

“A STUDY OF CUSTOMERS’ BUYING MOTIVES AND THEIR BUYING DECISION PROCESS ACROSS DEMOGRAPHIC CHARACTERISTICS FOR EXECUTIVE SEGMENT CARS”

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ABSTRACT

The study examined the buying motives and buying decision process across demographic characteristics for executive segment cars. A market of a billion people has different consumer with various choice of their products and thus an elasticity demand will be appeared in the market. Consumer differs from one to another one and arranging into age, gender, income, education level, and tastes. Moreover, it has relationship in between the unlimited resources surroundings and the consumer will be heavily make their choice changed always of the goods and services so that they will demand more and more. In this study survey research design was used in which through questionnaire data was collected to test hypotheses. The study's finding concluded that significant and positive relationship is found between the independent variables of buying motives and buying decision process.

To conclude, the results show that from the point of view of a customer there seems to be no major difference among the car brands in a segment as far as performance is concerned. The brand perception is dependant mostly on the peripheral cues depending upon the nature and quality of the service provided along with the pricing, maintenance, availability of spare parts and related issues

INTRODUCTION

Today Indian economy is high as compare to developed countries which attracts the presence huge demand in automobile executive car industry. Automobile industry today is most lucrative industry.

Executive car is a British term for an automobile larger than a large family car. In official use, the term is adopted by Euro NC

Consumer buying motives

Buying Motive as “A motive can be defined as a drive or an urge for which an individual seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchase of something. Motive is inner urge that prompts a person to perform some action. It can be a strong desire, feeling, a drive or any emotion which plays a consideration which provide the impulse to buy, induce action or determine choice in the purchase of goods and service. role in the consumer's decision to purchase a product or a service.

Consumer Buying Decision Process

The customer buying decision process describes the journey of the customer goes through before they buy the product. Understanding your customer's buying process is not only very important for the salespeople, it will also enable to align the sales strategy accordingly.

It is true fact that if you are satisfied you recommended to others. Word of mouth and customer satisfaction play a very important role in determining market perception about an automobile. It is the market perception that determines the success of a company and so it is very important for the car manufacturers to measure the “willingness of existing users of a product to recommend it to others”. The same is a lot of interest to customers as well for it helps them make the purchase decision.

A car is one of the most significant purchases that an Indian household makes and this project addresses the most important question that perplexes car manufacturers:

“What makes the perfect car that influence will willfully purchase?”

The project highlights the factors that influence the buying decision of a consumer.

The factor under consideration would be:

- Price
- Income of the consumer
- Features in the car
- Safety standard
- Warranty scheme
- Finance facility

LITERATURE SURVEY

- **Manish Kumar Srivastava, A.K. Tiwari (2011)** studies the consumer behavior for executive segment vehicles such as Honda City and SX4 in a particular region Jaipur. Data collected from 100 respondents 50 each from Honda City and Maruti SX4. Respondents were considered from various backgrounds like Gender, Occupation, Income class. Also customer purchase parameters considered for study are Price, Safety, Comfort, Power & Pickup, Mileage, Max Speed, Styling, After Sales Service, Brand Name and Spare Parts Cost. Based on above parameters and analysis made in this it revealed that, while purchasing executive segment car Customer give much importance to Safty, Brand Name and seating and driving comfort. Also word of mouth publicity and advertisements in car magazines are more effective communication medium for promotion of Cars.
- **Nikhil Monga, BhuvenderChaudhary, SaurabhTripathi (2012)** this research attempts to answer some of the questions regarding brand personality of selected cars in India by conducting the market research. This personality sketching will help in knowing what a customer (or a potential customer) thinks about a given brand of car and what are the possible factors guiding a possible purchase. Similarly, the idea of measuring the customer satisfaction will serve the same purpose of determining the customer perception. Thus, by measuring the willingness of exciting users of a car to recommend it to others will help the car manufacturers to chock out the entire customer Buying Behavior. The study shows that brand perception is something which starts building up before a car is purchased and goes on with its use and is reflected in the recommendations. The customer makes to his acquaintances for the same car. Also it is seen that the customer might not be using the car still he holds the perceptions about it. Brand personality of a car is enforced by the sellers in the mindsets of the customers and customers reacts to it by forming their perception about the car and this reflects in the overall brand image of the car. So brand image and brand personality complement each other and the brand perception aids the building of brand images. As per the study findings, dealers play a very important role in building up the brand perceptions of the cars.
- **SaminRezvani, GoodarzJavadianDehkordi, Muhammad SabbirRahman (2012)** this paper reviews the country of origin and different variables that influence consumer purchase intention, also highlight the relationship of variables and customer purchase intention. Study demonstrate that people care about which country products come from and where they are made and consider these factors when evaluating the quality of product. Stereotypes of country and the preferences of customers, influence the purpose intention. Political system, culture and the economy of the country can be a cause of sensitivity to people. There are many factors that have an impact on consumer purchase intention. Research and methodologies have shown that even when consumers can evaluate all the intrinsic product characteristics by expressing the product, the effect of extrinsic cues has more influence on consumer product evaluation. Country of origin is one of the extrinsic cues; in addition, there is no doubt that country of origin has considerable influence on the purchase intention process.
- **K.Vidyavathi (2012)** The study throws light on various aspects that the manufactures should concentrate on to attract the prospective buyers. The demand for the small Automobile segment is increasing because of the growing number of nuclear families as well as parking problems. Hence the manufactures should find out the needs, wants, tastes and preferences of consumers in order to design the products. Also fuel economy and driving comfort are the most important parameters followed by availability of spares and their price.
- **Balakrishnan Menon (2012)** Jagathy Raj V.P., study findings shows that due to price difference in Gasoline and Diesel, about one third of the car owners were having diesel vehicles. The research results showed that about one seventh of car for the city drive for family usage, while using the second car for office and business usage. Foreign brand cars show clear preference in the Kerala car market. Also it was observed that in the information gathering and consumer purchase initiation stage, TV commercials on car models and brands, search on internet website of the manufacturer and visit to dealers / distributors were the prime sources where customers gathers information on car models.

- **M.Prasanna Mohan Raj** (2013) studied the factors influencing customers brand preference of the economy segment SUV's and MUV's. Data collection was made through direct interaction and customer intercept survey using questionnaire. Descriptive analysis was used to transform data into understand format and factor analysis was used for identification of factors influencing customer preference. In light of study findings, the preference of a given brand can be explained in terms of six factors namely Product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trustworthiness and customer feeling or association towards brand. There is need for marketers to take these factors into consideration when crafting product innovations in the SUV segment of Automobile market.

OBJECTIVES OF THE STUDY

The objectives of my research study are:-

- To understand buying motives of customers behind the purchase of executive segment cars.
- To study the buying decision process of customers.
- To study the association between buying motives and demographic characteristics of customers.

HYPOTHESES

Hypothesis-1 (H_0) – There is no association between emotional buying motives for executive car and gender of the customers.

Hypothesis-2 (H_0) – There is no association between emotional buying motives for executive car and marital status of the customers.

Hypothesis-3 (H_0) – There is no association between rational buying motives for executive car and income of the customers.

Hypothesis-4 (H_0) – There is no association between rational buying motives for executive car and occupation of the customers.

RESEARCH METHODOLOGY

In order to control bias and increase reliability of the data, the proposed study is rigidly designed.

Statement of the research problem:

In addition to consumer's attitudes towards executive segment cars, what are the emotional and rational motives of customer behind the purchase of cars and what are the buying decision making process that impose customers to make decision to buy an executive segment car?

Research Design:

Since the primary study had been involved the measurement of phenomenon involving human attitude, therefore a well-structured and rigid descriptive research design was selected by the investigator to describe consumer buying motive and their buying decision process across the demographic for executive segment cars.

Sampling Design:

Sampling design of the study includes defining the target population, selection of sampling technique, and determination of sample size as under.

Population Defined:

The population for the investigation was defined in terms of extent, elements, sampling units and size.

Elements of the target population are users of executive segment cars.

Sampling units of the population were the elements using E-segment cars like Skoda Octavia, maruti Suzuki Ignis, Hyundai Grand i10, Honda City, Maruti Suzuki Dzire etc

Extent of the population includes the geographical boundaries of Dehradun city.

Selected sampling technique:

Though principle of randomization suggests that a probability sampling technique yields a sample that best represents the population. For the past study population was finite but it was not possible to cover the whole population therefore, entire population cannot be covered for the determination of sampling frame. Convenience sampling technique was found to be appropriate to select the elements of the population for study.

Determination of sample size:

Since the study was involved the measurement of qualitative phenomena involving human attitude, therefore quantitative factors could not be taken in to consideration while selecting a sample size.

For the study, following qualitative factors were taken into consideration while deciding on sample size of households.

- Nature of the research
- The number of variables under measurement
- Average size of sample in similar studies.
- Resource constraints
- Nature of the analysis.

A sample of **100 peoples** was found to be appropriate in the light of above qualitative factors.

Data collection strategy:

Since required information was crystal clear to the investigator, therefore a highly structured questionnaire containing suitable measurement scales been designed to obtain the required information. To maximize the accuracy of the desired information, questionnaire has been administered in a face to face interaction with the respondents. Thus, selected population elements have been surveyed through questionnaire.

Planning of analysis of data:

Both descriptive and inferential statistical techniques were required for the study. Some important tools include;

- Mean and SD
- Percentage analysis
- Chi square

DATA ANALYSIS AND DISCUSSION

Hypothesis-1 (H_0) : There is no association between emotional buying motives for executive car and gender of the customers.

H_1 : There is an association between emotional buying motives for executive car and gender of the customers.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
gender wise classification * Emotional buying motives	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.012 ^a	5	.023
Likelihood Ratio	16.962	5	.005
Linear-by-Linear Association	2.156	1	.142
N of Valid Cases	100		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 4.44.

Interpretation : Calculated value of test statistics is 13.012. At 5% significance level and for 5 df the critical value of test statistic is 11.1. Since calculated value is more than the critical value, therefore H_0 is rejected.

Hypothesis-2 (H_0) : There is no association between emotional buying motives for executive car and marital status of the customers.

H_2 : There is an association between emotional buying motives for executive car and marital status of the customers.

Case Processing Summary

	Cases					
	Val		Missing		Total	
	N	Percent	N	Percent	N	Percent
marital status wise classification * Emotional buying motives	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.887 ^a	5	.078
Likelihood Ratio	10.221	5	.069
Linear-by-Linear Association	1.663	1	.197
N of Valid Cases	100		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 4.92.

Interpretation : Calculated value of test statistics is 9.887. At 5% significance level and for 5 df the critical value of test statistic is 11.1. Since calculated value is less than the critical value, therefore H_0 is accepted.

Hypothesis-3 (H_0) : There is no association between rational buying motives for executive car and education of the customers.

H_3 : There is an association between rational buying motives for executive car and education of the customers.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
qualification wise classification * Rational buying motives	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	49.393 ^a	20	.000
Likelihood Ratio	65.929	20	.000
Linear-by-Linear Association	3.916	1	.048
N of Valid Cases	100		

a. 27 cells (90.0%) have expected count less than 5. The minimum expected count is .91.

Interpretation : Calculated value of test statistics is 49.393. At 20% significance level and for 20df the critical value of test statistic is 31.4. Since calculated value is more than the critical value, therefore H_0 is rejected.

Hypothesis-4 (H_0) : There is no association between rational buying motives for executive car and occupation of the customers.

H_4 : There is an association between rational buying motives for executive car and occupation of the customers.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
occupation wise classification * Rational buying motives	100	100.0%	0	0.0%	100	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	82.910 ^a	20	.000
Likelihood Ratio	87.653	20	.000
Linear-by-Linear Association	1.068	1	.301
N of Valid Cases	100		

a. 21 cells (70.0%) have expected count less than 5. The minimum expected count is .42.

Interpretation : Calculated value of test statistics is 82.910. At 20% significance level and for 20df the critical value of test statistic is 31.4. Since calculated value is more than the critical value, therefore H_0 is rejected.

CONCLUSION

To conclude, the results show that from the point of view of a customer there seems to be no major difference among the car brands in a segment as far as performance is concerned. The brand perception is dependant mostly on the peripheral cues depending upon the nature and quality of the service provided along with the pricing, maintenance, availability of spare parts and related issues. So, a question arises here that is this the end of road for the branding of cars? Has the commoditization of cars has started and its time that manufacturers must read the writing on the wall? It seems so! It seems as an undercurrent sentiment is flowing and the perception of the customers is changing according to it.

The demographic i.e: age , gender, marital status directly affect the emotional buying motives of the customers, and the qualification and occupation affects the rational motives of the customers.

Dealers, as per the study findings, play a very important role in building up the decision making process of the cars. Since dealers are the connecting link between the customers and the manufacturers thus becoming the most important link in joining the company to its customers as he is the person who will sell the product, will deliver it and will keep on providing the after sales services to the customers as and when required.

List of research papers-

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