

Consumer Buying Behaviour in the Changing Global Competitive Landscape for Cars in Pune.

Simon Thomas

Research Scholar, Tilak Maharashtra Vidyapeeth, Pune (India).

Abstract:

The automobile industries future is bright in India. Digitization has become a buzz word these days and many industries are already in the race. The consumer is already experiencing digitization in every way of life. It isn't different for the automobile industry and has joined the digitization era in a big way. Hence, it is vital to know the consumers behaviour for the success of any auto industry. There are many factors that influence people to act in a certain manner. This paper brings out different variables that affects an individual while choosing a brand of car.

Key Words: Consumers behaviour, brand, sales and service.

Introduction:

Nowadays consumers use their cars for multiple use such as travelling by themselves or to take the whole family out may be on an outing or a picnic. In the future they may want the ease to decide the most optimum solution for a specific purpose. Understanding the consumers buying behaviour has become important for the marketing / sales people of the automobile industry as their success only lies if they take care of their needs fully. Consumer behaviour demonstrates why, when, how, and where people buy or don't buy a product or services or goods. The consumers buying process, finalization process and the characteristics of the buyer is understood by his behaviour. It also studies the wants and needs of the individual and groups all the factors to some meaningful conclusion.

Indian car industry:

The auto industries association has said that the industry has manufactured 2,53,16,044 vehicles which includes commercial vehicles, passenger vehicles, three wheelers, quadricycles and two wheelers between April to March 2017. This number is against the production of 2,40,16,599 vehicles between April to March 2016. This shows it has went up by 5.41 % in comparison to last year. Passenger Vehicles sales went up by 9.23 % between April to March 2017 in comparison to last year. Passenger cars went up by 3.85 %, utility vehicles by 29.91 % and Vans by 2.37 % between April to March 2017 in comparison with last year.

Need of the study:

The potential for the Indian auto industry is high domestically and internationally. The research is critical for marketing and auto manufacturing companies to get some insights regarding the preferences of consumers and understand their behaviour.

Review of literature:

Bakshi (2012) suggested in her research impact of gender on consumer purchase behaviour through literature survey that gender is not only a biological concept as being a male or female, but beyond. Gender because of its different dimensions is considered to be a market segmentation variable but it is considered to be a variable that has a strong impact on the decisions. To satisfy the customers, marketers need to understand gender-based tendencies. It has been noted that there is a large difference between both the genders due to psychological and physiological differences. The purchasing behaviour of the genders are different the women seem to be more open and talks to more people internally to inform connect and network with others whereas the men are externally focused and tend to talk more often and still doesn't pass on information. Men try to gather more information whereas women go into the depth of the information. Women are more subjective and intuitive in nature but men are more analytical and logical and opines based on others purchases than by themselves. Men value for quality and efficiency and immediate needs whereas women are emotional and look for long term needs.

Sagar et al. (2004) suggested that the car industry in India has come a long way with improved technological capabilities. Strong competition is very much prevailing in this industry due to change in preferences of consumers, regulations formulated by government to control the pollution and also new strategies which are being continuously being implemented by new and existing players. The researcher has worked in detail regarding cars with good designs from India and those which were modified to meet global technological standards. It was also concluded that the exports are growing in number due to demand in the international market.

Mandeep et al. (2006) attempted to enlist critical features that may be used while making a decision to buy a new car. The research includes those people who live in the cities of Chandigarh and Punjab. Safety and comfort were considered vital and this was followed by luxury of the vehicle.

A study on consumer behaviour and factors influencing the purchase decision of durable goods with reference to Salem district was attempted by Rajeswari (2014). The objectives of the study were to know the socio-economic profile of the selected consumers, identify the factors influencing the consumers in the selection and use of particular products and summarize the key findings and offer suggestions. Primary data was collected from 50 respondents from the residents of Salem city. Various statistical tools were used to rank the findings. The findings from the study were that brands, price, quality, quantity, mode of purchase etc. does influence the consumer in purchasing consumer durable goods. It can be concluded that the consumer behavior is vital for success of any marketing activity and the business. It has been also observed that the customers may say their needs etc. but the final buying decision may be different. The consumer market in India is at its boom as the income has gone up and there is enough disposable income to spend. In this context we can say that the young are the beneficiaries of this trend. The consumers behaviour is well noticed in their buying behaviour. The growth in economy and the easy availability of finance plays a great role in the purchasing decision. Consumer durable usage has gone up in this current era as there are many varieties in the market and this ultimately helps to satisfy the changing taste of the consumer.

Anjali Sharma et al. (2013) made an attempt to investigate the impact of brand loyalty on consumer buying behaviour for beauty products and aspects involved while purchasing cosmetic products. Majority of respondents opined that quality is the most important factor at the time of purchasing of the beauty products followed by brand and price. However, small group of women feel packaging is the key factor for decision making. Researchers concluded that these factors are generally responsible for switching to other brands and friends are the most powerful reference group.

Research Methodology:

The data for the purpose of the present study have been collected through primary and secondary data. In order to realize the aforementioned research objectives, following research methodology was adopted by the researcher.

Objectives of the study:

To understand what influences a car buyer while buying a new car in the changing global competitive landscape for cars in Pune.

Research Hypothesis:

Car buyers are influenced by good after sales service, reputation or image of the brand and offers / discounts given by dealers & manufacturers while buying a new car.

Primary data collection:

Primary data has been collected through structured questionnaire. The study was undertaken for Pune and Pimpri Chinchwad of Pune region. A total of 225 respondents residing in Pune and Pimpri Chinchwad form the sample. Convenience sampling technique was followed for collecting response from the respondents.

Secondary data collection:

The sources of secondary data include published data such as data from books, journals, periodicals, reports, etc.

Tools for Analysis:

1. The statistical tools used for the purpose of this study are simple percentages and graphs.
2. Cochran's Test was done using SPSS version 21 to prove the hypothesis.

Data Analysis and Interpretation:

Variables that affect the respondents in the process of selecting a car

SNo	Variables	N = 225	Percentage
1)	Influenced by marketing	166	73.78
2)	Reputation or image of the brand	208	92.44
3)	Influenced by imported technology	192	85.33
4)	Influenced by good after sales service	214	95.11
5)	Warranty / guarantee	193	85.78
6)	Influenced by advanced technology	181	80.44
7)	Promotion by dealers & manufacturers	147	65.33
8)	Relative / friend's suggestions	102	45.33
9)	Satisfaction of earlier brand of car	101	44.89
10)	Known dealer	38	16.89
11)	Offers / discounts given by dealers & manufacturers	200	88.89
12)	Buy back scheme / resale value of car in the market	107	47.56
13)	Pick up and drop facility/exclusive service for ladies	76	33.78
14)	Easy and quick availability of spare parts	93	41.33
15)	Best competitive pricing by dealer	186	82.67

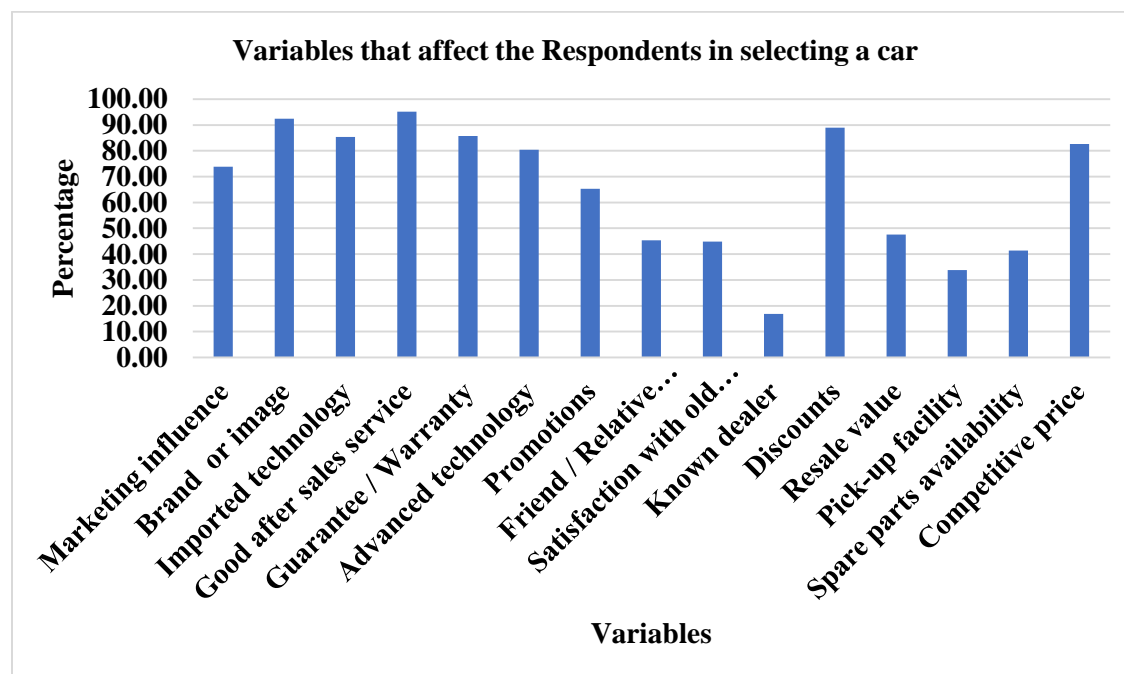


Figure: Variables that affect an individual in the process of selecting a car

Majority (95 %) of the respondents' process of selecting a car was affected by good after sales service. A large section (92 %) process of selecting a car was affected by reputation or image of the brand. Only 17 % process of selecting a car was affected by a known dealer.

Hypothesis Testing:

H0: Variables that affects an individual while choosing a brand of car do not differ in frequency of preference.

H1: Variables that affects an individual while choosing a brand of car significantly differ in frequency of preference.

Statistical Tests: Cochran's Test

Level of significance $\alpha = 0.05$

Frequencies	Value		Test Statistics	
	0	1		
Influenced by marketing	59	166	Cochran's Q	825.613
Reputation or image of the brand	17	208	df	8
Influenced by imported technology	33	192	Asymp. Sig.	0.000
Influenced by good after sales service	11	214		
Warranty / guarantee	32	193		
Influenced by advanced technology	44	181		
Promotion by dealers & manufacturers	78	147		
Relative / friend's suggestions	123	102		
Satisfaction of earlier brand of car	124	101		
Known dealer	187	38		
Offers / discounts given by dealers & manufacturers	25	200		
Buy back scheme / Resale value of car in the market	118	107		
Pick up and drop facility / exclusive service for ladies	149	76		
Easy and quick availability of spare parts	132	93		
Best competitive pricing by dealer	39	186		

Q (8) = 825.613, P < 0.05

Conclusion:

Since the P value is less than level of significance (0.05) the null hypothesis is rejected hence it is concluded that variables that affects an individual while choosing a brand of car differ in frequency of preference. To know where the difference lie the frequency statement table is differed. From the frequency table it can be seen that influenced by good after sales service have a frequency count of 214, reputation or image of the brand have a frequency count of 208, offers / discounts given by dealers & manufacturers have a frequency count of 200, warranty / guarantee have a frequency count of 193, influenced by imported technology have a frequency count of 192, best competitive pricing by dealer have a frequency count of 186, influenced by advanced technology have a frequency count of 181, influenced by marketing have a frequency count of 166, promotion by dealers & manufacturers have a frequency count of 147, buy back scheme / resale value of car in the market have a frequency count of 107, relative / friend's suggestions have a frequency count of 102, satisfaction of earlier brand of car have a frequency count of 101, easy and quick availability of spare parts have a frequency count of 93, pick up and drop facility / exclusive service for ladies have a frequency count of 76, known dealer have a frequency count of 38. Hence there are top three variables that affects an individual while choosing a brand of car. (Influenced by good after sales service, reputation or image of the brand and offers / discounts given by dealers & manufacturers while buying a new car.)

Findings:

Majority of the respondents' process of selecting a car was affected by good after sales service. A large section process of selecting a car was affected by reputation or image of the brand and for few the process of selecting a car was affected by a known dealer.

Recommendation and Conclusion:

Globalization has brought in remarkable changes in the marketplace and this has affected the lifestyle patterns of present day consumers. Time tested concepts of marketing, are being turned down as they fail to measure the behavior of new generation customers. In this complex and fast-growing world, the companies cannot predict but have to concentrate and analyze the consumer preference to satisfy and retain the consumers in the long run through consumer research in this competitive industry. The Indian companies have to adapt to the inevitable fast changes that are happening in this industry and must learn from the west to identify new competencies and respond to the same efficiently and effectively. Marketers should monitor the sectors movement and review the motivational factors that help a consumer hold on to a brand for a long term to increase their market share.

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