A Study on Consumer Preference towards Four Wheeler Loans with Reference to Coimbatore District

Dr. R. Maheswari[1], T. Ramesh Kumar[2], M. Jency Abisha[3]

[1]Head, [2]Assistant Professor, [3]PG Scholar

[1,2,3]Department of Commerce, Dr. SNS Rajalakshmi college of Arts and Science, Tamil Nadu, India

ABSTRACT

Consumer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank levels of utility they give to the consumer. The study is to assess customer preference towards selected loan for their four wheelers and to know about the attitude of customer while preferring loans on their vehicle and to analyze the customer's attitude towards the loan availing activity. For this purpose primary data is been collected from 250 customers who prevail loan for their four wheeler with reference to Coimbatore district. The data will be analyzed based on the statistical tools such as Percentage analysis, Chi-square test, Descriptive statistics, Anova, Rank analysis, One sample run test. The study will be concluded based on the result arrived from statistical analysis based on the primary data.

KEYWORDS: Consumer, Loan, Four wheeler

IJTSRD29210

I. INTRODUCTION

Consumer is a king in the kingdom of market. To understand his behavior is very necessary for the marketing man. Consumer is the focus of all the marketing activities. Knowledge of his activities and behavior is one of the most important aspects of the marketing. The consumers buy the goods to satisfy a number of needs and drives. Human wants are unlimited and varying time to time; from place to place and man to man. The study of consumer behaviour holds great interest for us as consumers, as students and scientists, and as marketers. Consumer Behaviour is a rapidly growing discipline of study. There are various reasons why the study of consumer behaviour developed as a separate marketing discipline are shorter product life cycles.

II. REVIEW OF LITERATURE

W.F. Dennison (1990), In the environment of Local Management of Schools (LMS) two features in the cost structures of schools will dominate: high fixed costs (on salary and premises) and the minimal cost of educating a small number of extra pupils. As a result the incentive for a school to attract more pupils will be extremely high, and in such circumstances the consumer as pupil or parent will be sovereign. The likely effects of this sovereignty are discussed, and a list of 25 factors (The Competitive Edge) which influence a choice for or against a school are introduced collected in Coimbatore. is suggested that the factors represent the performance indicators which

consumers will use. How teachers might adjust to consumer perceptions while fulfilling their professional responsibilities are considered, with a view to schools developing marketing strategies.

Bernd H. Schmitt (1991), Consumer satisfaction is the unique construct in marketing that links consumer pre-consumption attitudes to post-consumption attitudes. Although both emotional and cognitive information may emerge from product usage, previous research has treated consumer satisfaction primarily as a cognitive process: consumers are posited to compare pre-consumption

P. Rajendran (1996), conducted study on "consumer preference for Amway". The objective of the study analysis of advertisement of different brands of cosmetics & consumer behaviour towards buying. The data

Pamela L. Alreck, **Robert B. Settle (1999),** The marketer's principal objective is typically to build a relationship with buyers, rather than merely to make a single sale. Ideally, the essence of that relationship consists of a strong bond between the buyer and the brand. Outlines six strategies for building that relationship: linking the brand to a particular need; associating it with a pleasant mood; the brand through reward; penetrating perceptual and cognitive barriers to create preference; and providing attractive models for

buyers to emulate. The choice of an individual strategy or combination depends mainly on the nature of the branded product or service. The success of the strategy depends heavily on the marketer's understanding of the preference building and bonding process.

III. STATEMENT OF THE PROBLEM

Customer preference is a study of physiological, social, physical behaviors of all potential customers as they become aware of evaluation, purchase and consumption and tell others about the products and services. The study is to analyze the customer preference towards four wheeler loans in Coimbatore district which may be useful for reference in the future.

IV. OBJECTIVES OF THE STUDY

➤ To assess customer preference towards loan provided for their four wheelers.
➤ To know about the attitude of customer while preferring loans on their vehicle.
➤ To analyze the customers attitude towards the loan availing activity.

V. RESEARCH DESIGN

"A research design is an 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 this study, descriptive research design is used for testing. Descriptive research includes surveys and fact-finding enquires of different kinds.

Sampling Design: It refers to the technique or the procedure the researcher would adopt in selecting items for the sample i.e., the size of the sample. Same design is determined before data are collected. There are many sample designs from which a researcher can choose.

Sampling procedure: The sampling procedure is descriptive in nature were random sampling is used to select the respondents

Sample size: The sample size is 100 customers who prefer loans for their four wheelers.

Area of sampling: The area selected for collection of data is Coimbatore district.

VI. ANALYSIS AND INTERPRETATION

TOOLS USED FOR ANALYSIS

The data collected are analyzed by using the following tools:
1. Percentage analysis
2. Chi-square test
3. Anova

Table Showing Awareness On Time Taken For Sanctioning The Loan

Time taken	espondents	%
Highly aware	20	20.0
Aware	24	24.0
Neutral	31	31.2
Not aware	25	24.8
Total	100	100.0

Source: primary data

Interpretation: The above table shows about awareness on time taken for sanctioning the loan were out of 100 respondents **20%** are highly aware, **24%** are aware, **31.2%** are neutral and **24.8%** are not aware. It shows that most of

the respondents are neutral about awareness on time taken for sanctioning the loan in our survey.

Table Showing Awareness On Repayment Period For Loan Sanctioned

Awareness	Respondents	%
Highly Aware	76	75.6
Aware	24	24.4
Total	100	100.0

Source: primary data

Interpretation: The above table shows about the awareness on repayment period for loan sanctioned were out of **100** respondents **75.6%** highly aware and **24.4%** are aware on repayment period for loan sanctioned. It shows that most of the respondents are highly aware on repayment period for loan sanctioned.

Table Showing Person Creating Awareness About Getting Loans From Banks

Awareness about getting loans	Respondents	%
Friends	51	51.2
Relatives	20	20.0
Colleagues	20	20.0
Advertisement	9	8.8
Total	100	100.0

Source: primary data

Interpretation: The above table shows about the Person creating awareness about getting loans from banks were out of **100** respondents **51.2%** said that friends are the persons who created awareness about getting loans from banks, **20%** said as relatives, **20%** said as colleagues, and **8.8%** said as advertisement. It snows that most of the respondents said that friends are the persons who created awareness about getting loans from banks.

Table Showing Factors That Affect To Prefer For Four Wheeler Loans

Affecting factors	Respondents	%
Lower interest rate	16	16.0
Quick repayment	12	12.0
Sanction of amount is high	26	26.0
Others	46	46.0
Total	100	100.0

Source: primary data

Interpretation: The above table shows about factors that affect to prefer for four wheeler loans were out of **100** respondents **16%** said that lower interest is the factor, **12%** said as quick payment, **26%** said that sanction of amount is high and **46%** said other reasons. It shows that most of the respondents said that they prefer due to high sanction of amount by the banks.

Table Showing Customer Satisfaction On Flexible Repayment

Customer satisfaction	Respondents	%
Highly satisfied	24	24.0
Satisfied	20	20.0
Neutral	12	12.0
Dissatisfied	12	12.0
Highly dissatisfied	32	32.0
Total	100	100.0

Source: primary data

Interpretation: The above table shows about satisfaction on flexible repayment were out of **100** respondents **24%** said that they are highly satisfied, **20%** said that they are satisfied, **12%** said that they are neutral, **12%** said that they are dissatisfied, and **32%** said that they are highly dissatisfied on flexible repayment. It shows that most of the respondents are highly dissatisfied on flexible repayment.

DESCRIPTIVE STATISTICS

Table Showing Descriptive Statitics

	N	Mean	Std. Deviation
Awareness on time taken for sanctioning the loan	250	**2.61**	1.067
Awareness on Initial interest rates	250	1.62	.487
Preference towards different types of interest rates	96	1.75	.725
Reason for lag of awareness on interest rates	154	2.31	.744
Awareness on Equated Monthly Instalment (EMI) facilities	250	1.50	.501
Preference towards EMI facilities	125	2.27	.874
Reason for not preferring EMI	131	1.95	.821
Awareness on repayment period for loan sanctioned	250	1.24	.430
Quality of service provided at the time of loan sanctioned	250	2.10	.726
Awareness about types of service offered	250	1.47	.500
Type of service preferred by the respondents	250	1.70	.624
Reason for not preferring different type of service	250	1.87	.658
Person created awareness about getting loans from banks	250	1.86	1.025
Media of advertisement	250	**2.47**	1.105
Duration of getting loans from banks	250	2.24	.709
Type of loan do you preferred for repayment	250	1.65	.763
Reason for preferring loans for repayment	250	1.97	1.147
Factors that affect to prefer for four wheeler loans	250	3.02	1.107
Mode of repaying the interest amount	250	3.16	1.379
Preference towards repaying the loan amount in to bank	250	2.48	1.271
Important factors for repayment of money through net banking	250	2.60	.982
Satisfaction on interest rates charged by the banks	250	2.92	1.233
Satisfaction on repayment time	250	3.36	1.231
Satisfaction on flat interest charged	250	2.88	1.586
Satisfaction on documentation charges collected	250	3.60	1.299
Satisfaction on sanction of loan amount	250	2.80	1.445
Satisfaction on liberty in repayment of money	250	2.00	1.329
Satisfaction on service provided for getting loan	250	3.28	1.315
Satisfaction on interest rate	250	3.28	1.432
Satisfaction on flexible repayment	250	3.08	1.601
Satisfaction on payment protection	250	2.64	1.385
Valid N (listwise)	0		

Source: primary data

Interpretation: The above table shows about the descriptive statistics for the major factors of the study. The factors above average mean (2.37) are taken in to consideration for the decision making process of the study. The factors are awareness on time taken for sanctioning the loan, media of advertisement, factors that affect to prefer for four wheeler loans, mode of repaying the interest amount, preference towards repaying the loan amount in to bank, important factors for repayment of money through net banking, satisfaction on interest rates charged by the banks, satisfaction on repayment time, satisfaction on flat interest charged, satisfaction on documentation charges collected, and satisfaction on sanction of loan amount.

ANOVA

Table Showing Comparision Between Income Level And Level Of Satisfaction

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Satisfaction on interest rates charged by the banks	Between Groups	15.976	3	5.325	3.615	.014
	Within Groups	362.424	246	1.473		
	Total	378.400	249			
Satisfaction on repayment time	Between Groups	1.994	3	.665	.435	.728
	Within Groups	375.606	246	1.527		
	Total	377.600	249			
Satisfaction on flat interest charged	Between Groups	63.370	3	21.123	9.229	.000
	Within Groups	563.030	246	2.289		
	Total	626.400	249			
Satisfaction on documentation charges collected	Between Groups	57.576	3	19.192	13.027	.000
	Within Groups	362.424	246	1.473		
	Total	420.000	249			

Satisfaction on sanction of loan amount	Between Groups	89.129	3	29.710	16.962	.000
	Within Groups	430.871	246	1.752		
	Total	520.000	249			
Satisfaction on liberty in repayment of money	Between Groups	35.492	3	11.831	7.195	.000
	Within Groups	404.508	246	1.644		
	Total	440.000	249			
Satisfaction on service provided for getting loan	Between Groups	87.711	3	29.237	20.988	.000
	Within Groups	342.689	246	1.393		
	Total	430.400	249			
Satisfaction on interest rate	Between Groups	85.703	3	28.568	16.547	.000
	Within Groups	424.697	246	1.726		
	Total	510.400	249			
Satisfaction on flexible repayment	Between Groups	84.461	3	28.154	12.503	.000
	Within Groups	553.939	246	2.252		
	Total	638.400	249			
Satisfaction on payment protection	Between Groups	32.903	3	10.968	6.067	.001
	Within Groups	444.697	246	1.808		
	Total	477.600	249			

Source: primary data

Interpretation: The above table shows about the relationship between income level and level of satisfaction of customers with in between variables. There is a relationship between income level and Satisfaction on interest rates charged by the banks, Satisfaction on documentation charges collected, Satisfaction on sanction of loan amount, Satisfaction on liberty in repayment of money, Satisfaction on service provided for getting, Satisfaction on flexible repayment, Satisfaction on interest rate, and Satisfaction on payment protection as the level of significance is less than 0.05.

VII. FINDINGS
PERCENTAGE ANALYSIS:

➢ Most of the respondents are neutral about awareness on time taken for sanctioning the loan in our survey.

➢ Majority of the respondents are highly aware on repayment period for loan sanctioned.

➢ Most of the respondents said that friends are the persons who created awareness about getting loans from banks.

➢ Maximum of the respondents are highly satisfied on sanction of loan amount.

➢ Most of the respondents are highly dissatisfied on flexible repayment.

CHI-SQUARE: The factors awareness on time taken for sanctioning the loan, media of advertisement, factors that affect to prefer for four wheeler loans, mode of repaying the interest amount, preference towards repaying the loan amount in to bank, important factors for repayment of money through net banking, satisfaction on interest rates charged by the banks, satisfaction on flat interest charged, satisfaction on documentation charges collected, and satisfaction on sanction of loan amount are taken for decision making process of the study.

ANOVA: There is a relationship between income level and Satisfaction on interest rates charged by the banks, Satisfaction on flat interest charged, Satisfaction on documentation charges collected, Satisfaction on sanction of loan amount, Satisfaction on liberty in repayment of money, Satisfaction on service provided for getting, Satisfaction on flexible repayment, Satisfaction on interest rate, and Satisfaction on payment protection

VIII. SUGGESTIONS

➢ If the banks and financial institutions try to create more awareness about loans through advertisements and by conducting programs related to loans then the volume can be increased in future based on the awareness created.

➢ The quality of service can be increased further and that will lead to increase in brand name of the firm.

IX. CONCLUSION
The study is to analyze the customer preference towards four wheeler loans in Coimbatore district which may be useful for reference in the future. The main objective of the study is to assess customer preference towards loan provided for their four wheelers and to suggest the banks and other financial institutions about the changes to be made to enhance the preference of the customers.

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