A Study of Consumers Behaviour towards Purchasing Decision of Car

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Abstract: *Consumer behavior represents the study of individuals and the activities that take place to satisfy their realized needs. That satisfaction comes from the processes used in selecting, securing, and using products or services when the benefits received from those processes meet or exceed consumers' expectations. Through this process, the individual sets out to find ways to fulfill the need he has identified. That process includes the individual's thoughts, feelings, and behavior. When the process is complete, the consumer is faced with the task of analyzing and digesting all the information, which determines the actions he will take to fulfill the need. The consumer decision making process has constantly been the subject of research in understanding the factors that influence and shape consumer choices as well as the consumer thought process. This research empirically examines the factors impacting consumers' purchasing behavior toward car. The research also identifies relationship between demographic variables and purchase decision as well as ownership of car.*
Key Words: *Car, Consumer Behaviour, Consumer Decision, Purchase Decision.*

Introduction

The marketing concept is consumer oriented and the emphasis is more on the consumer rather than on the product. The essence of modern marketing lies in building of profit along with creating meaningful value satisfaction for the costumers, whose needs and desires have to be coordinated with the set of products and production programmes. Therefore, marketing success an enterprise depends as its ability to create a community of satisfied consumers. All the business activities should be carried out in ways which are directed towards the satisfaction of the consumer needs.

Consumer behavior is affected by a host of variables ranging from personal, professional needs, attitudes and values, personality characteristics, social economic and cultural background, age, gender, professional status to social influences of various kinds exerted a family, friends, colleagues, and society as a whole. The combination of these factors help the consumer in decision making further Psychological factors that as individual consumer needs, motivations,

perceptions attitudes, the learning process personality characteristics are the similarities, which operate across the different types of people and influence their behavior.

There are four major factors which influences on the buying behavior of consumer.

- Cultural factors

- Social factors

- Personal factors

- Psychological factors

So a study had been conducted on "Consumer Behaviour towards Car" in the Bardoli with a sample of 100 consumers by selecting car i.e. Maruti, Hyundai, Tata and Ford and data had been collected through structured questionnaire.

Review of Literature

Although extensive research has been conducted on different aspects of direct marketing, one area receiving scant attention is how consumers' schema of the three elements of direct marketing (source, media, and response channel) affects their purchase behavior. This lack of research on schematic information processing is not surprising, given the newness of the field of direct marketing. Only recently have scholars from such diverse areas as consumer behavior, cognitive psychology, and marketing communication begun to contribute to the literature on cognitive processes related to the direct marketing phenomenon. What is encouraging for direct marketing though is that a vast body of literature exists on how consumers engage in schematic information processing and respond to external stimuli. This body of literature can provide both the impetus and direction for conducting schema-related research in direct marketing. It is with this in mind that this brief literature review on schematic information processing and direct marketing is being presented.

The study of cognitive behavior such as how people receive, process, and interpret information has a long, rich tradition. Besides others, Asch (1946), Bartlett (1932), and Piaget (1952) were the early psychologists who focused on the usefulness of the schema construct for understanding cognitive behavior. In the cognitive psychology literature, schema is defined as an internal cognitive structure which contains knowledge about the attributes of a category and the links among these attributes (Rumelhart and Ortony 1977). Rummelhart (1984) also notes that a schema theory is a theory about how knowledge is represented and how this representation

facilitates the use of knowledge in particular ways. People develop and use a schema for different things such as social situation, products, and countries. As a packet of knowledge, a schema aids information processing and decision making For example, people with a schema for a theatre can drive to a theatre, park their car, purchase tickets, and seat themselves, all with a minimum expenditure of cognitive effort. In contrast, people who do not have a theater schema will spend more time in processing information and making decisions.

Numerous studies have been conducted to study the effect of schema on consumer behavior. For example, Meyers-Levy and Tybout (1989) found that the presence of moderate schema incongruity enhanced product evaluations. And Sujan, Bettman, and Sujan (1986) discovered that customers' prior notions (schema) about typical salespeople affected their information processing. Furthermore, Akhter, Andrews, and Durvasula (1994) found that under schema congruity, that is, when there is a match between the brand and store, favorable brand judgments were formed; and under schema incongruity, that is, when there is a mismatch between brand and store, unfavorable brand judgments were formed. The use of the schema construct for understanding consumer behavior related to direct marketing offerings has also been demonstrated. Just as consumers have schemas for retail stores, brands, and products, Akhter (1989) hypothesized that consumers also have a schema for the three elements of direct marketing. The three elements are the source (direct marketers), media (catalogs, direct mail, etc.), and the response channel (ordering by mail or telephone). Akhter (1989) noted that the organization of source, media, and response channel schemas will generate favorable or unfavorable affective responses in consumers, which, in tum, influence their purchase behavior. While the schematic information framework proposed by Akhter found support in the United States (Akhter and Durvasula 1991), it is not known whether the same schema framework can find support cross-culturally.

Given the rapid growth of direct marketing activity worldwide, it is important for direct marketers who wish to operate in the various region of the country to know whether consumers' attitude elements affects their purchase behavior in various centre's of region. This issue is addressed in our research.

Research Methodology

Problem Statement

"To Study the Consumers Behavior towards Purchasing Decision of Car"

Research Objectives

➢ To study brand awareness of Car among consumers.

➢ To study the factors influencing consumers to buy Car.

➢ To examine the effectiveness of various promotional activities.

Sources of Data

All primary data has been collected through questionnaire filling among 150 respondents in Bardoli. Hence, the people of Bardoli are the main sources of primary data. The secondary data has been collected through the websites, brochures and information leaflets of the different brands of cars.

Statistical Techniques and Tools Used

We have used cross tab for checking the association between the different variables. In this we have mainly used the chi-square technique. Frequencies of different attribute are also used for the more comprehensive analysis. We have used SPSS software for the analysis.

Data Analysis

5.1 General Characteristics

Objective of the survey is to find out the ownership of car, which mode of transportation they use daily, ownership of Car and awareness about different models of Car. Also the demographic characteristics of respondent are generalized.

5.2 Frequency Interpretation

➢ Based on the survey only 82% respondents own car.

➢ 56% of respondent are traveling less than 20 km daily.

➢ 66% are using personal four wheeler for transportation.

➢ 78% of them are satisfied with their car.

➢ 94% of respondents are thinking mileage as a most important features in their to wheeler followed by price (68%) and maintenance (68%).

➢ Most of the respondents are of age group between 23 to 27 with 54%, 80% of respondents are male, 72% of respondents are post-graduate, and 40% of respondents are employee and 36% of respondents having income more than 1, 00,000 Rs.

5.3 5.3 Cross Tab Interpretation

The cross-tabulation shows the association between the different variables. We have done the cross tabulation of ownership of Car with demographic character and purchase decision of car with demographic.

Hypothesis 1

Ho: There is no significant association between Purchase Decision of Car and Age

H1: There is significant association between Purchase Decision of Car and Age

TABLE 5

Cross tab Purchase Decision of Car and Age

Purchase Decision		Age			Total
		18-22	**23-27**	**>28**	
Yes	Count % of Total	44 29.3%	69 46.0%	12 8.0%	125 83.3%
No	Count % of Total	12 8.0%	12 8.0%	0 .0%	24 16.0%
Total	Count % of Total	57 38.0%	81 54.0%	12 8.0%	150 100.0%

Chi-Square Tests

	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	5.223	4	.265
Likelihood Ratio	7.348	4	.119
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.265 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 75% confidence level. Hence the null hypothesis is accepted and we conclude that at 95% confidence level, there is no systematic association between Purchase Decision of Car and Age. In above case, no systematic association exits between two variables, Purchase Decision of Car and Age and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Hypothesis 2

Ho: There is no systemic association between Purchase Decision of Car and Qualification.

H1: There is systemic association between Purchase Decision of Car and Qualification.

Table 6

Cross tab Purchase Decision of Car and qualification

Purchase Decision	Qualification		
	Graduate	Post Graduate	Total
Yes	38	87	125
	25.3%	58.0%	83.3%
No	3	21	24
	2.0%	14.0%	16.0%
Total	42	108	150
	28.0%	72.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.789	2	.055
Likelihood Ratio	6.247	2	.044
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.055 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 95% confidence level. There is no systematic association between Purchase Decision of Car and Qualification. In above case, no systematic association exits between two variables, Purchase Decision of Car and Qualification and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Hypothesis 3

Ho: There is no systemic association between Purchase Decision of Car and Occupation.

H1: There is systemic association between Purchase Decision of Car and Qualification.

Table 7

Cross tab Purchase Decision of Car and Occupation

Purchase Decision		Occupation			Total
		Student	**Service**	**Businessman**	
Yes	Count	59	51	15	125
	% of Total	39.3%	34.0%	10.0%	83.3%
No	Count	12	9	3	24
	% of Total	8.0%	6.0%	2.0%	16.0%
Total	Count	72	60	18	150
	% of Total	48.0%	40.0%	12.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.183	4	.881
Likelihood Ratio	1.568	4	.815
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.881 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 12% confidence level. Hence the null hypothesis is accepted and we conclude

that at 95% confidence level, there is no systematic association between Purchase Decision of Car and Occupation. In above case, no systematic association exits between two variables, Purchase Decision of Car and Occupation and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Hypothesis 4

Ho: There is no systematic association between Age and ownership of Car.

H1: There is systematic association between Age and ownership of Car.

Table 1

Cross tab Age and ownership of Car

Car Ownership	Age			Total
	18-22	**23-27**	**>28**	
Yes	48	66	9	123
	32.00%	44.00%	6.00%	82.00%
No	9	15	3	27
	6.00%	10.00%	2.00%	18.00%
Total	57	81	12	150
	38.00%	54.00%	8.00%	100.00%

Chi-Square Tests

	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	0.602	2	.74
Likelihood Ratio	0.575	2	.75
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.74 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 26% confidence level. Hence the null hypothesis is accepted and we conclude that at 95% confidence level, there is no systematic association between ownership of Car and age of the respondents. In above case, no systematic association exits between two variables,

ownership of Car and age of the respondents and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Hypothesis 5

Ho: There is no systematic association between Gender and ownership of Car.

H1: There is systematic association between Gender and ownership of Car.

Table 2

Cross tab Gender and Car Ownership

Car Ownership	Gender		Total
	Male	**Female**	
Yes	99	24	123
	66.0%	16.0%	82.0%
No	21	6	27
	14.0%	4.0%	18.0%
Total	120	30	150
	80.0%	20.0%	100.0%

Chi-Square Tests

	Value	**df**	**Asymp. Sig. (2-sided)**
Pearson Chi-Square	.102	1	.750
Likelihood Ratio	150		
N of Valid Cases	.100	1	.752

From the chi-square test output table we see that a significance level of 0.75 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 25% confidence level. Hence the null hypothesis is accepted and we conclude that at 95% confidence level, there is no systematic association between ownership of Car and gender of the respondents. In above case, no systematic association exits between two variables, ownership of Car and gender of the respondents and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Hypothesis 6

Ho: There is no systematic association between Qualification and ownership of Car.

H1: There is systematic association between Qualification and ownership of Car.

Table 3

Cross tab Qualification and Car Ownership

Car Ownership	Qualification		
	Graduate	Post Graduate	Total
Yes	30 20.0%	93 62.0%	123 82.0%
No	12 8.0%	15 10.0%	27 18.0%
Total	42 28.0%	108 72.0%	150 100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.417	1	.036
Likelihood Ratio	4.128	1	.042
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.036 has been achieved. This means the chi-square test is showing a systematic association between the above two variables even at 95% confidence level. There is a systematic association between ownership of Car and Qualification of the respondents. In above case, systematic association exits between two variables, ownership of Car and Qualification of the respondents and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are required.

In symmetric measures the value of phi statistics is .172, which indicates a weak association between two variables, Qualification and ownership of Car.

In our case value of Contingency Coefficient is .172, which shows a weak association between the two variables, Qualification and ownership of Car.

The value of Cramer's V is .169, which shows a low degree of association between the two variables, Qualification and ownership of Car.

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.172	.036
	Cramer's V	.172	.036
	Contingency Coefficient	.169	.036
N of Valid Cases		150	

Hypothesis 7

Ho: There is no systematic between Occupation and ownership of Car.

H1: There is systematic association between Occupation and ownership of Car

Table 4

Cross tab Occupation and Car Ownership

Car Ownership		Occupation			Total
		Student	Service	Businessman	
Yes	Count	60	48	15	123
	% of Total	40.0%	32.0%	10.0%	82.0%
No	Count	12	12	3	27
	% of Total	8.0%	8.0%	2.0%	18.0%
Total	Count	72	60	18	150
	% of Total	48.0%	40.0%	12.0%	100.0%

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.271	2	.873
Likelihood Ratio	.269	2	.874
N of Valid Cases	150		

From the chi-square test output table we see that a significance level of 0.873 has been achieved. This means the chi-square test is not showing a systematic association between the above two variables even at 15% confidence level. Hence the null hypothesis is accepted and we conclude that at 95% confidence level, there is no systematic association between ownership of Car and Occupation of the respondents. In above case, no systematic association exits between two variables, ownership of Car and Occupation of the respondents and hence the tests for strength of association (Phi Correlation Coefficient, Cramer's V and Contingency Coefficient) are not required.

Conclusions

From the research we find the followings findings

➢ Most of the respondents have owned the vehicle. Majority of them prefer the Maruti brand and most of them are satisfied with their vehicle.

➢ Most of the respondents are traveling less than 20 km daily and they are using personal car for mode of transportation.

➢ The most favorable features expected by the respondents are Mileage, Price and maintenance. Weight, color and capacity are not preferred by most of the respondents.

➢ Most of the respondents getting the information regarding car from the Newspaper and Hoardings. Mouth to mouth marketing is also playing an important role that is from Friends and Relatives.

➢ In fact existing market of Car is less but the level of satisfaction among the users is high.

➢ We also find no association between demographic variables and purchase decision of car and its ownership.

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