

Consumer Buying Behaviour And Brand Choice in Small Car Segment: A Quantitative Investigation

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Abstract

Modern technology has made cars less of a status symbol and more of a necessity. One of the industries in our country that is growing the fastest is the auto business. It has become a staple of our daily lives, which is why automobile manufacturers are focusing more on the common male market. The option to purchase an automobile is not a personal one. The marketing environment today has changed from product-based to need-based, giving consumers a wide range of options from which to choose. This study concludes that consumer purchasing behavior plays a vital part in providing marketers with 4 wheels, and there is a wealth of opportunity for more research in this area. Each person has distinctive tastes, interests, perceptions, beliefs, and considerations. In the current state of the automobile industry, there are several options available in every segment, making it risky and challenging work to understand human behavior. Companies must comprehend the precise needs of the client to gain market share. The basic data used in this study was gathered through the distribution of a structured questionnaire. With the aid of several characteristics, an effort is made to research buyer behavior for small-segment vehicles, and data is interpreted under that understanding.

Keywords- *Consumer Buying Behavior, Brand Choice, Small Car Segment, Number Of Characteristics, Distinctive Taste, Automobile Industry*

Introduction

Individual ideas are generally quite difficult to predict while making a decision or a choice.

Sometimes it might be simpler to understand human behavior, while other times it might be more complex. It is incredibly difficult to predict people's behavior because there are so many unknowns, possibilities, and surprises. While accurate assessment or prediction might result in good returns, inaccurate prediction can cause you to lose business. The customer is currently the supreme commercial force on a worldwide scale. By examining consumer perception and behavior, the dealer or manufacturer can learn how to alter existing products or things, what kinds of products are required or in desire in the market, and how to stimulate customers' interest in purchasing their goods.

The future market for global car companies in India. Numerous international corporations are expanding their operations in India since the "make in India" concept has been introduced and because of the country's low labor costs. India happens to be one of the most populous democratic nations in the world, and its automotive industry is in great demand. The need for cars also invites other major automakers from around the world to visit and invest in the Indian auto sector (Maheshwari et al., 2016). Given the enormous market potential in the Indian automobile industry and the shift in the average man's level of living as a result of growth, the demand curve for Indian cars is rapidly increasing. Even if it is the most affordable car, it has a serious quality issue that harms both its brand's reputation and consumer trust. As a project, this segment would prioritize preventing city rollovers in situations with heavy traffic, when two-wheelers have a higher level of road safety. Low-cost production, high output, and

eventual expansion systems are needed for the mini-car market (Dahiya and Gayatri, 2017).

In today's cutthroat industry, automobile manufacturers can only establish their legitimacy if they can identify and satisfy customer demands and requirements. According to modern marketing philosophy, the buyer or customer should be the focus of any successful organization's professional activity (Belgiawan *et al.*, 2017). Consumer purchasing patterns are one of the most important factors for any organization since they focus on how people decide how they spend their existing incomes, such as time, money, and effort, on the consumption of connected goods. This includes what, why, how, when, where, and how frequently they acquire it, how they rate it after making the purchase, and how that evaluation affects their decision to make a subsequent purchase. The goal of studying consumer behavior is to look at the factors that influence consumers' decisions to buy things and how they use those things. The most important instrument for any vehicle manufacturer is the purchase choice of any consumer. Marketing executives benefit greatly from understanding how consumers make their purchasing decisions. For instance, if a marketer discovers through research or a survey that a given target population values automotive design and fuel efficiency above all else, the company can modify the product to satisfy their needs (Akkucuk and Esmaeili, 2016). Even if the manufacturer is unable to change the design quickly, they can still influence the buying criterion by using advertising.

Literature of Review

Malgorzata et al., (2012) said that to fully satisfy the requirements and desires of clients, managers need to take a variety of aspects into account. These factors include age, income, credentials, brand choice, simulations, family and friend recommendations, past experiences, etc. Therefore, car manufacturers must research all of these elements and enter the

market following the findings of their research. As the Indian economy becomes more stable, global automotive leaders are leaving their mark on our nation thanks to the Making India Project. The average man's standard of living is rising at the same time, and as a result, they have begun to invest their steady income in purchasing cars.

Shailesh (2014) concluded that up until ten years ago, India's auto industry was largely protected, with high import barriers preventing the entry of foreign firms. India today open up the industry to foreign investments from abroad as part of a larger effort to liberalize its economy, and since then, trade restrictions have been gradually lowered. Its availability will be ensured by the expanding middle class in India, easy access to financing, new product introductions, and competitive pricing by the players, all of which will promote the expansion of this market sector. Almost all of the big international corporations are now present in the Indian passenger automobile market. Multinational foreign companies are making inroads into the Indian luxury car industry with their high-quality and expensive models.

Sandesh et al., (2011) revealed that in general, people are complicated beings who frequently appear to be unaware of their mental states. It is rarely simple to draw inferences about human behavior, and occasionally it is even impossible. Every person is a special combination of their surroundings, upbringing, and experiences. It is a challenging and intricate endeavor, full of uncertainties, hazards, and shocks, to predict people's unusual behavior. Both accurate and faulty predictions have the potential to produce enormous wealth. faulty predictions could cost you millions of rupees. Today, companies throughout the world acknowledge that the client is king.

Balakrishnan et al., (2012) found that to determine what factors affect consumers' brand preferences for SUVs and MUVs in the lower price range. This study evaluated the

elements that affect customers' brand preferences in the market segment for automobiles and the impact of reputation on product selection. According to study findings, six factors—product reliability, financial consideration, trendy appeal, the quantity of non-price discounts offered, trustworthiness, and the client's feeling or affiliation toward the brand—can be used to explain why consumers favor a particular brand. When developing new products for the SUV market segment of the automobile industry, marketers need to keep these aspects in mind.

Subadra et al., (2010) studied that today's business world is fully aware that consumers control the market, and accurate forecasting of when, why, how, and where consumers will buy or not acquire a product is essential for their success. Numerous factors, including economic, technical cultural, political, demographic, and ecological ones, have an impact on consumer behavior. The person's characteristics, which are shown in their attitude, drive, understanding, personality, knowledge, and manner of life, also have an impact. Marketers can only defend their existence when they can understand consumer behavior.

Sung-Joon and Joo-Ho (2000) discussed that industrialized and emerging countries will be forced to use energy more effectively due to the ongoing rise in energy intake, the midpoint of conventional oil production, and the re-concentration of the extraction of crude oil in the Near East. Technology advancements continue to be the main driver of energy savings. Early actions and perspectives for the future by governments and technology producers grow increasingly crucial because there is no doubt that the difficulties will grow within the coming decades and because it is necessary to take into account the cycles of re-investment of the passengers fleet of vehicles, the production capacities, and the infrastructures.

Medlock et al., (2002) said that the domestic passenger automobile market in India has

expanded dramatically during the past few years. Players in this field must comprehend distinct market needs while also giving value due to intense competition to succeed. A significant fraction of buyers purchases their second automobile in a given year. Therefore, marketers must comprehend the factors that affect consumers' decisions to buy a second car. In this context, an effort has been undertaken to identify the driving forces underlying the choice to buy a second car. According to the research, the market segment that is purchasing a second vehicle has distinct priority criteria that influence its choice.

Prabhu et al., (2005) found that companies currently use several strategies to entice new customers, retain existing ones, and distinguish their products from those of their competitors. Undoubtedly, the most important and effective strategy to influence consumer behavior in their product selection is the "brand name" of the products. This essay looks into the potential influence of smartphone brand names on consumer choice. The name of the business and logo are just two examples of its brand equity, which is a group of resources and risks that can raise or lower the value of a product or service. It enhances the consumer's abilities for comprehending data and interpretation, boosts confidence in the purchase decision, and influences how well user experiences work.

Objective of the Study

To measure the consumer buying behaviour and brand choice in small car segment

Methodology

This study utilized a structured questionnaire to conduct a survey, and statistical methods such as mean & t-test were used to analyze the responses from 217 participants. The sampling method used in this research was convenience sampling, where individuals were selected based on their accessibility & willingness to participate.

Table 1 Consumer Buying Behaviour and Brand Choice in small car segment

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	Consumers often have a budget in mind and look for affordable options that meet their requirements.	4.27	9.911	0.000
2	Consumers consider the quality and reliability of small cars before making a purchase decision.	4.32	9.927	0.000
3	Consumers prefer cars that offer good mileage and are environmentally friendly.	4.37	10.271	0.000
4	Established and trusted brands often have an advantage as consumers associate them with reliability, safety, and after-sales service.	4.29	7.966	0.000
5	Consumer buying behavior in the small car segment is influenced by the availability of safety features.	3.97	4.974	0.000
6	Small car buyers often consider the design and styling of the vehicle.	4.50	11.934	0.000
7	Consumers in the small car segment often consider the practicality and interior space of the vehicle.	4.46	11.903	0.000
8	The presence of advanced technology features and connectivity options can influence consumer buying decisions.	4.19	9.463	0.000
9	Consumer buying behavior in the small car segment may be influenced by word-of-mouth recommendations from friends, family, and online reviews.	3.85	4.568	0.000
10	Individual preferences and lifestyle choices also impact brand choice in the small car segment.	4.41	11.952	0.000

Table1 demonstrates the mean values for each of the statement of the study done on the “consumer buying behaviour and brand choice in small car segment”, examining the average scores, the statement that obtains the highest mean score can be described as “Small car buyers often consider the design and styling of the vehicle”, which has the mean score of 4.50, Looking at the next statement which is “Consumers in the small car segment often consider the practicality and interior space of the vehicle” the mean score is found to be 4.46. Looking at the mean value of 4.41 for the statement “Individual preferences and lifestyle choices also impact brand choice in the small car segment” shows that lifestyle choices is also responsible for the consumer buying behaviour. Looking at the other aspect of consumer buying behaviour is, “Consumers

prefer cars that offer good mileage and are environmentally friendly” which displays the mean score of 4.37, and the statement “Consumers consider the quality and reliability of small cars before making a purchase decision” showcase the mean value of 4.32. Then the statement “Established and trusted brands often have an advantage as consumers associate them with reliability, safety, and after-sales service” obtains mean value of 4.29 and the statement “Consumers often have a budget in mind and look for affordable options that meet their requirements” has 4.27. The statement “The presence of advanced technology features and connectivity options can influence consumer buying decisions” showcase the mean value of 4.19. Therefore, the last two statements fall within the lowest category or level,

“Consumer buying behavior in the small car segment is influenced by the availability of safety features” mean value of 3.97, the statement “Consumer buying behavior in the small car segment may be influenced by word-of-mouth recommendations from friends, family, and online reviews” has 3.85. The significance of the t-value for each statement in the investigation on the consumer buying behaviour and brand choice in small car segment is significant. The t-value statements were positive, and their significance value was less than 0.05, indicating a significant relationship between the two variables.

Conclusion

Consumer behavior is the general term used to describe any human activity that affects purchase decisions. By having a thorough grasp of customer behavior, a marketer may make decisions about their product or service that are following the requirements of their target market. Currently, most Indian buyers come from the middle class. Their preferences are evolving from being solely concerned with the price to also checking the technical qualities of the cars. Additionally having an impact on Indian consumer's advertising. Additionally, when satisfaction levels were assessed, it was found that consumers are completely satisfied with their brand, while only some of those polled are dissatisfied with their purchase. The study also shows that one of the greatest crucial factors in choosing an automobile is the price. The least desirable criterion for cars is technological measurements. Before making a decision, the consumer takes into account a few key factors. Therefore, the manufacturers must evaluate each of these aspects and identify the most effective promotional strategies for their compact automobiles in India.

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