

# Vendor Behaviour in Automotive Component Industry

Sadasivan, P.S. Rajeswari, Samson Santhosh Kumar

**Abstract:** Indian automobile Industry is budding in a higher pace with a sharp hike of 18.3% when compared with the previous year in the global record. It has both organised and unorganised sectors, Recent reviews of Automotive component Manufactures Association of India, it is expected to project its auto components' revenue of 100 billion USD on 2020 and extrapolated report forecasts its inclination on exports by about 100 billion USD on 2026. This volatile market in the globalizing world is opening up many unsought segments for the logistics and supply chain business, particularly though it crafts a move on the road to advanced electronic car segments, which are estimated more proficient, safe and unswerving means of transportation. It is anticipated that there would be a paradigm shift, this would prime to innovative verticals and fortuitous for automobile component manufacturers for driving to the change via methodical research and development. Hence it is predominant to cater the study on vendor behavior to examine the factors influencing them to demand. Thus, this study mainly to determine the customers' priority in selecting the Mecaplast products regarding Quality, Price, customer care services.

**Index Terms:** Vendor behavior, Quality, Price, customer care services.

## I. INTRODUCTION

The automotive industry is ahead with imperative challenges and opportunities. Globalisation and this volatile market lead to the warranted conditions of sensing the vendor behaviour to analyse and examine their buying approach. Indian automobile industry especially the component manufactures plays predominant role in improving the direct employment for organised large and medium firms of 2.5 lakhs. This industry has more than participants of 500 medium and large organised sector with subsidiaries of 6000 units. The imports in this segment is based on the domestic demand of about 13.5%. The unorganised sector has more scope with little investment.

## OBJECTIVES OF STUDY

1. To identify the factors influencing Vendors purchasing behavior of the Mecaplast products.
2. To determine the customers' priority in selecting the Mecaplast products regarding Quality, Price, customer care services.

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**Dr. Sadasivan**, SRM School of Management, SRM Institute of Science and Technology, Kattankulathur.

**Dr.P.S. Rajeswari**, SRM School of Management, SRM Institute of Science and Technology, Kattankulathur.

**Samson Santhosh Kumar**, SRM School of Management, SRM Institute of Science and Technology, Kattankulathur.

## II. SCOPE OF THE STUDY

- i. Find out the competitor's position in automotive industry with respect to Mecaplast industry.
- ii. Understand and evaluate the sales of external body parts of a car in Chennai region.
- iii. Determine the customers need from the company.
- iv. Identify the various suggestive points from the customers..

## III. REVIEW OF LITERATURE

FICCI 2007 portrayed the significance of automobile industry of India and also explained the proliferation of this industry as it generates 4% of GDP to India. Indian automobile Industry has various automobiles like cars, bikes, buses, jeeps, trucks, tractors as it covers two, three and four-wheeler segments. According to KPM 2010, Indian auto components' manufacturing segment constitutes 500 big and 1000 small firms. It produces high quality auto components at low cost and it strengthens the exports to global auto manufacturing companies.

## IV. RESEARCH METHODOLOGY

The research design undertaken by researcher is Descriptive research design. This research focuses on the attributes to narrate the exact factors influencing vendors to undergo business practices in auto component manufacturing Industry and also to present the behavioural pattern of vendors in automobile in a structured way.

## V. SOURCES OF DATA

**VI.** Primary data is collected through questionnaire or personal interview. It is considered as the core of survey operation. A questionnaire is constructed and is given to each employee. The responses are collected from them and used for analysis. In this way primary data is collected.

## VII. SAMPLE DESIGN

For the present study a sample size of 200 is collected through Convenience Sampling, which is non probability technique. Convenience sampling is a technique which is used when the data are collected based on the case to access the respondents. This technique is employed as the researcher has considered the busy schedule of the employees and the routine activities not to get affected. To serve the objectives of the present study samples from different categories are included, which is presented in the breakdown of sample..



**VIII. SAMPLE SIZE**

The sample size for collection of the data is 200.

**IX. TOOLS OF ANALYSIS**

In order to come out with the findings of the study, the following tools are used:

1. ANOVA analysis
2. Chi square analysis

**XI. LIMITATIONS FOR THE STUDY**

Production is in fact a huge operation and it is quite impossible to cope up all the activities during internship period. And for that reason limitations prevail while conducting the survey. basic limitations faced while preparing the study were:

- a) The company’s policies of not disclosing some data and information for obvious reasons, which would have been very much useful for the report.
- b) Few dealers sometimes felt disturbed as they were very busy with their work.
- c) In the actual practice it is very difficult to satisfy each and every individual.
- d) Due to lack of awareness of the external parts of a car the opinion is biased.

**XII. CHI-SQUARE ANALYSIS**

Hypothesis testing

H0<sub>1</sub> - There is significant relationship between Service of the Mecaplast and psychographic factors

H1<sub>1</sub>. There is no significant relationship between Service of the Mecaplast and psychographic factors

S.NO	FACTORS	F RATE	SIGNATURE VALUE
1	Parts of Mecaplast	121.273**	.000
2	Delivery time	125.109**	.000
3	Adequate credit facility	216.058**	.000
4	Good service after sales	293.930**	.000
5	Replacement policies	213.952**	.000
6	Visit of company’s personnel	139.202**	.000
7	Update of product catalogue	212.577**	.000
8	Mecaplast products	100.000**	.000

\*\* - 99% percentage of confidence level

\* - 95% of confidence level

**INTERPRETATIONS:**

1. From the above table, there is a relationship between Service of Mecaplast and parts of Mecaplast, delivery time, adequate credit facility, good service after sales,

replacement policies, visit of company’s personnel, update of product catalogue, Mecaplast products.

2. From the above table, there is a good response for the goods after sales, replacement policies and delivery time.
3. For the above satisfaction I want to suggest few strategies for better and improved service.
  - a) Thanking customers for their business.
  - b) Confirming sales or delivery arrangements verbally or by email or letter are the strategies that should be adopted for goods after sales.
  - c) The service towards replacement can be made fast by hiring labours.
  - d) For the delivery time the team can work in a group to attract more customers.

**XIII. ANOVA ANALYSIS**

Hypothesis testing

H0<sub>1</sub> - There is significant relationship between Service of the Mecaplast and psychographic factors

H1<sub>1</sub>. There is no significant relationship between Service of the Mecaplast and psychographic factors

S.NO	FACTORS	F RATE	SIGNATURE VALUE
1	Delivery products	34.057**	.000
2	Adequate credit facilities	100.000**	.000
3	Goods after sales service	89.043**	.000
4	Replacement policies	77.393**	.000
5	Visit of company’s personnel	78.037**	.000
6	Update of product catalogue	87.357**	.000

\*\* - 99% percentage of confidence level

\* - 95% of confidence level

**INTERPRETATIONS:**

- a. From the above table, there is a relationship between Service of Mecaplast and delivery time , adequate credit facility, good service after sales, replacement policies, visit of company’s personnel, update of product catalogue.
- b. From the above table there is a good response for adequate credit facilities, goods after sales service and update of product catalogue.
- c. The strategies which the company can adopt for better improvement are as follows:
  1. Confirming sales or delivery arrangements verbally or by email or letter.
  2. Ensuring customers have your contact details and that you have theirs.
  3. The price can be made lower for good customer response.
  4. The product catalogue can be



made more attractive by adopting various colours and designs.

### XIII. SUGGESTIONS

The study proves that the Mecaplast is providing a tough competition to their competitors but it is now well enough to take a competitive advantage over their competitor. So the following are my suggestions.

- e) Greeting and expressing gratitude to the customers through various promotional tools or by email or letter are the strategies that should be adopted for goods after sales.
- f) The service towards replacement can be made fast by hiring labours.
- g) For the delivery time the team can work in a group to attract more customers.
- h) Approving sales or delivery measures orally or by email or letter can be adopted for goods after sales service.
- i) The price can be made lower for good customer response.
- j) The product catalogue can be made more attractive by adopting various colours and designs.
- k) They can give more attention to the promotion of the external parts by advertising, putting in social sites, postures etc.
- l) New techniques can be adopted for the satisfaction level towards the parts of a company like giving gift hampers to the customers coming for buying products; campaign can be conducted for attracting customers.

### XIV. CONCLUSION

This presents the summary of the study done in relation to the competitive analysis of Mecaplast (Exterior Parts) over their competitor in Auto Component Manufacturing Industry. The conclusion is drawn from the study through various data collected through Internet on competitive analysis of Mecaplast. The companies which have been analyzed in the project are leaders in their respective sector. These companies have outperformed the respective benchmarks and are giving healthy over the period of time.

A stable and growing auto component industry, which has thousands of producers in the unorganized sector as well, is critical for the overall health of the economy.

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