Testing the hypothesis

CHAPTER-8

Testing the Hypothesis

Knowing our consumers and manufacturers better gave us the required clarity to confirm or dismiss our assumptions.

We started our research with some assumptions to give our research a specific direction. After going through few researches done in the past and after reading few books on the research topic we had developed some notions about the industry and its customers. Once we learned the product portfolio of six players and tried to understand the preferences of one twenty five people we realized we were far from the truth on some points and we understood some situations correctly. Analysis of the data collected gives us the required information to state the facts confidently without any doubt or assumptions.

To start with the research we had formed three hypotheses

Hypothesis

It is been observed in the past that if a company has a strong international standing then Indian consumers tend to trust it inevitably without discovering whether the product suits the local conditions or not.

Consumers across the globe are always seen trusting a stronger brand even if there isn't enough evidence to prove its superiority over the other available alternatives. The strength of a brand could also be its strong and effective advertisement and promotional activities.

Cars being expensive commodity, consumers tend to be less experimentive. Once when satisfied by a brand they prefer to stick to the same brand which has given them satisfaction and value for money as experimenting can prove to be a costly affair.

H1: Indian consumers are overshadowed by the international image of a company.

H2: People are more influenced by the perceived image than ground reality.

H3: Consumers are less experimentive when it comes to higher end goods.

Testing the hypothesis

H1: Indian consumers are overshadowed by the international image of a company.

Indian automobile industry is filled with foreign players. Apart from just two (Maruti and Tata) players rest all are international manufacturers.

People were pretty clear in their thoughts and thus without any confusion majority of them said they put their faith in the manufacturer more than in the product. Only 15 of 125 i.e. a mere 12% of people said that they would test the product and would buy it if they like irrespective of the manufacturers popularity level.

Consumers in AB segment dint seem to have a good knowledge about the international presence of their brands. Mostly people struggled to think where else their car was available. People had little idea about the image of their company in the international market. They had either never bothered to know or their knowledge was not up to the mark. Very few people answered confidently and correctly.

For CD segment consumer's International success was in the mind of few as they felt that more a car is known in the global market more brand value it has in the local market as well. Brand franchise does matter to an extent in this segment. Consumers in MUV & SUV segment too did not bother much about the international presence of their brand. Many did not even know if their product was internationally available or no. Only two out of 15 answered correctly. Luxury segment is unique in its own way. This segment is ruled by strong Brand Value.

Uniqueness of this segment is that although Brand value plays the most important role in selling a car it's the product that decided at the end of the day. Luxury segment customers were keen on knowing about the international image of their brand. Understandably so as these cars are mostly bought only after they are successful in the global market and are well known across the globe.

Majority was against experimenting with an unknown brand as even for the small car buyers the amount they invest in the car is a substantial sum and they would not like to risk it. But they were not influenced by the success of the company in over seas market.

People were mainly of the opinion that what a manufacturer will give in the foreign market he may or may not be able to provide in the local market thus there is no point comparing the two. They said they will rather look at what they are been given here and judge the manufacturer.

When it comes to international success of companies customers in this particular segment were not too influenced by the companies standing in foreign market. They seemed to be more interested in the company's acceptance level in the local market more than international. People were of the opinion that every country has its own needs when it comes to vehicles.

Fuel cost, infrastructure, practical usage and primary needs from a car varies from one country to another, e.g.: USA and European countries prefer to have cars with more power and comfort at high speed they don't face the parking problems and traffic of Indian roads thus they need bigger and spacious cars. Their wants are supported by facilities in their country. Thus imitating them will not work for Indian consumers. In Indian we need more fuel efficient cars which are spacious enough but not too big to drive on narrow Indian roads.

In foreign countries cars are mostly self driven thus when they select their cars they look for cars with more driving pleasure and ease. In India till recent years people preferred to be chauffer driven. Though our research show that the trend is fast changing particularly for this segment, what lies behind the opinion of people is that imitating product trends may not work in their favor due to different climatic, infrastructural and social situations.

Market leader Maruti motors is an Indian company. Both Maruti and Tata manufacture in India and they are very popular among the buyers. Hyundai and Skoda are both international players but they are not hugely successful in the global market however in India they have received good response and respect in the market.

Audi is a huge success internationally but in India they took almost five years to put find the pulse of the consumers. It is only recently that they have started achieving good numbers and a decent dealer network.

Findings:

Indian consumers are no more influenced by the international image of a company. They know their product and are well aware of their needs and means to fulfill them.

H2: People are more influenced by the perceived image than ground reality.

Gone are the days when a manufacturer if managed to build an image for itself with the help of advertisements and promotion can sustain in the market by getting the target customers.

Most customers in A & B segment said that they trusted the company more than the model while buying the product. People in the C, D, MUV & SUV segment were more aware of their needs from the product and thus were more focused on the models features and design than brand image. This segment is more demanding when it comes to product requirement thus they pay more attention to what each models have and does it have everything that they need more than whom it belongs to.

Though there were customers who said they bought cars like Skoda and VolksWagon Polo and Jeta purely because of companies implacable reputation when it comes to solid engineering. But majority of customers were of the opinion that they buy cars depending on the features offered by the company and its utility value.

When asked to name the other brands in its segment and the brands they considered while making their final decision people named all the available models correctly. Knowledge of product and it's know how has improved drastically over last few years. This was evident in our survey when we noticed that almost every one was well aware of options available in their segment. People named most of the competitor's product well and mentioned few out of that they had considered while making their decision.

When asked to name the reasons for making their choice consumers mainly said performance of the product is what they saw before making their decision. Today facilities like test drives and information booklet etc provided by the companies makes it possible for the consumers to check and test what they are buying.

It was no surprise to hear consumers stating exactly what they like their car to have and why they zeroed their option to the particular model they bought.

Findings:

Today's consumer is not only aware of ground reality but is also well grounded to be taken for a ride in name of promotional packages and discount offers.

H3: Consumers are less experimentive when it comes to higher end goods

Consumers in C, D and luxury segment confirmed that they would not experiment with new brands easily. Two main reasons for not being experimentive were lack of facilities by new manufacturer as dealer network, availability of parts, emergency services etc will not be in place. Secondly new brand means no past record and thus people were not willing to invest an huge amount of money without any guarantee. Respondents were keen on trying only what was different than the rest and was well known.

Thus confirming our hypothesis that Indians are less experimentive and try only the tested products.

Findings: It's true that Indian consumers are less experimentive when it comes to higher end good.