

**FACTORS INFLUENCING THE BRAND PREFERENCE AND BRAND LOYALTY OF
RURAL CUSTOMERS TOWARDS AUTOMOBILE INDUSTRY IN THIRUVARUR
DISTRICT**

Dr.G.Vijayalakshmi,

Assistant Professor, Department of MBA

Sengamala Thayaar Educational Trust Women's College (Autonomous)

Sundarakkottai, Mannargudi, Thiruvapur(Dt.)Tamil Nadu

Affiliated by Bharathidasan University

Email Id.: gvijimktg@gmail.com

ABSTRACT

The survey has been interpreted to analyse the impact of component causing the brand preference and brand loyalty on selected brands of passenger cars among rural customers in Thiruvapur region in the state of Tamilnadu. The sample size of the study was 350 rural customers from the study area, they were selected using simple random sampling method. The researcher selected Maruthi Suzuki, Tata, Mahindra and Renault brands for the study. A structured questionnaire was utilized to collect primary data. The researcher applied mean, standard variation, constant of variation, Factor analysis and Regression analysis as statistical instrument to analyse the data. The survey found that among the six major factors considered for the study, the Comfortability factors, Financial Factors and Value Factors had high level of influence on rural customers' brand preference and brand loyalty of passenger cars in the study area. Sales and service factors and Safety factors did not have significant influence on rural customers' brand preference and brand loyalty of passenger cars in Thiruvapur district.

Key Words: Automobile, brand preference, brand loyalty, comfortability, financial and value.

INTRODUCTION

In the contemporary business environment, branding has become a crucial element for organizations seeking to establish a strong market presence and gain consumer trust. The automobile industry, being one of the most dynamic and competitive sectors, depends heavily on brand preference and loyalty to sustain growth and profitability. While urban markets are often saturated and characterized by fierce competition, rural markets are emerging as the new frontier for automobile companies in India and other developing nations. With increasing disposable income, better road connectivity, improved agricultural productivity, and government initiatives for rural development, the purchasing power and aspirations of rural consumers have grown significantly. Consequently, understanding the factors that influence brand preference and brand loyalty among rural customers has become an important focus area for automobile manufacturers and marketers.

Rural customers, though traditionally perceived as price-sensitive and less brand-conscious, are now exhibiting changing consumption patterns. The influence of media, mobile technology, and improved access to information has made them more aware of different

automobile brands, features, and performance parameters. Moreover, the rural population's perception of automobiles has evolved from being merely a means of transportation to a symbol of status, reliability, and personal identity. As a result, brand preference and loyalty among rural customers are shaped not only by economic factors but also by psychological and social determinants.

Brand preference refers to the inclination of consumers to select one brand over others when faced with multiple alternatives. It is an outcome of prior experiences, brand image, perceived quality, emotional connection, and the overall satisfaction derived from using the brand. In the context of the automobile industry, rural consumers tend to prefer brands that offer a combination of affordability, durability, fuel efficiency, and after-sales service. However, beyond functional benefits, factors such as peer influence, dealer relationships, availability of spare parts, and local reputation also play a vital role in shaping preferences.

Brand loyalty, on the other hand, is the degree of attachment and commitment a consumer shows toward a specific brand, often leading to repeat purchases and positive word-of-mouth. Loyal customers are less likely to switch brands even when faced with competing offers or marginal price differences. For automobile companies operating in rural markets, achieving brand loyalty ensures long-term customer retention, lower marketing costs, and enhanced profitability. It also helps in building a strong brand equity that can withstand market fluctuations. In rural areas, loyalty is often developed through consistent performance, trust built over time, personalized dealer interactions, and the perceived value of the brand.

Several factors influence brand preference and loyalty among rural automobile consumers. Economic factors such as income level, credit availability, and price perception play a significant role, as affordability remains a primary concern. Product-related factors including fuel efficiency, mileage, durability, design, and maintenance cost also affect buying decisions. Promotional factors like advertisements in local media, brand visibility through rural campaigns, and word-of-mouth recommendations shape awareness and attitudes. Dealer and service network accessibility further influence customer satisfaction and long-term brand attachment, as rural buyers often rely on the after-sales support provided by local dealers.

Furthermore, socio-cultural factors such as family opinion, community influence, and social status aspirations contribute to brand decisions. Rural consumers often depend on collective decision-making, where recommendations from friends, relatives, or local opinion leaders significantly impact the final choice. In addition, psychological factors such as perceived quality, trust, emotional connection, and the symbolic value associated with a brand create deeper bonds that translate into loyalty.

In recent years, the digital revolution and mobile penetration have begun to reshape rural buying behavior. Exposure to online reviews, social media content, and digital advertisements has enhanced awareness of automobile brands even in remote areas. Companies that successfully adapt their marketing communication to the rural context—through vernacular advertising, local brand ambassadors, and relatable storytelling—are more likely to build stronger brand preferences and customer loyalty.

Understanding these factors is essential for automobile companies aiming to expand their rural market share. Rural India, for instance, accounts for nearly 65–70% of the country's population and offers immense potential for automobile sales, especially in the two-wheeler and

small car segments. However, the rural market is highly diverse in terms of demographics, income distribution, and cultural values, making it necessary for marketers to adopt localized strategies. By studying the determinants of brand preference and loyalty, automobile firms can develop more effective marketing, pricing, and distribution strategies tailored to rural consumers' unique needs and expectations.

Brand preference and loyalty in the rural automobile market are the results of an intricate interplay of economic, social, psychological, and cultural factors. With the growing importance of rural consumers in the overall growth of the automobile industry, companies must focus on building trust, ensuring product reliability, maintaining efficient service networks, and communicating effectively with rural audiences. Only by understanding and addressing these diverse influences can automobile brands create lasting customer relationships and secure a competitive edge in the evolving rural market landscape.

Literature Review

Reviews and empirical papers from 2019 emphasize product attributes (mileage/fuel efficiency, durability, maintenance cost), price/value-for-money, and brand image as primary drivers of brand preference for passenger cars and smaller commercial vehicles. Much of the 2019 literature (including India-focused reviews) finds that functional benefits dominate initial choice in non-urban markets, while perceived reliability and local dealer reputation influence longer-term loyalty.

2020 literature notes rising importance of online reviews and eWOM alongside traditional local word-of-mouth. Even rural buyers increasingly consult mobile/online information where available; however, trust in local dealers and opinion leaders remains high. Studies on review effects show that positive online information improves brand consideration, but its influence is heterogeneous across rural locations.

Around 2021, several studies broaden the view beyond functional attributes to include *brand affect*, *aspirational value*, and *social influence* as determinants of preference and loyalty—especially for higher-involvement purchases. Research shows that rural buyers sometimes choose brands that signal status or modernity for family/community reasons, meaning affective and symbolic dimensions start to matter alongside price and utility.

Industry studies and empirical reports from 2022 highlight *after-sales service accessibility*, *spare-parts logistics*, and *rural-tailored financing* as decisive for converting brand preference into repeat purchase (loyalty). Large trend/brand-loyalty surveys that year also show that customer retention in automobiles increasingly depends on the perceived convenience of service and on flexible credit/EMI options.

Objectives

The present research work has been undertaken with the following objectives.

- To identify and analyze the factors influencing the brand preference and brand loyalty of rural customers towards passenger cars in Thiruvavur District.
- To examine the impact of these factors on the brand preference and brand loyalty of rural customers towards passenger cars in Thiruvavur District.

Methodology

The study has been undertaken to analyse the impact of factors causing the brand preference and brand loyalty on selected brands of passenger cars among rural customers in Thiruvavur district in the state of Tamilnadu. There are 573 revenue villages in Thiruvavur district, the researcher selected 50 villages for the study and from each district a total of 7 customers were

selected as sample, hence the sample size came 350 customers from the study area. The researcher selected Maruthi Suzuki, Tata, Mahindra and Renault brands for the study. Simple random sampling method was adopted for sample selection. A structured questionnaire was used to collect primary data. The researcher applied mean, standard deviation, coefficient of variation, Factor analysis and Regression analysis as statistical tools to analyse the data.

Results and Discussion

In the recent years, people in India have started to buy passenger cars for their personal use. The statistics regarding increase of number of passenger cars sold in the country supports the statement. Unlike other products, brand image and brand loyalty among customers are playing an important role. Top car sellers in the country are Maruthi Suzuki, Tata, Mahindra and Renault among rural customers. The study has been undertaken to analyse the factors influencing brand preference and brand loyalty of passenger cars of the above brands among rural customers in Thiruvarur district. This part of the research paper brings out the results and discussion of the study.

The researcher tested the reliability of the questionnaire used for the study using Cronbach's Alpha test. This test is applied with the sample size of 350 respondents. Generally the score of α is more than 0.9 represents excellent in reliability, between 0.8 and 0.9 represents good, between 0.7 and 0.8 represents acceptable level and α between 0.6 and 0.7 shows questionable position, α score between 0.5 and 0.6 represents poor reliability and α score less than 0.5 indicates acceptable questionnaire.

Table 1: Cronbach's Alpha Test

Sl. No.	Aspects	Cronbach's Alpha	No. of items	Corr. Item-Total Corr. less than 0.3
1	Factors influencing brand preference and brand loyalty of automobile industry.	0.821	22	0

Source: Computed from Primary Data

It is known that the cronbach's alpha results of the factors influencing the rural customers' brand preference and brand loyalty of passenger cars in Thiruvarur district is 0.821, it was also observed that there was no item had correlation of less than 0.3, since the alpha value is more than 0.7 but less than 0.8, hence the questionnaire is at good to carry out the research.

A total of 22 various factors were considered for the study, which are possibly influencing the customers brand preference and brand loyalty of selected passenger cars in the study area. In order to reduce the number of factors, factors analysis was employed and the results the results of Eigen values, percentage of variance, cumulative percentage for initial Eigen values and rotation sums of squared loadings are presented in table 2.

Table 2: Total Variance Explained: Factors Causing the Brand Preference and Brand Loyalty of Automobile Industry

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.877	9.989	9.989	1.877	9.989	9.989
2	1.633	8.886	18.875	1.633	8.886	18.875
3	1.561	8.647	27.522	1.561	8.647	27.522
4	1.446	8.465	35.987	1.446	8.465	35.987
5	1.409	7.994	43.981	1.409	7.994	43.981
6	1.315	7.851	51.832	1.315	7.851	51.832
7	0.997	6.152	57.984			
8	0.991	4.221	62.205			
9	0.957	4.033	66.238			
10	0.924	4.002	70.24			
11	0.922	3.351	73.591			
12	0.884	3.213	76.804			
13	0.857	3.062	79.866			
14	0.832	2.838	82.704			
15	0.814	2.668	85.372			
16	0.785	2.448	87.82			
17	0.772	2.426	90.246			
18	0.734	2.315	92.561			
19	0.722	2.213	94.774			
20	0.696	2.005	96.779			
21	0.683	1.683	98.462			
22	0.644	1.538	100			

Table 2 indicates the results of factor analysis in terms of Eigen values at initial stage and after the process of rotation method for the factors causing the customers' brand preference and brand name of selected traveler cars in the study area. The results showed that all the 22 factors were decreased into six component by component investigation by pursuing motion method. Its results along with correlation are given in table 3.

Table 3: Factor Analysis: Factors Causing the Brand Preference and Brand Loyalty of Automobile Industry (Rotated Component Matrix^a)

Sl. No.	Factors	Components						Factor Name
		1	2	3	4	5	6	
1	Design of the car	0.855						Comfortability Factors
2	Interior design	0.822						
3	Spacious	0.752						
4	Sound system	0.740						
5	Availability of colours	0.721						
6	Durability of car		0.805					Value Factors

7	Less maintenance		0.748					
8	Guarantee and warranty claims		0.708					
9	Mileage of the car			0.748				
10	Pick-up			0.716				
11	Adopting latest technologies			0.691				
12	Affordability of price of the car				0.844			
13	Availability of loan				0.826			
14	Price of spare parts				0.774			
15	Offer or discount given				0.769			
16	Prompt service					0.739		
17	Availability of spare parts					0.766		
18	Waiting time to deliver the car					0.756		
19	Service stations nearby me					0.749		
20	Quality of the car						0.788	
21	Safety measures in the car						0.750	
22	Brake system						0.737	

Table 3 indicates that the consequence of factor analysis for the element causing the customers' brand preference and brand loyalty of selected traveler cars in the study area. All 22 factors were reduced into six factors by using factor analysis. The factors 1,2,3,4 and 5 were highly correlated with factor 1, they were grouped into one and they were labeled as "Comfortability Factors". The factors 6,7 and 8 were highly correlated with factor 2, they were grouped into one and they were labeled as "Value Factors". The factors 9, 10 and 11 were highly correlated with factor 3, hence they were grouped into one and labeled as "Efficiency Factors". The factors 12, 13, 14 and 15 were highly correlated with factor 4, they were grouped into one and named as "Financial Factors". The factors 16, 17, 18 and 19 were correlated with factor five, they were grouped into one and it was labeled as "Sales and Service Factors". The factor 20, 21 and 22 were correlated with the factor six, it was labeled as "Safety Factors".

Based on the factor analysis, a total of 6 factors are considered for the study to test the impact of these factors on the customers' brand preference and brand loyalty of selected passenger cars in rural areas of Thiruvavur district. Table 4 gives the results of mean, standard deviation, coefficient of variation and the rank of factors based on mean value.

Table 4: Descriptive Statistics of Factors Causing Brand Preference and Brand Loyalty of Automobile Industry

Sl. No.	Factors	$\bar{x}$	σ	CV	Mean Rank
1.	Comfortability Factors	3.77	1.27	29.26	III
2.	Value Factors	4.34	1.40	37.14	I
3.	Efficiency Factors	3.01	1.43	47.51	VI
4.	Financial Factors	4.14	1.44	44.58	II
5.	Sales and Service Factors	3.45	1.50	43.48	IV
6.	Safety Factors	3.23	1.46	35.27	V

Source: Primary Data

It is known from table 4 that the measured mean value of the factor “Value Factors” was highest at 4.34, the factor was ranked first and therefore the Value factor influenced the rural customers’ brand preference and brand image of passenger cars more in the study area. Followed by the mean value of the factors “Financial Factors”, “Comfortability Factors” were 4.14 and 3.77 and they were ranked 2nd and 3rd respectively. Hence the financial factors and comfortability factors also caused the rural customers’ brand preference and brand image of passenger cars in the study area. There was moderate level of influence by the sales and service factors on the rural customers’ brand preference and brand image of passenger cars in the study area. It was observed that the calculated mean value of the “Efficiency Factor” was lowest at 3.01, it was ranked last (6th), hence it is least influencing factor on the rural customers’ brand preference and brand image of passenger cars in the study area.

In order to know the influence of the selected factors on rural customers’ brand preference and brand loyalty of passenger cars in the study area, regression analysis was applied and the results are presented below.

H₀: There is no significant influence by the selected factors on rural customers’ brand preference and brand loyalty of passenger cars.

Table 5: ANOVA under Regression

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.501	6	0.092	6.732	0.000 ^b
	Residual	528.896	343	0.082		
	Total	534.297	349			
Adjusted R ²		0.431				

a. Dependent Variable: Brand Preference and Brand Loyalty

b. Predictors: (Constant), Comfortability Factors, Value Factors, Efficiency Factors, Financial Factors, Sales and Service Factors and Safety Factors.

The outcome of table 5 shows that the calculated value of F statistics of ANOVA under regression analysis for this model in testing the impact of factors causing on rural customers' brand preference and brand loyalty of passenger cars is 6.732, its p-value is zero, it is significant at 1% level, hence the model framed is fit for the study. The calculated value of adjusted R² (0.431) shows that these factors explained the rural customers' brand preference and brand loyalty of passenger cars to the extent of 43.1%, The following table presents the results of regression co-efficient of factors causing the rural customers' brand preference and brand loyalty of passenger cars.

Table 6: Regression Coefficientsof Factors Causing Brand Preference and Brand Loyalty of Automobile Industry

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.081	0.097		19.621	0.000
	Comfortability Factors	0.033	0.041	0.525	5.318	0.000
	Value Factors	0.035	0.031	0.237	2.723	0.022
	Efficiency Factors	0.013	0.025	0.111	2.734	0.021
	Financial Factors	0.034	0.019	0.412	5.251	0.000
	Sales and Service Factors	0.029	0.024	0.221	2.451	0.309
	Safety Factors	0.021	0.028	0.184	1.989	0.058

a. Dependent Variable: Purchase Intention

It could be known from table 6 that the calculated regression co-efficient of the factor comfortability factors on rural customers' brand preference and brand loyalty of passenger cars is 0.435, its p-value is zero, it is significant at 1% level, hence the null hypothesis is rejected and therefore the comfortability factors had significant positive influence on rural customers' brand preference and brand loyalty of passenger cars. Similarly, the calculated regression co-efficient of financial factor is 0.412, its calculated p-value is also zero, it is significant at 1% level, hence the null hypothesis is rejected and therefore the financial factors had significant positive influence on rural customers' brand preference and brand loyalty of passenger cars. The calculated regression coefficient values of value factors and efficiency factor are 0.237 and 0.111

respectively, their calculated p-values stood at 0.022 and 0.021 respectively, they are statistically significant at 5% level, hence the null hypothesis is rejected and value factors and efficiency factors are also had significant influence on rural customers' brand preference and brand loyalty of passenger cars. On the other hand, the calculated regression co-efficient values of the safety factors and sales and service factors are 0.184 and 0.221 respectively, they are not statistically significant, hence the null hypothesis is accepted for these factors and therefore these factors did not have significant influence on rural customers' brand preference and brand loyalty of passenger cars in the study area.

Conclusion

Automobile industry in India is one of the fastest growing industries in the world and it is one of the largest industries in India. The sale of passengers' car is keeping on increasing every year. Many people in India have started to buy passenger cars for their personal use. Brand preference and brand loyalty are playing an important role in purchase decision of passenger cars in India. The study has tested the influence of various factors affecting rural customers' brand preference and brand loyalty of passenger cars in Thiruvavur district of the state of Tamilnadu. Among the six major factors considered for the study, the Comfortability factors, Financial Factors and Value Factors had high level of influence on rural customers' brand preference and brand loyalty of passenger cars in the study area. Sales and service factors and Safety factors did not have significant influence on rural customers' brand preference and brand loyalty of passenger cars in Thiruvavur district.

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