

“Consumer Behaviour Analysis under Automobile Sector”

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ABSTRACT

This study aims to investigate the factors that influence consumer behaviour in the automobile sector, and to provide valuable insights into consumer behaviour trends and preferences. The results of this study will be useful for automobile companies to develop effective marketing strategies that cater to the needs and preferences of their target customers, ultimately leading to increased sales and brand loyalty. The research will begin by reviewing existing literature on consumer behaviour from academic studies and industry reports, and then use a quantitative research approach, such as surveys or questionnaires, to collect data from a sample of consumers. The data collected will be analysed using statistical tools to identify patterns and relationships between the various factors that control consumer behaviour. The result of this research will help companies to tailor their marketing strategies to meet the needs of their customers and increase Sales and Brand loyalty.

Objectives of the study

- To identify key factors that influence consumers' decision-making processes when purchasing cars.
- To understand the role of brand perception, price, consumer reviews, social factors, and demographics in shaping consumer behavior in the automobile sector.
- To analyze the impact of technological advancements, environmental concerns, and changing consumer preferences on the automobile industry and consumer behavior.

Research Methodology

The study is conducted among 18–25-year-old youth who are mostly students to infer their consumption of various different automobiles. The study is conducted through the distribution of questionnaires online and a total of 50 responses were collected.

The study used both primary data and secondary data.

Primary data: Primary data was collected through random sampling, from a sample of respondents through a schedule using a questionnaire that was distributed online.

Secondary data: Secondary data was collected from standard manual and various websites.

Tools used for analysis:

Data analysis tools are tables, graphs and pie charts.

Limitations of the study

- The study is limited to 50 respondents out of which they are young. So, the findings and suggestions provided based on the study cannot be extrapolated to the entire population.
- The study is online so it could not reach the students who do not have access to internet.
- The research results can be statistically significant, but they are often humanly insignificant because they do not have a personal opinion.
- Primary data collected may be biased.

I. INTRODUCTION

The Indian automobile industry has historically been a good indicator of how well the economy is doing, as the automobile sector plays a key role in both macroeconomic expansion and technological advancement. The two-wheeler segment dominates the market in terms of volume due to a growing middle class and a huge percentage of the Indian population being young. Moreover, the growing interest of companies in exploring rural markets has further aided the growth of the industry. The growing logistics and passenger transport industry is increasing the demand for commercial vehicles. Future market growth is expected to be driven by new trends including electrification of vehicles, especially three-wheelers and small passenger cars.

India has a strong position in the global heavy vehicle market as it is the largest producer of tractors, the second largest producer of buses and the third largest producer of heavy trucks in the world. Annual automobile production in India in FY22 was 22.93 million vehicles.

Customer expectations are the customer-defined attributes of your product or service. We cannot create satisfaction just by meeting customer requirements fully because these have to be met in any case. However, falling short is certain to create dissatisfaction.

Major attributes of customer satisfaction can be summarized as:

- Product quality.
- Product packaging.
- Keeping delivery commitments.
- Price.
- Responsiveness and ability to resolve complaints and reject reports.
- Overall communication, accessibility and attitudes.

II. REVIEW OF LITERATURE

Consumer buying behaviour is an important aspect of the automobile sector, as it directly affects the sales and profitability of companies. In recent years, there has been a significant shift in consumer preferences and behaviour towards automobile buying. This literature review will examine the key factors that influence consumer buying behaviour under the automobile sector.

Brand perception plays a crucial role in consumer buying behaviour. A study conducted by Chaudhuri and Holbrook (2001) found that consumers who have a positive perception of a brand are more likely to purchase a car from that brand. Factors that influence brand perception include quality, reputation, and brand image.

Price is a significant factor that influences consumer buying behaviour. A study conducted by Cheema and Kaikati (2010) found that consumers tend to consider the price of a car before making a purchase decision. Consumers tend to evaluate the value proposition of the car by comparing its price to its features, quality, and brand image.

In recent years, online **consumer reviews** have become an important factor that influences consumer buying behaviour. Consumers tend to read reviews and ratings of cars before making a purchase decision. A study conducted by Xiang and

Gretzel (2010) found that online reviews have a significant impact on consumer decision-making.

Social factors such as family, friends, and peers also influence consumer buying behaviour. A study conducted by Casidy and Wymer (2016) found that family and friends play an important role in influencing consumer decisions related to automobile purchases.

Demographics such as age, gender, income, and education level also play a role in consumer buying behaviour. A study conducted by Jolly and Mardia (2014) found that younger consumers tend to value features such as fuel efficiency and technology, while older consumers tend to value comfort and safety features.

III. THEORETICAL FRAMEWORK

Theoretical frameworks are essential tools that guide research and explain how consumers make purchasing decisions. Consumer behaviour theory offers a range of models and concepts that can be applied to the automobile sector.

One of the most widely used theoretical frameworks in consumer behaviour is the **Consumer Decision-Making Process model**. This model explains the steps that consumers go through before making a purchase decision, including problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. In the automobile sector, consumers typically experience a high level of involvement and complex decision-making process, particularly when making high-cost purchases such as buying a new car. This model can help researchers to understand the factors that influence consumers' decision-making processes and the factors that can impact purchase decisions.

Another popular framework in consumer behaviour theory is the **Theory of Planned Behaviour (TPB)**. This theory suggests that consumers' attitudes, subjective norms, and perceived behavioural control influence their intentions to engage in a particular behaviour. In the automobile sector, this theory can be used to understand how consumers' attitudes towards brands, social norms, and perceived control impact purchase intentions. Additionally, the TPB suggests that perceived behavioural control influences actual behaviour, in addition to intentions. This theory can be applied to the study of consumer behaviour in the automobile sector to understand how perceived control influences actual purchase behaviour.

Maslow's Hierarchy of Needs is another framework that can be applied to the automobile

sector. This theory suggests that consumers have a hierarchy of needs that they seek to fulfil, including physiological, safety, love/belonging, esteem, and self-actualization. In the automobile sector, different types of cars may fulfil different consumer needs. For example, consumers who value safety may be more interested in purchasing cars with advanced safety features, while consumers who prioritize status and prestige may be more interested in luxury vehicles.

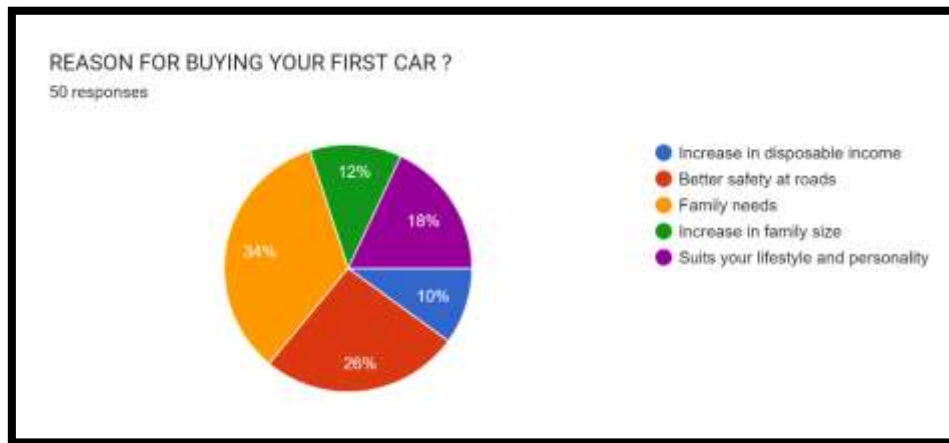
The Social Exchange Theory is another framework that can be applied to the automobile sector. This theory suggests that consumers engage in a cost-benefit analysis when making purchasing decisions, weighing the benefits of a product against its costs. In the automobile sector, consumers evaluate the value proposition of different cars based on their features, quality, and price.

IV. DATA ANALYSIS AND INTERPRETATION

Cross-tabulation:

➤ **ANALYSIS: WHAT IS THE REASON FOR BUYING YOUR CAR?**

REASONS	NO. OF RESPONDENTS	% OF RESPONDENTS
INCREASE IN DISPOSABLE INCOME	5	10%
BETTER SAFETY AT ROADS	13	26%
FAMILY NEEDS	17	34%
INCREASE IN FAMILY SIZE	6	12%
SUITS YOUR PERSONALITY AND LIFESTYLE	9	18%
TOTAL	50	100%



INTERPRETATION:

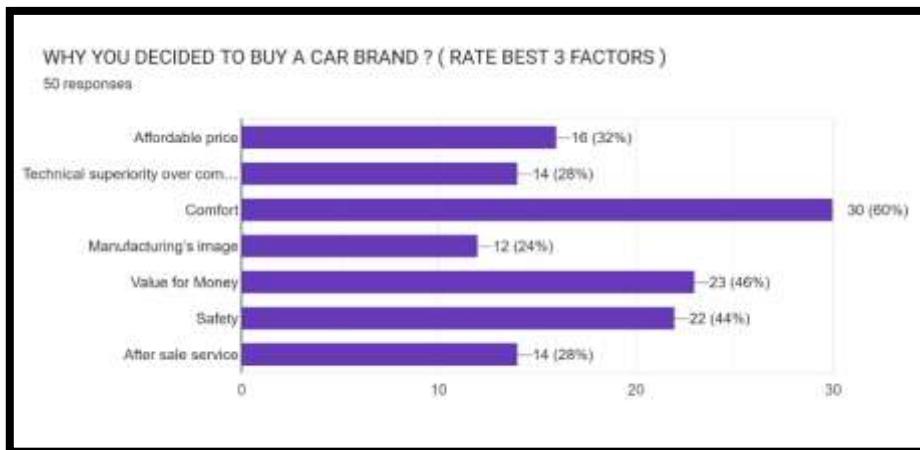
As per the analysis shows, increase in family needs seems to be the most important reason for buying a car. This trend is reflected in the

growth of the per capita disposable income and consequently the growth of the Indian Automobile Industry. Similarly the growing family needs like working partners, increasing family size, status, etc.

➤ **ANALYSIS: DECISION TAKEN FOR BUYING A CAR**

REASON	NO. OF RESPONDENTS	% OF RESPONDENTS
AFFORDABLE PRICE	16	32%
TECHNICAL SUPERIORITY OVER	14	28%

COMPLETION		
COMFORT	30	60%
MANUFACTURING'S IMAGE	12	24%
VALUE FOR MONEY	23	46%
SAFETY	22	44%
AGTER SALE SERVICE	14	28%
TOTAL	50	100%



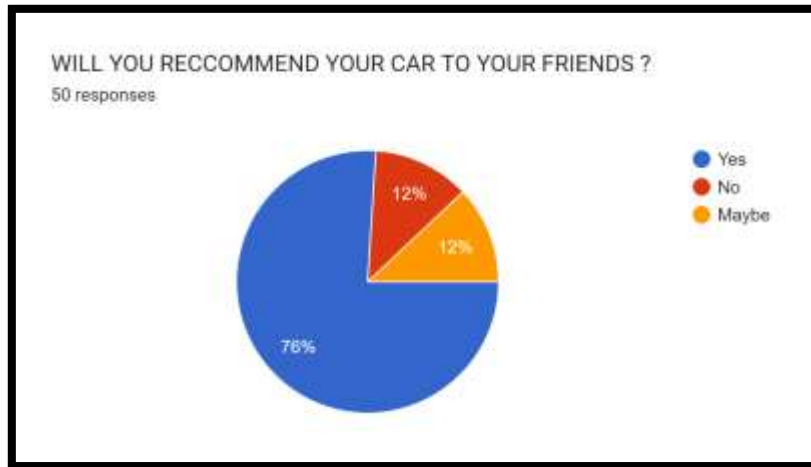
INTERPRETATION:

Indian market is still the hard nut to crack for most of the Automobile manufacturers. Though the Indian car industry is among the fastest growing car markets of the world still the Indian psyche is too complex for the manufacturers to understand. The most important reason for buying a car when it comes to B and C segment cars seems to be comfort. 32% of the respondents suggested that

affordable prices are the most important factor while purchasing a car. This is the reason for sticking to a particular segment till the next substantial rise in the personal disposable income. This reason is followed by safety of the car where the customer look for the best product, best services and best reputation all bundled in one with the best deal they can strive.

➤ **ANALYSIS: RECCOMENDATION OF CAR TO OTHER PEOPLE**

RECOMMENDATION	NO. OF RESPONDENTS	% OF RESPONDENTS
YES	38	76%
NO	6	12%
MAYBE	6	12%
TOTAL	50	100%



INTERPRETATION:

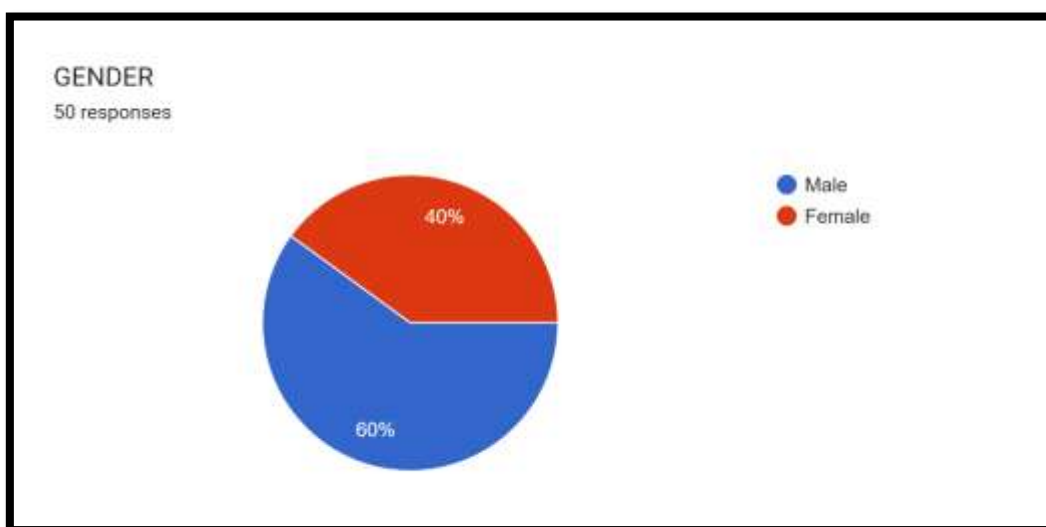
It seems logical that satisfied customers will someday become loyal customers. In other words there is a positive correlation between customer satisfaction scores and customer buying behaviour. If the customer rates the car very high in

satisfying his or her needs, the car manufacturer should expect more referrals and this is reflected in the analysis that 76% customers say that they will refer their friends even if they move to other segment or other brand.

DEMOGRAPHICS:

➤ **ANALYSIS: GENDER OF RESPONDANTS**

GENDER	NO. OF RESPONDENTS	% OF RESPONDENTS
MALE	30	60%
FEMALE	20	40%
TOTAL	50	100%

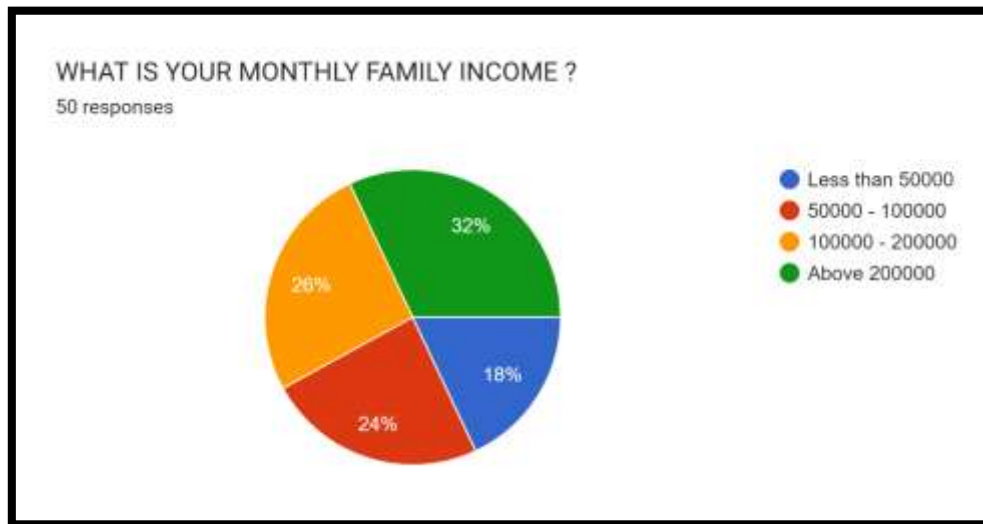


INTERPRETATION:

- The primary data is collected from a total of 50 respondents.
- 40% of the respondents are female.
- 60% of the respondents are male.

➤ **ANALYSIS: MONTHLY INCOME OF THE RESPONDENTS**

OCCUPATION	NO. OF RESPONDENTS	% OF RESPONDENTS
STUDENT	23	46%
SELF - EMPLOYED	15	30%
GOVERNMENT SERVANT	6	6%
EMPLOYEE	18	18%
TOTAL	50	100%



INTERPRETATION:

- 18% of the respondents have their monthly family income less than Rs. 50000.
- 24% of the respondents have their monthly family income between Rs. 50000 – Rs. 100000.
- 26% of the respondents have their monthly family income between Rs. 100000 – Rs. 200000.
- Lastly, 32% of the respondents have their monthly family income above Rs. 200000.

V. CONCLUSION

In conclusion, the results show that companies are playing on peripheral stimuli to maintain their Total Relationship Management a connect with current and potential customers. Companies are operating in a highly aggressive and competitive global market and that climate led to an emphasis on quality in all aspects. TQM focuses

on integration and coordination as well as continuous improvement of all activities and processes. Total Relationship Management (TRM) is very recent marketing strategy and philosophy. It focuses on and worries with all integrated internal and external activities within and between the organizations. These two terms are integrated by manufacturers according to building quality products and building good relationships with vendors and increasing service levels.

So, it is automatically necessary to study the seller as a component the journey of customer satisfaction with a product called a car! Their proximity to customers, the service they provide and the relationship they maintain it helps car companies to establish and renew with customer the brand personality they communicate to customers.

Finally, the main point that emerged from this detailed study is a warning car company. He says there is no doubt that the Indian auto market can be growing at double digits, but automakers still have a long way to go to travel to convince their customers of the brand personality of their cars and how it suits potential buyers. Simply because it just isn't guaranteed that however well the customer can hold the brand perception and how good a brand image can be, it is not guaranteed that it will turn into a sale. Cars are just like clothes and accessories suit a person's style and personality and since all cars will one day become a commodity, the key to selling a car in the market will lie with a person who knows how to use the customer's ideas about its use and sale of cars "which in the end only the car that survives is the one that sells.

VI. SUGGESTIONS

Based on the abstract and conclusion provided, here are five suggestions related to the study on consumer behavior in the automobile sector:

- Enhance customer engagement: Automobile companies should focus on building strong relationships with customers by actively engaging with them. This can be achieved through personalized communication, interactive platforms, and providing exceptional customer service. By understanding and addressing customer needs and preferences, companies can foster brand loyalty and increase customer satisfaction.
- Emphasize brand personality: The study highlights the importance of conveying the brand personality of cars to potential buyers. Automobile companies should invest in effective branding strategies that communicate the unique features, values, and identity of their vehicles. Aligning the brand personality with the target customers' preferences and lifestyle can help differentiate their offerings in a competitive market.

- Conduct market research: To better understand customer needs and preferences, automobile companies should conduct regular market research. This research can involve surveys, questionnaires, focus groups, and data analysis to identify emerging trends, customer expectations, and market demands. Such insights will enable companies to develop and adapt their products and marketing strategies accordingly.
- Focus on quality and continuous improvement: The study emphasizes the significance of quality in all aspects of automobile manufacturing and service. Companies should prioritize continuous improvement initiatives, such as Total Quality Management (TQM), to enhance product quality, customer satisfaction, and overall brand perception. By consistently delivering high-quality products and services, companies can build trust and long-term relationships with customers.

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