Karunik and Schiffman:** The book highlights dynamic business environment is turbulent as never before and the service industry as promising as never before. In this era of intense competition companies understand the customer is the king in the market and success depend a lot on lot efficiency of the manager in delivering the promised product and service. The responsibility line on the organisation to develop a culture, ethics, responsibility, value and quality service should be offered achieve higher level of customer satisfaction

**Aaker, D.J. & Joachimsthaler, E, 2000:** Checking the inducement of brand name Consumers can either be subjective or objective. The decision of customers are also yield by retail stores selling the products. Sales or the service of the salesladies or the clerks could be determined by the package or visual appeal of the retail outlet. moreover, consumers may select distinct product/brand not only because these product gives the functional or performance benefits expected , but also because products can be utilized to absolute consumer's personality , social dignity or alliance or to fulfill their internal psychological need , such as the need for difference or newness.

**Consumer Behaviour by Batra, S K & Kazmi:** The book has describe consumer decision making process, buyers black box and importance of consumer behaviour studies for marketing in order to understand what satisfy the unlimited consumer. The book describe vital characteristic of Indian consumer and competitive advantage in Indian context for the marketers. The consumer decision process, buying roles and consumer black box are discussed in detail.

**Sandhusen 2000:** It can be said that consumer behaviour is a key element in marketing which defines target markets and marketing mixes. Without understanding behavioural patterns it is impossible to define correct marketing strategy for the future.

## DATA COLLECTION METHOD

Data collection took place with the help of filling of questionnaires. The questionnaire method has come to the more widely used and economical means of data collection. The common factor in all varieties of the questionnaire method is this reliance on verbal responses to questions, written or oral. I found it essential to make sure the questionnaire was easy to read and understand to all spectrums of people in the sample. It was also important as researcher to respect the samples time and energy hence the questionnaire was designed in such a way, that its administration would not exceed 4-5 mins. These questionnaires were personally administered.

The first hand information was collected by making the people fill the questionnaires. The primary data collected by directly interacting with the people. The respondents were contacted at shopping malls, markets, places that were near to showrooms of the consumer durable products etc. The data was collected by interacting with 100 respondents who filled the questionnaires and gave me the required necessary information. The respondents consisted of house wives, students, business men, professionals etc. the required information was collected by directly interacting with these respondents.

## RESULTS AND FINDINGS

- More than 80% of the customers had a good experience of shopping at Galaxy Toyota.
- The satisfaction levels can also be measured with the level of recommendations to friends and associates; it is evident that more than 80% of customers are satisfied with the service offered at Toyota.
- The sales satisfaction index of Galaxy Toyota showroom is 8.4 on a scale of ten, which is exceptionally good, the showroom should persist on high levels of commitment to maintain the good image it has created. The industry SSI

(2023) is 104 out of 126 according to J D Power Asia Pacific. And Hyundai scores 105 out of 125.

- In the interview it was found that the customers are happy about the training programs undertaken by the showroom, which train the customers to negotiate minor breakdowns comfortably.

- It has been observed that 25% of customers have reported a slack in the delivery process.

- This is the only area of concern that has emerged from the city.

- It is currently as profitable as all the other car companies combined

- Toyota is one of the ten largest companies in the world.

and became the largest car manufacturer in 2007.

- Enhanced the development of environmentally friendly products

- Developed a new product line-up which responds to the customers' requirements in each region

The overall sales satisfaction index from the study reveals that the company is performing very well and customers buying are much satisfied with the service given to them. The only couple of problems noticed are:

- Some of the customers have complained about the slack in the

delivery process and timings.

Therefore, this is the area which I recommend to the showroom to focus a little bit more. It needs to improve its delivery process and time. Need to become a little quicker and faster.

- Some of the customers have also complained about the after-purchase services provided by the showroom. Even though the complaints are minor, the showroom needs to resolve the customer after-purchase service issues in order to achieve the customer satisfaction.

## CONCLUSION

Toyota's identifies key issues, such as the effects of competition and the company's weaknesses based on its organizational structure and culture. To address the threats based on competition, Toyota needs to maximize its competitive advantage based on its innovative capabilities. The company can also further adjust its culture and structure to optimize its flexibility in decision-making and problem solving. Toyota should adopt the defensive marketing strategy because as being the second largest car producer in the international market. Toyota must at the moment carry out a feasibility study for launching a vehicle in the domestic market where it has models like the innova and camry amongst others. Toyota should adopt an offensive marketing strategy for entering in the small car segment. This market is dominated by Maruti Suzuki and Hyundai in the Indian Domestic Auto Market. Toyota must plan out an ideal marketing producing capacity, because it faces the problem of over and under capacity in case of upturn and downturn of the market.

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