
A STUDY ON FACTORS PROMPTING THE PURCHASE DECISION TOWARDS SMALL CARS IN NAGPUR DIVISION (2011-2021)

Pranav Purushottam Lakhe

Research Scholar

Dr. Parag Kawley

Assistant Professor

Dr. R.G. Bhoyar Arts, Comm. & Sci.

College, Seloo

(Vidyabharti College)

Abstract :

Urbanization and metropolitan society have necessitated the need of fast foods, designer clothes, luxury cars, modern flats and the like. Passenger car sales have thrice once in a six years. It's also to be noted that the demand for luxurious models and mini-cars for family owners have gone up, largely due to change in the family and in the earning pattern, mainly the emergence of double income group families, has resulted in important changes in the buying behavior of individuals. Increase in number of car consumers and heavy usage is credited to increasing availability numerous car models. Due to a wide range of makes and models, people make choices based on their preferences and requirements when choosing which car to buy.

Introduction :

Among different products, buying cars is more sensitive because it deals with health and safety of human life. Customer behavior is a complex and not easily predictable phenomenon as changes in buying pattern are taking place at a dismaying speed. Despite this all, there are a number of factors influencing the buying behavior of car owners such as the emotions, purchase intention, family income, and mileage, color of the car, fuel variants, and manufacturing of the car.

Statement Of The Problem :

In the present modern technology age due to fast changing dynamics of the technology world the opportunities are myriad and consumer preferences undergo a dramatic change. In the global economy where the consumers are having an increasing exposure to foreign brands, the availability of information about the brands and awareness could play an important role in consumers' perceptions of the product quality and as well influence consumer choice. Making a decision to buy a product or services involves many processes and problems such as it is present there are many curbsides in car market they are unlicensed individual, dealer or retailer they buy up vehicles and instead of registering them under their own name, will post the same vehicle for sale with a markup. They might misrepresent the real condition of the car or hide major issues to make it look attractive. Most of the sellers and manufacturers give the wrong impression to the buyers about a vehicle's make, price, quality or performance. Moreover, the car owners, after purchasing the cars have been suffering with lot of problems,



particularly with regard to after sales service, maintenance problems, spare parts problems other hurdles like the strict rules laid by financial institutions and banks on car loans for the buyers purchasing cars on installment basis. Based on these basic issues, the researcher has developed an interest to study the car buyers' behavior and attitude towards buying small cars.

Objectives Of The Study :

The purpose of this research is to study the behaviour and attitudes of small car buyers and also know their perception and satisfaction about the car attributes. This research inclined towards attuning the following objectives.

- To identify the factors influencing the purchase of small cars.
- To find out the attitude of consumers towards purchase and use of cars

Hypotheses Of The Study :

In line with the objectives stated above, the following hypotheses are to be formulated and tested for the purpose of this study.

H₀: "There is no significant difference in importance shown by respondents from different brand of cars for various factors consider for selection of cars".

Research methodology nature of the study :

The present study is an empirical as well as analytical in nature and based on survey method.

Sources of data :

Keeping in view the versatile objectives of the study, the data collected from both the primary and secondary sources. The primary data has been collected through questionnaire. The relevant secondary data have been collected from journals, magazines, thesis, and dissertations, published and unpublished reports, online and reports.

Sampling technique :

Sampling technique adopted in the current study was systematic simple random sampling. A total of 510 questionnaires were issued, filled up and collected. A scrutiny of these questionnaires led to the rejection of 10 questionnaires on account of incomplete responses. The rejection rate was only 3.00 %. Thus 500 completed questionnaires were used for the present study.

Tools Used For Analysis :

The collected data are analyzed through descriptive statistical tools such as Percentage, Mean and Standard deviation have been used to describe the profiles of consumers, preferred product attributes and level of satisfaction. For testing the significance of hypothesis, analysis of variance (ANOVA), chi-square test and student's t test were used. The Chi-Square test is applied for studying relationship between the customer demographic characteristics and the preferred product attributes. For analyzing the survey data SPSS 28 package was used.



Factors influencing the purchasedecision towards small cars :

The marketing organization can use different techniques to facilitate the customers to act on their purchase intention. The relevant internal psychological method that is associated with purchase decision is integration. Once the integration is achieved, the organization can influence the buying decisions much more easily. To study the factors influencing customer’s buying behavior towards the small car they owned the researcher have used five point Liker scale for 23 statements and the customers were asked to reply. Rank analysis has been used to identify the most influencing factor consumers with respect to purchase of car. The below mentioned table shows the opinion of the respondents about the factors affecting the buying decision of consumer small cars.

Factors influencing the purchase decision towards small cars

FACTORS	NOT AT ALL IMPORTANT	NOT IMPORTANT	INDIFFERENT	IMPORTANT	EXTR EMELY IMPO RTANT	TOTA L SCOR E	ME AN SCO RE	% OF MEA N SCO RE	RAN K
Comfort/Luxury	34	38	17	181	230	2035	4.07	81.40	1
Price	32	45	38	155	230	2006	4.01	80.24	2
Fuel Efficiency and Fuel Type	28	60	27	156	229	1998	4.00	79.92	3
Brand Image	23	52	64	151	210	1973	3.95	78.92	4
Re-Sale Value	48	28	46	178	200	1954	3.91	78.16	5
Maintenance Cost	25	72	39	154	210	1952	3.90	78.08	6
Colour	37	76	26	166	195	1906	3.81	76.24	7
After Sales Service	29	69	66	149	187	1896	3.79	75.84	8
Financing Schemes	64	47	24	163	202	1892	3.78	75.68	9
Setting Capacity of the Vehicle	34	73	32	191	170	1890	3.78	75.60	10
Family And Friend’s Recommendation	53	62	26	170	189	1880	3.76	75.20	11
Availability Spare	42	82	39	135	202	1873	3.75	74.92	12



Style/Design	52	76	33	160	179	1838	3.68	73.52	13
Insurance Facility/ Offers	40	80	57	150	173	1836	3.67	73.44	14
Road Grip	80	39	30	199	152	1804	3.61	72.16	15
Warranty	55	74	73	115	183	1797	3.59	71.88	16
Safety	72	58	52	176	142	1758	3.52	70.32	17
Engine Pick Up	80	73	32	163	152	1734	3.47	69.36	18
Status Symbol	81	73	45	174	127	1693	3.39	67.72	19
Internal Space	90	78	52	140	140	1662	3.32	66.48	20
Innovative Technology	56	143	53	101	147	1640	3.28	65.60	21
Models	119	86	76	128	91	1486	2.97	59.44	22
Positive Review in Media	132	116	55	62	135	1452	2.90	58.08	23

Source: Computed from primary data

Table no 1

It is depicted from the above mentioned table that when respondents were asked to rank the factors influencing the purchase decision of consumer small cars which persuaded them according to the mean rank score, respondents have given 1st rank to “Comfort/Luxury with mean score of 4.07”, 2nd rank to “Price with mean score of 4.01”, 3rd rank to “Fuel Efficiency and Fuel Type” with mean score of 4.00 and successively 4th, 5th, 6th, 7th, 8th, 9th and 10th rank to “Brand Image” with mean score of 3.95, “Re-Sale Value” with mean score of 3.91, “Maintenance Cost” with mean score of 3.90, “Colour” with mean score of 3.81, “After Sales Service” with mean score of 3.79, “Financing Schemes” with mean score of 3.78 and “Setting Capacity of the Vehicle” with mean score of 3.78 respectively. It has been found that from the mean score analysis, the following factors the obtained mean values of 3.76 , 3.75, 3.68 , 3.67 and 3.61 for family and friend’s recommendation, availability spare, style/design, insurance facility/ offers and road grip. It indicates that these factors moderately influenced the respondents in their purchase decision. The following factors have mean below than overall mean of 3.61.i.e., warranty , safety, engine pick up , status symbol ,internal space, innovative technology, durability, and positive review in media. It indicates that these factors least influenced the respondents in their purchase decision.

Buyers Attitude To Wards Brands’ Image Of Small Cars Respondents’ Acceptance Towards Various Brands’ Image Aspects :



STATEMENTS	STRONG LY DISAGRE ED	AGREED	NEITHE R AGREED NOR DISAGRE ED	AGRE ED	TRONGL Y AGREED	TOTAL	WS	MWS
It is very easy for you to choose cars among different brands	77	77	48	114	184	500	1749	3.18
Your car brand offers the high mechanism performance	81	73	29	138	179	500	1762	3.20
Your car brand offers the high quality of materials and components.	99	107	53	96	145	500	1580	2.87
You feel that use of your car is a symbol for success and prestige	42	100	58	127	173	500	1789	3.25
You feel that using your car brand enhances your image	49	85	29	144	193	500	1845	3.35
The possession of your car brand makes you stand out in the crowd.	74	95	55	97	179	500	1714	3.12
Warranty for your car is sufficient	65	85	69	95	186	500	1753	3.19
er sales service of your car company is good	40	73	64	139	185	500	1855	3.37
Overall	62	75	49	175	139	500	1754	3.19

Source: Computed from primary data

Table no 2

Table 2 indicate that nearly 34.91 per cent of the respondents were agree with the various brand image aspects towards small cars, and another 27.82 per cent of the respondents have strongly agreed and 15.09 per cent of the total respondents disagreed towards various brand image aspects of mall cars. 12.36 per cent of the respondent has strongly disagreed. The mean acceptance score reveals that the respondents have a higher acceptance level (3.37)



towards after sales services of car companies are good, followed by respondents feel that using their car brand enhances users image (3.35). Your car brand offers the high mechanism performance (3.20), warranty for your car is sufficient (3.19) and it is very easy for you to choose cars among different brands (3.18). However, the respondents have a lower acceptance score on the possession of car brand makes customers stand out in the crowd (3.12) and car brand offers the high quality of materials and components (2.87).

Conclusion :

While describing the changes in the purchasing behavior of consumers, the marketers for the volume brands have noted some important aspects. It is argued that customers give in general, much more importance to image in their acquisition, and the current economic crisis customers prefer a branded cars for the benefits from the image of the brand which conveys also a better social status image. For all brands, customers started to buy smaller size cars, and they prefer older models in the market because as the price is much smaller, even though its designs are outfashioned. Another significant factor in decreasing car using costs is the fuel utilization, which is more critically analyzed in the purchase decision. The Now a day car is combined in the consumer's perception with their personality; it defines them compared to the others and states their belonging to certain consumer groups. Hence for the luxury brand, the changes in consumer preferences as a consequence of the economic crisis aren't as obvious as for other market segments. For these clients the image and the social status are central to the purchasing decision. Hence all the car company must ascertain and understand the factors influencing consumers buying behaviors and their attitudes towards buying small cars.

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