Multivariate Analysis of the Factors Influencing Purchase Decision of Customers Towards New WagonR in Jaipur City

Author: Ms. Pooja Kudesia

Designation: Assistant Professor

Professional Address: Jagannath University, Plot No. IP 2 & 3, Sitapura Industrial Area, Phase -IV, Jaipur (Rajasthan),

Abstract of the Paper

As baby boomers age , they are increasingly inclined to cast nostalgic glances at goods and services of their glided youth (Samuel , 1994).There is admittedly more to nostalgia than this once morbid now mawkish sensibility (Tannock 1995,,Turner ,1987). The new Wagon R has been positioned on the Heartech platform . It comes in as a completely revamped car. It is bigger in size and larger wheelbase as compared to its predecessor . The present study examines whether the added features in the Wagon R has been successful in creating a differentiated perception about Wagon R in the minds of prospective customers in Jaipur city. Essentially , the study is exploratory and findings are limited to Jaipur city only.

The Indian automobile industry is one of the world `s largest , being the 4th largest manufacturer of cars and 7th largest manufacturer of commercial vehicles in 2018. The Indian automotive industry (including component manufacturing) is expected to reach Rs 16 to Rs 18 trillion (US $251.4 to 282.8 billion) by 2026. The passenger vehicle sales in India crossed the 3.37 million units in FY 19 and is further expected to rise to 10 million by the year 2020.Automobile brands have been trying to ride the wave by newer branding strategies .Maruti Suzuki has been able to command leading position in this fluctuating market .The brand has been adept in its branding strategy in India ,helping it command a market share of 51.22% in the passenger vehicles. The construction and maintenance of brand image is prerequisite to brand management .(Park et.al,1986).Aaker and Joachinsthaller ,2000 mention that within the traditional branding model the goal was to build brand image; a tactical element that drives short term results. Though the company has adopted many strategies to overcome the poor consumer sentiment , it is the launch of new Wagon R which was expected to serve as a game changer for the company.

The new Wagon R has been positioned on the Heartech platform . It comes in as a completely revamped car.It is bigger in size and larger wheelbase as compared to its predecessor . Engine room is larger , rear tail lamps are stylish .Ample head room and knee room has been provided .The new WagonR comes with two

engine option i.e 1 litre petrol and 1.2 Litre petrol . A smart play studio infotainment system which has the ability to provide the driver and occupants the information about weather , news etc.

Contrastly ,the old Maruti Wagon R came with a single engine option in the form a 1.0 litre three cylinder petrol unit. .The engine churned out 67 bhp and 90 Nm of torque .It had a five speed manual gearbox with the option of AMT. The hatchback had a ground clearance of 165 mm with a boot space of 180 litres.

So why did the company choose to improvise the product and relaunch in the Indian market? As baby boomers age , they are increasingly inclined to cast nostalgic glances at goods and services of their glided youth (Samuel , 1994).There is admittedly more to nostalgia than this once morbid now mawkish sensibility (Tannock 1995,,Turner ,1987). Three distinct orders of affliction are identified with nostalgia . First order or simple nostalgia is the largely unquestioned belief that things were better than now ; Second order or reflective nostalgia adopts a critical attitude to the assumption that things were better back then ; Third order or interpreted nostalgia goes beyond questioning the 'better then' belief to challenging the nostalgic reaction itself (why am I feeling nostalgic and why now?) .Davis ,1979 , makes a further distinction between personal and communal nostalgia . The former is associated with individual life cycles , the fact that as people age and slide inexorably into decrepitude , they are want to reflect on the plumy days of their youth when tummies were flat , follicles unchallenged . Communal nostalgia , on the other hand occurs at a societal level in the wake of epochal changes precipitated by wars, revolutions, invasions , economic dislocation or environmental catastrophe .

Lassar et.al , 1995 , held the opinion that brand equity came form customer`s confidence in a brand . With the proliferation of brand`s in the market , consumer make their purchase decisions largely depending on the brand image rather than the product itself. Moreover , when the brand image is consistent with the consumer`s self concept , the consumer would give preference to it .(Martineau .P, 1957). Consumer would think better of the brand as long as the brand image is in line with their self concept (Graeff T.R,1997)

The new Wagon R was launched in the latter half of Jan 2019 in the hope of repeating the stellar performance of old Wagon R. Strategic launch decisions are those considered to take place before the physical development of the product and are derived from literature in new product strategy and even form level strategy (Crawford ,1987)

The sales of the new Wagon R have now crossed 50,000 units mark in just four months of launch. However, the sales figures are approximately 15% lower than that of the old Wagon R compared Q-o-Q . This came in as a surprise to the company . In fact, it had expected that the same would be so high that it would serve as a booster to company`s overall sales.

The present study examines whether the added features in the Wagon R has been successful in creating a differentiated perception about Wagon R in the minds of prospective customers in Jaipur city. Essentially , the study is exploratory and findings are limited to Jaipur city only. The paper begins in section one with structural outlay while section two takes a look at literature review followed by research methodology and results from survey. The Research on consumer behavior shows that consumers following high effort are assumed to be highly involved in decision and spend a significant amount of time to elaborate on what is usually highly differentiated product alternatives (Hoyer , MacInnis & Pickers , 2013). According to theory of uniqueness , when individuals find their social environments are highly similar to others , they will attempt to reshape their own self esteem through self distinguished behaviors in order to reduce negative emotions. (Snyder, C.R. and Fromkin, H.L. (1980) .The consumer`s behavior to purchase unique products and to show the differences from others can meet the need for uniqueness of individuals , thus consumers are willing to purchase unique products to demonstrate their differences with others and to establish and improve their own image in other`s mind so as to meet individual`s need for uniqueness .(Tian, K.T. and McKenzie, K. (2001) .Product distinctiveness plays a role in reduction of product fungibility and in resistance of competitor`s influences . (Caves, R.E. and Williamson, P.J. ,1985). Product distinctiveness evaluation is the ability of consumers to perceive products different from competitors .(Rego, L.L., Billett, M.T. and Morgan, N.A. 2009). When consumers are driven by need for uniqueness , they need to purchase products which can represent uniqueness to show their differences. (Tian, K.T. and McKenzie, K. 2001).

Liternature Review :

Driven by need for uniqueness , people choose and purchase distinctive products to decrease adverse impacts brought by individual homogenization . (Belk, R.W. (1988), Snyder, C.R. and Fromkin, H.L. (1980)) Unique features provide differential information generate selective processing for consumers , thus they play a huge role in uniqueness evaluation and preference choice of consumers . (Dhar, R. and Sherman, S.J. (1996)

The equate to differentiate theory aimed at feature difference comparison shows that limited by information processing ability , people will first regard features with relatively small differences in one or several dimensions as consumer features in order to overlook them artificially and only pay attention to dimensions with big difference . Unique feature is the key factor to influence consumer choice. (Li, S. (2005)

Comparison is a basic psychological process for evaluation and choice of consumer. Attribute comparison is an important constituent part. (Dhar, R. and Sherman, S.J. (1996)

Factors influencing purchase decision process and its interaction with behavior parameter in passenger car segment include cost (Srivastava .A & Matta .M , 2014), safety (Liu.D & Xuan .B ,2008) , driving ,

seating, comfort (Vidyavarthi.K, 2012, Menon .B ,2012) , brand (Srivastava M.K. & Tiwari ,2011),value for money (Liu.D & Xuan .B ,2008) , customer friendly , safety (Salvi.P.D, Prajapati K.B, 2018).

Research Methodology:

The research was carried out amongst three groups of consumers – the first group comprised of 30 customers who owned the old WagonR , the second group comprised of 30 prospective customers who had visited the showrooms to view the new WagonR and the third group comprised of 24 customers who had visited the Maruti Suzuki showroom for Wagon R but did not buy the same.. The customers who were owners of old WagonR were in the age group of 30 to 45 years .The prospective customers of new WagonR were in the age group of 25 to 40 years .A total of 52 men and 32 women participated in the survey.Survey research is defined as " the collection of information from a sample of individuals through their responses to questions (Check & Schutt,2012 , p.160).The respondents were subjected to questionnaire encompassing   factors highlighted in research on purchase decision which include cost , safety , driving experience . The data so collected was analysed usirng SPSS software to test the following hypothesis:

Ho : There is no difference in safety features between old WagonR and new WagonR

H1 : There is difference in safety features between old WagonR and new WagonR

Ho : There is no difference in driving experience between old WagonR and new WagonR

H2 : There is difference in driving experience between old WagonR and new WagonR

Ho : There is no difference in cost to customer between old WagonR and new WagonR

H3 : There is difference in cost to customer between old WagonR and new WagonR

Results :

The MANOVA was considered to be a suitable test for the study a there was a better chance of discerning the significant factor in the decision to purchase the new WagonR. Also the test protected the research from committing type I error in the results.

Multivariate Tests[a]

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Intercept	Pillai's Trace	.994	1911.952[b]	7.000	75.000	.000	.994
	Wilks' Lambda	.006	1911.952[b]	7.000	75.000	.000	.994
	Hotelling's Trace	178.449	1911.952[b]	7.000	75.000	.000	.994
	Roy's Largest Root	178.449	1911.952[b]	7.000	75.000	.000	.994
Customers	Pillai's Trace	1.102	13.326	14.000	152.000	.000	.551
	Wilks' Lambda	.152	16.737[b]	14.000	150.000	.000	.610
	Hotelling's Trace	3.894	20.584	14.000	148.000	.000	.661
	Roy's Largest Root	3.404	36.953[c]	7.000	76.000	.000	.773

a. Design: Intercept + Customers

b. Exact statistic

c. The statistic is an upper bound on F that yields a lower bound on the significance level.

The Pillai`s Trace value of 1.102 with F value of 13.326 and significance of less than 0.01 , helps us to reject the null hypothesis. The individual variables are then analysed on a series of ANOVA , showed that cabin space ,gear shift ,dashboard and brakes were found to be statistically significant . The post hoc test suggests that cabin space ,gear shift and dashboard were statistically significant leading to rejection of H3.

Conclusion:

The study thus concludes that the prospective customers are considering safety and driving experience as an important part of their evaluation . The study suggests that Maruti Suzuki needs to highlight the features of cabin space ,gear shift and dashboard which were found to be particularly significant for the prospective customers. The paper hopes that it will enable the company to apply their marketing strategies more efficiently and as a result achieve competitive advantage.

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Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	Pricing	.675[a]	2	.338	.732	.484	.018
	HeadRest	18.618[b]	2	9.309	7.013	.002	.148
	CabinSpace	50.593[c]	2	25.296	41.845	.000	.508
	BootSpace	8.117[d]	2	4.058	6.806	.002	.144
	GearShift	25.355[e]	2	12.677	19.146	.000	.321
	Dashboard	46.875[f]	2	23.438	31.229	.000	.435
	Brakes	15.750[g]	2	7.875	12.757	.000	.240
Intercept	Pricing	329.544	1	329.544	715.153	.000	.898
	HeadRest	876.001	1	876.001	659.903	.000	.891
	CabinSpace	1090.010	1	1090.010	1803.080	.000	.957
	BootSpace	1373.908	1	1373.908	2304.069	.000	.966
	GearShift	1192.626	1	1192.626	1801.169	.000	.957
	Dashboard	1180.416	1	1180.416	1572.809	.000	.951
	Brakes	1469.356	1	1469.356	2380.357	.000	.967
Customers	Pricing	.675	2	.338	.732	.484	.018
	HeadRest	18.618	2	9.309	7.013	.002	.148
	CabinSpace	50.593	2	25.296	41.845	.000	.508
	BootSpace	8.117	2	4.058	6.806	.002	.144
	GearShift	25.355	2	12.677	19.146	.000	.321
	Dashboard	46.875	2	23.438	31.229	.000	.435
	Brakes	15.750	2	7.875	12.758	.000	.240
Error	Pricing	37.325	81	.461			
	HeadRest	107.525	81	1.327			
	CabinSpace	48.967	81	.605			
Total	Pricing	374.000	84				
	HeadRest	994.000	84				
	CabinSpace	1251.000	84				
	BootSpace	1457.000	84				
	GearShift	1321.000	84				
	Dashboard	1342.000	84				
	Brakes	1583.000	84				
Corrected Total	Pricing	38.000	83				
	HeadRest	126.143	83				
	CabinSpace	99.560	83				
	BootSpace	56.417	83				
	GearShift	78.988	83				
	Dashboard	107.667	83				
	Brakes	65.750	83				

a. R Squared = .018 (Adjusted R Squared = -.006)

b. R Squared = .148 (Adjusted R Squared = .127)

c. R Squared = .508 (Adjusted R Squared = .496)

d. R Squared = .144 (Adjusted R Squared = .123)

e. R Squared = .321 (Adjusted R Squared = .304)

f. R Squared = .435 (Adjusted R Squared = .421)

g. R Squared = .240 (Adjusted R Squared = .221)

Multiple Comparisons

LSD

Dependent Variable	(I) Customers	(J) Customers	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Pricing	Old	New	.1000	.17527	.570	-.2487	.4487
		Visited but not bought	.2250	.18590	.230	-.1449	.5949
	New	Old	-.1000	.17527	.570	-.4487	.2487
		Visited but not bought	.1250	.18590	.503	-.2449	.4949
	Visited but not bought	Old	-.2250	.18590	.230	-.5949	.1449
		New	-.1250	.18590	.503	-.4949	.2449
HeadRest	Old	New	.8333*	.29749	.006	.2414	1.4252
		Visited but not bought	-.2750	.31553	.386	-.9028	.3528
	New	Old	-.8333*	.29749	.006	-1.4252	-.2414
		Visited but not bought	-1.1083*	.31553	.001	-1.7361	-.4805
	Visited but not bought	Old	.2750	.31553	.386	-.3528	.9028
		New	1.1083*	.31553	.001	.4805	1.7361
CabinSpace	Old	New	.3667	.20075	.071	-.0328	.7661
		Visited but not bought	1.8667*	.21293	.000	1.4430	2.2903
	New	Old	-.3667	.20075	.071	-.7661	.0328
		Visited but not bought	1.5000*	.21293	.000	1.0763	1.9237
	Visited but not bought	Old	-1.8667*	.21293	.000	-2.2903	-1.4430
		New	-1.5000*	.21293	.000	-1.9237	-1.0763
BootSpace	Old	New	.6333*	.19938	.002	.2366	1.0300
		Visited but not bought	.6667*	.21148	.002	.2459	1.0874
	New	Old	-.6333*	.19938	.002	-1.0300	-.2366
		Visited but not bought	.0333	.21148	.875	-.3874	.4541
	Visited but not bought	Old	-.6667*	.21148	.002	-1.0874	-.2459
		New	-.0333	.21148	.875	-.4541	.3874
GearShift	Old	New	-.3000	.21010	.157	-.7180	.1180
		Visited but not bought	1.0333*	.22285	.000	.5899	1.4767
	New	Old	.3000	.21010	.157	-.1180	.7180
		Visited but not bought	1.3333*	.22285	.000	.8899	1.7767
	Visited but not bought	Old	-1.0333*	.22285	.000	-1.4767	-.5899
		New	-1.3333*	.22285	.000	-1.7767	-.8899
Dashboard	Old	New	1.0333*	.22368	.000	.5883	1.4784
		Visited but not bought	1.8583*	.23725	.000	1.3863	2.3304
	New	Old	-1.0333*	.22368	.000	-1.4784	-.5883
		Visited but not bought	.8250*	.23725	.001	.3529	1.2971
		Visited but not bought	.8250*	.23725	.001	.3529	1.2971
	Visited but not bought	Old	-1.8583*	.23725	.000	-2.3304	-1.3863
		New	-.8250*	.23725	.001	-1.2971	-.3529
Brakes	Old	New	.2333	.20286	.253	-.1703	.6370
		Visited but not bought	1.0500*	.21517	.000	.6219	1.4781
	New	Old	-.2333	.20286	.253	-.6370	.1703
		Visited but not bought	.8167*	.21517	.000	.3886	1.2448
	Visited but not bought	Old	-1.0500*	.21517	.000	-1.4781	-.6219
		New	-.8167*	.21517	.000	-1.2448	-.3886

Based on observed means.

The error term is Mean Square(Error) = .617.

*. The mean difference is significant at the .05 level.

Questionnaire

Name : ---

Age:----------------------

Gender : -----------------------

Q1) Do you own a WagonR ?

---- Yes   ----- No

Q2) Are you satisfied with the performance of the car?
---- Yes   ----- No

Q3) How would do you rate the performance of the car? (1 being least , 5 being highest)
---- 1   ----- 2   ----3   ----- 4   ---- 5

Q4) Have you seen the new WagonR?
---- Yes   ----- No

Q5) Have you visited a showroom to see the new WagonR?
---- Yes   ----- No

Q6) How would you rate the new WagonR on the following safety features (1 being least , 5 being highest):
a) Antilock Brake System:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
b) Front and Rear Fog Lamps:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
c) Font and rear SLR seatbelt :
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
d) Collapsing steering:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
e) Engine Immobilizer with Theft Deterrent System:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5

Q7) How would you rate the new WagonR on the following driving experience (1 being least , 5 being highest):
a) Leg Room:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
b) Dashboard:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
c) Gear Shift :
   ---- 1   ----- 2   ----3   ----- 4   ---- 5
d) Steering Maneuverability:
   ---- 1   ----- 2   ----3   ----- 4   ---- 5

Q8) How would you rate the new WagonR on pricing (1 being least , 5 being highest):
---- Cheap   ----- Value for Money   ----- Expensive

Q9) How likely are you to recommend the car for a friend (1 being least , 5 being highest):
---- 1   ----- 2   ----3   ----- 4   ---- 5

Q10) Do you think the company has improved the product with the new launch?
---- Yes   ----- No