



## Factors influencing on Buying Behavior of Customers of Small Cars in Rayalaseema region, Andhra Pradesh.

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**Abstract:** The Marketing Scenario express that the Study of Consumer Behavior is always essential and inevitable. Consumers are the kings of markets. Without consumers, no business organization can run. All the activities of the business concern end with consumers and consumer satisfaction. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Consumer buying behaviour has become an integral part of strategic market planning. In order to develop a framework for the study of consumer behaviour it is helpful to begin by considering the factors which impact consumer buying behaviour as well as the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline.

As described in this article, a set of dimensions can be identified in the literature, which can be used to characterize and differentiate, the various perspectives on consumer research.

The objective of the research endeavour is to achieve a better understanding of consumer behaviour with the factors that influence consumer buying processes. This article aims to identify different streams of thought that could guide future consumer research.

This research paper mainly focuses on small car customers and their buying behaviour in the Rayalaseema region. Descriptive type research design is used in the study. The sample size is 265 Customers who own a car. The convenience sampling technique is used in the research. Data is collected through a structured questionnaire. Data is analysed by using Excel and various statistical tools. Findings are derived from the data analysis and required suggestions are given.

**Keywords:** Consumer Buying Behaviour, Traditional Perspectives, Rational Perspectives, Cognitive, Traits.

### Introduction:

Consumer behaviour has been always of great interest to marketers. The knowledge of consumer behaviour helps the marketer to understand how consumers think, feel and select from alternatives like products, brands and the like and how the consumers are influenced by their environment, reference groups, family, salespersons and so on. A consumer's buying behaviour is influenced by cultural, social, personal and psychological factors. Most of these factors are uncontrollable and beyond the hands of marketers but they have to be considered while trying to understand the complex behaviour of the consumers. Simple observation provides limited insight into the complex nature of consumer choice and researchers have increasingly sought the more sophisticated concepts and methods of investigation provided by behavioural sciences in order to understand, predict, and possibly control consumer behaviour more effectively. This Research Paper describes the importance of various factors including lifestyle and their impact on consumer buying behaviour. The main purpose of this article is to identify different streams of thought that could help and guide future consumer researchers.

**Objective:**

- To Study different factors impacting on Buying behaviour of small cars pattern.
- To study the impact of Media impact on buying behaviour factors.
- To Study the Effect of Product attributes on buying behaviour of small car customers.

**Hypothesis:**

**H<sub>1</sub>:** The Internet is a major influencer in Buying Behaviour of small cars Buyer

**H<sub>2</sub>:** Product (Car) Attributes Impact on buying behaviour.

**Scope:**

- 1) Geographical Scope of the research is the Rayalaseema region.
- 2) Functional Scope includes Consumer Buying Behaviour in automobile customers, Buying Process amongst automobile customers, to study factors influencing buying behaviour and Product feature's role in buying behaviour.

**Limitation:**

- The scope of the study was to the Rayalaseema region only.
- Respondent's Unwillingness to respond to the questionnaire.
- Due to time and financial reasons the research was not conducted across Andhra Pradesh state which would have given more results.

**Review of Literature:**

Chacko and Selvaraj [1] concluded that there may be a number of factors which are responsible for the changing purchase preference of the consumer in four-wheelers. Among those variables - safety, maintenance, mileage, easy mode of financing and easy driving are found to be pointed influencing buying preference of consumers. With the rapid and consistent growth in the price of the fuel consumers are more conscious about mileage. So they highly prefer mileage while buying a car. This study found that consumers also prefer easy mode of financing a car. With the growing competition in automobile sector, companies are providing easy financing facility to grab maximum of consumers. This allows consumers from a middle income group to conveniently own a car by giving easy installments which is also forcing consumers to buy a car. Lastly, it was found that consumers also prefer model while purchasing a car.

Mishra [2] observed that mostly, Tata customers purchased cars on loan and using them for personal purpose. It is also seen that mostly people recommend to their friends and relatives who have car, to adopt preventive maintenance of car from authorized dealer only once it completes one year and up to five years. In terms of level of customer satisfaction, it was found that the customers are mostly satisfied with price, design, safety, mileage, interior space, status brand name, comfort level, spares part and after-sale service. Finding also indicates that the most influencing factor for customer satisfaction in the case of Tata Motors were price, mileage and interior space. Talking of competitiveness among cars is concern it is seen that customer mostly prefers Maruti car as more loyal than Tata Motors.

John and Pragadeeswaran [3] investigated the impact of profile of respondents and influencing factors in purchasing decision. They concluded that the income fluctuation and enhanced petrol prices are the factors driving demand of small cars in India. Small car sector offers immense potential as penetration and consumption of small cars is very less in Pune compared to its population.

Grover and Hundal [4] carried out a study to identify the perception of urban and rural people towards promotional activities that are followed by the car manufacturers. Results of cluster analysis clearly show that rural respondents can be classified under two groups named as contemporary and indifferent. The first group is very positive about latest schemes and tools, whereas second group seems to be neutral about promotional schemes, that is, they are not affected by these schemes. Cluster analysis divided urban respondent in four different groups. The first group named as "monetary incentive". This group is very positive towards monetary benefits. Second group named as "influenced". These respondents are very outgoing as they consider promotional strategies as important part of decision-making. The third groups "Indifferent" do not consider these tools as effective and fourth group "Conventional" focuses more on older promotional tools like TV advertisements and newspapers.

Rao and Kumar [5] made study on customer satisfaction towards passenger cars (Tata Motors) in Warangal district of Andhra Pradesh with the objectives to study the customer satisfaction with the usage of vehicles, after-sale service, key area of strength, pricing affects, service and quality. They took a sample of 100 respondents and used the percentage technique. They concluded from the study that majority of the customers are satisfied with the safety, dealer service, customer relationship and availability of spares.

Banerjee et al. [6] investigated about car acquisition and ownership trends in Surat city of motorized vehicle owning households. It concluded that household income is the prime factor of the number and size of cars that household buys, besides that family size is proved to be an irrelevant factor as it was found that smaller vehicles were preferred even by larger families.

Mahapatra [7] made a study on customer satisfaction, dissatisfaction and post-purchase evaluation: an empirical study on small size passenger cars in India with the main objectives to examine the satisfaction and impact on future purchase decision and explore the performance of different attributes in automobile in giving satisfaction to customers with the sample size of 150 customers and they used the multiple regression techniques and they revealed from this study that customers are highly satisfied with the performance of attributes like pickup, wipers, etc. and other attributes like pollution, engine, quietness, battery performance, and pick-up influence the consumer's future purchase decisions and consumers give more importance to these factors.

Muthuraman [8] highlights the changes that brought about a flood of local and international competitors in car market. The researcher emphasizes strong points such as easy availability of raw materials high quality of iron and steels from Jamshedpur in India, similarly the obstacles faced by these industries are highlighted. They are lobbying for policy changes to reduce red tape, cut in taxes and relaxing labour laws by concentrating in this arena with a small car. The researcher says that India is taking big step on to global stage moving beyond outsourcing. It is believed that India is becoming competitor in exports.

Varshney [9] the primary data regarding consumer perception was collected from a sample of 300 respondents revealed that the consumer perception positively affects marketing trends of cars. Hence the companies are marking their utmost effort to market the cars which are perceived by the consumers. There is a need to translate the suggestions referred to as above into practice so that consumers 'perception might be converted into consumer's delight and companies might stand to the force of worldwide competition.

Renukadevi [10] found that most of the respondents are satisfied with purchases process. The dealer can improve their performance by the way of extending marketing services, sales promotion and can create more awareness regarding the utility, has to create among the buyer to sustain its present market share as well as to a progressive growth in forthcoming years.

Parameswari [11] selected a sample of 200 respondents and used percentage analysis, average, range and standard deviation were used for the study. The study revealed that most of the consumers prefer Maruti 800 due to satisfaction in color, price, and technology and fuel economy. The majority of the respondents are attracted by the a

Subadra S, Murugesan K M & Ganapathi R (2010) studied "Consumer perceptions & Behavior" & concluded that consumer behavior consists of all human behavior that goes in making purchase decisions. An understanding of the consumer behavior enables a marketer to take marketing decisions which are compatible with its consumer needs. These are four major classes of consumer behavior determinants & expectations, namely, cultural, socioeconomic, personal & psychological. The socioeconomic determinants of consumer behavior consists of age, marital status, occupation, education, income, family size etc. Realizing the importance of passenger car industry in the present economic situation research has analyzed the perceptions & behaviors of consumers related to this product. It is said that yesterday's luxuries are today's necessities. Hence in this digital world, car is longer a luxury. There are certain attributes of the product which are identified as influencing the purchase decision of & satisfying the consumers.

Veena A & Venketesha, HR (2008) studied dealers performance & venketesha HR (2008) studied dealers performance & customers preference in passenger car marketing in India & concluded that, Indian automobile industry is in cross roads. Stagnation of global automobile giants & their strategies to out source key components have given Indian automobile dealers & space parts manufactures both an opportunity as well as a challenge under these conditions. The demand in domestic market plays a key role. Indian market for car segment is expanding.

Bhattacharya S, Mitra S (2010) studied the impact of brand on consumer behavior of 100 male & 100 female inhabitants in Kolkata city, After detailed investigation they observed that, the impact of brand on consumer behavior is more significant among the female group than that of the male group. Brand name, Brand loyalty & symbolic meaning were the reasons behind the difference as opined by the respondents selection of products & shopping experience were more predominant among the female group than that of the male group, it was also concluded that the less the monthly income of the family the more the impact of brand on consumer behavior.

Pandey A C & Pandey MK (2013) studied impact of lifestyle on brand preference of buyer behavior & concluded that some of the factors have major role in the changing of buyers behavior. There was a significant relationship between gender & insistence on specific brand by consumers for consumer durables at every purchase, secondly, there was no significant relationship between gender & place of purchasing consumer durables.

### **Research Methodology:**

The type of Research of this study is Descriptive Research, Research Area is restricted to the Rayalaseema region, Sampling Technique adopted is Convenience Sampling, Sample Size is taken as 265, Data Collection in the form of Primary Data that is through Structured Questionnaire and Secondary Data is by using earlier surveys, magazines, books and websites.

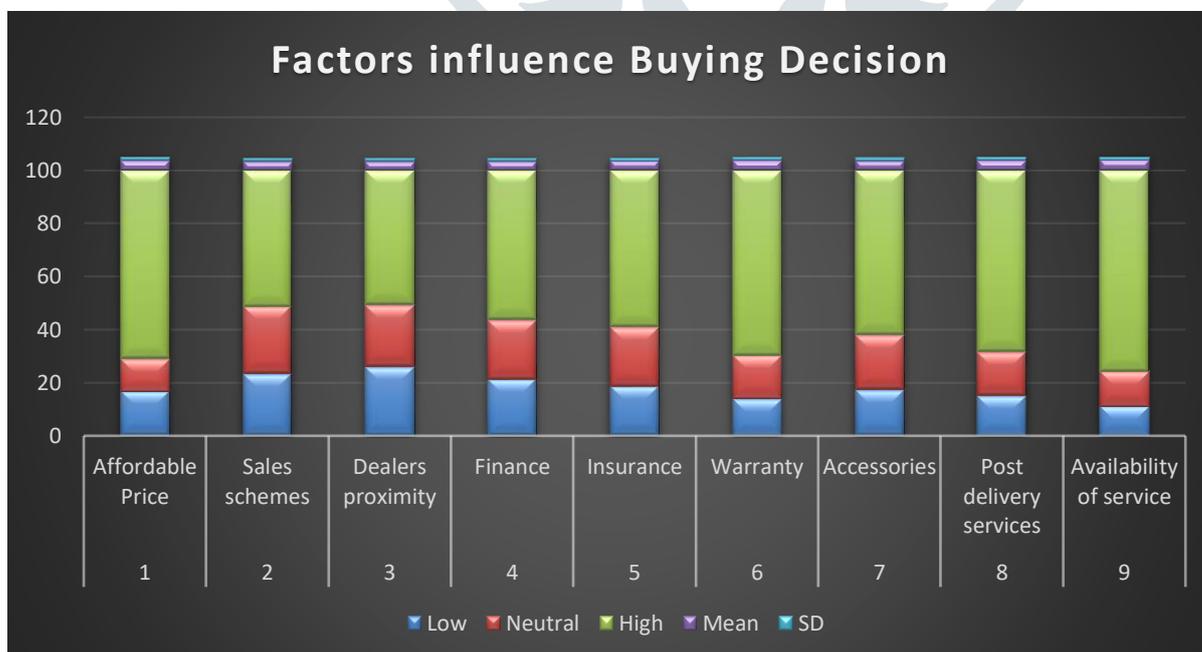
**Data Analysis and Interpretation:****Table: 1.1 Motivating Factors**

S. No.	Factors influencing for purchase of the car	% No	% Yes	Mean	SD
1	Need of Family	28.68	71.32	0.71	0.45
2	Friends/Associates	65.18	34.82	0.35	0.67
3	Your Status in Society	52.45	47.55	0.48	0.43
4	Image of the company in Market	58.59	41.41	0.41	0.49
5	Price	34.20	65.80	0.66	0.47
6	Colors/Fabric	70.86	29.14	0.29	0.71
7	Any other	93.25	6.75	0.07	0.73

**Interpretation:** From the above statistics it is observed that Family need, Status in Society, Company Brand Image and Price impact Buying Decision.

**Table: 1.2 Factors influence Buying Decision:**

Sr. No.	Factors influence Buying Decision	Low	Neutral	High	Mean	SD
1	Affordable Price	16.72	12.42	70.86	3.76	1.26
2	Sales schemes	23.47	25.31	51.23	3.36	1.18
3	Dealers proximity	26.07	23.31	50.61	3.33	1.20
4	Finance	21.17	22.55	56.29	3.49	1.15
5	Insurance	18.71	22.39	58.90	3.58	1.13
6	Warranty	13.96	16.26	69.79	3.80	1.06
7	Accessories	17.33	20.55	62.12	3.61	1.14
8	Post delivery services	15.03	16.56	68.40	3.77	1.14
9	Availability of service station	11.20	13.04	75.77	3.99	1.11



**Interpretation:** Factors influencing Buying Decision are affordable price, warranty, accessories, post-delivery services and availability of service station

**Influence of Media**

**H<sub>1</sub>**:- Internet is a major influencer in Buying Behaviour of Small cars Buyer

**Table 1.3 : Influence of Media**

S. No.	Media's importance/influences while buying a car	Low	Neutral	High	Mean	SD
1	Newspaper	20.86	31.44	47.70	3.37	1.12
2	Television	11.50	24.08	64.42	3.73	1.02
3	Auto expo	21.32	22.09	56.60	3.55	1.25
4	Internet	9.05	17.79	73.16	3.97	1.02
5	Radio	38.04	25.00	36.96	2.91	1.31

**Interpretation:** Media influences while buying a car are Television and the internet. Here Among the five media, the Internet is the major media which has a greater impact on buying behaviour of the customer. Its mean is 3.97 and Standard Deviation is 1.02 which shows that **Hypothesis 1 is accepted.**

**Product Attributes :**

**H<sub>2</sub>**:- Product (Car) Attributes Impact on buying behaviour.

**Table 1.4 Product Attributes :**

S.no.	Attribute	Low	Neutral	High	Mean	SD
1	Name / Brand	8.13	16.56	75.31	4.10	1.06
2	Logo	17.79	24.85	57.36	3.58	1.14
3	Design	11.20	20.09	68.71	3.92	1.08
4	Build quality	10.28	17.79	71.93	3.96	1.07
5	Longevity	14.42	24.08	61.50	3.71	1.12
6	Technology	10.58	15.18	74.23	4.07	1.08
7	Safety	5.83	9.66	84.51	4.35	0.93
8	Price	13.50	16.10	70.40	3.94	1.19
9	Fuel efficiency	14.11	15.80	70.09	3.94	1.19
10	Spare Parts	16.72	18.87	64.42	3.77	1.21

**Interpretation**

Preferred attributes of the respondents in descending order are safety at 84.51%, brand name at 75.31%, technology at 74.23%, build quality at 71.93%, price and fuel efficiency at 70%, and design at 68.71%.

It shows that product attributes influence the buying decision of Small cars. Hence

**Hypothesis 2 is accepted.**

**Findings:**

- In Personal Factor Family Need, and Status in Society impacts on buying behaviour.
- In external factor Company Image and Price impact on buying Behavior.
- In Car related aspects Factors influencing Buying Decisions are affordable price, warranty, accessories, post-delivery services and availability of service stations.
- Specially Price plays an important role in buying decision as 70% and above respondents says that Price is a very important factor which impacts buying decision.
- From a media perspective, 73% of Respondent says that the Internet influences mostly on buying behaviour more than any other media followed by Television advertising.
- Newspaper and Auto expos are not that much effective media as the Internet and Television.
- Radio has the least impact on the car buying decision.
- Product attributes also plays an important role in buying decision.
- Preferred attributes of the respondents in descending order are safety at 84.51%, brand name at 75.31%, technology at 74.23%, build quality at 71.93%, build quality at 71.93%, price and fuel efficiency at 70%, design

at 68.71%.

- The least preferred attribute in the car is the spare parts, longevity and the logo

#### **Suggestion:-**

- Automobile companies should remember the buying behaviour pattern and influencing factors while making the strategies for a product.
- As Indian customers are price-conscious, so pricing strategy will have a greater influence in buying behaviour. So Automobile Companies should apply pricing strategy carefully.
- Automobile companies especially Indian automobile companies should focus on safety features as Indian customers started to give high importance to safety features in a car.
- This is the age of the Internet which impacts a lot of buying behaviour. So Automobile companies especially Indian automobile companies should use social media to approach the target customers.
- Brand factor impacts buying behaviour. Automobile companies should do such marketing programmes which makes a distinct position in to the mind of customers.

#### **Conclusion:**

In the automobile industry as there is tough competition, Conditions of competition are changing rapidly and companies that strategize and react to these changes promptly and quickly are the most successful. Due to technological developments, physical differences between products have decreased. Differentiation should be made on the meanings products bear instead of on their physical features. The buying process of consumer behaviour is of more importance to marketing practitioners than the consumption process. From a practitioner's perspective, consumer research is pertinent to enable him to understand Factors influencing buying decisions, consumer needs, wants, and motivations and thereby devise the most appropriate mix for his market. Research methodology moves beyond positivism to naturalism (ethnography, semiotics, literary criticism, and historicism) in order to achieve a broader understanding of the impact of consumption on the consumer without any particular intent to change or influence the process. While some outcomes may be significant to marketing practice the overall goal of such research endeavour is to achieve a better understanding of consumer behaviour.

The research reveals the factors which impact customers' buying decision when they purchase or buy a car. Even customers give more importance to the brand, Safety, Price and Product attributes factor while they buy the car. Suggestions for further research include in the area of consumer behaviour and brand equity of buying different brands of cars. Especially Indian brands need to focus on various areas like more safety features, advanced technology, and advanced communication strategies.

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