

Analysis Of Pre-Purchase Strategies Used By Consumers Of Cars In Pune

Simon Thomas, Asha Nagendra

Abstract: This investigation helps us to know the pre-purchase strategies used by the consumers before the purchase of a car in Pune. Various strategies preferred by the consumers are studied for the mean rank in getting information before they make up for their choice of car. The authors conducted a survey in Pune, Pimpri and Chinchwad of Pune region to establish their perceptions on the vehicle pre-purchasing process. There were 275 surveys sent out and 225 were finalized, ensuing in an 82 % reply rate. Finally, information from 225 respondents were used for the study. The respondents existed from varied genders, occupations, age, education, income clusters and marital status. The subject of attention for this document was not how many persons replied, but whether the replies from the respondents varied. It is found that the variables considered for the pre-purchase strategies by the consumers for cars in Pune varied for mean rank. This has been proved statistically by Friedman's Test using SPSS. The research is crucial for both sellers, car producers and financiers to comprehend various strategies used by the consumers before purchase of a car.

Index Terms : Car, Consumers, pre-purchase, strategies.

1 INTRODUCTION

Purchasing a car is one of the utmost decisive choices that we make. Since considering a specific shape, type, and elements to selecting the correct fittings that style a car with a flawless fit for oneself and one's family circle - there are many aspects that arise. Which is the top car in the marketplace? What is the most excellent occasion to purchase a car? What are the car fittings one wants? What kind of car insurance cover does one want? These are merely some rare queries that tend to come up with every car-buyer. The initial normal exercise that every car-purchaser does is determining the kind of car they need to purchase. Although there isn't any firm and quick order that can ease our decision, there exist an easy set of queries that one can look for to discover the right fit. After the dimensions of the car that one demands, to the regularity of running of the car, there are specific aspects that ascertain the kind of car one would aspire to purchase. Though the impression of 'larger is better' will be able to oblige the intent for a few, built on the finances, the extent of one's family unit, and the effortless maneuvering, a sedan or hatchback meets the maximum consensus for a 4-person family unit. If one likes touring amidst bumpy landscapes on extended road-trips, an SUV would create an extra feel. One more vital decisive issue whilst selecting a car one needs to look at the safety qualities that it claims of. Although the Indian government is creating similar strict safety standards for 2-wheelers and 4-wheelers, there exist numerous issues that one must double-check. In October 2019, all cars were forced to arrange for dual airbags, ABS, and reverse parking sensors, as part of the standard equipment.

their drives, viewpoints, perceptions, traits etc. can aid to realize new marketplace openings, to deliver a sharper division of the marketplace and a significant product diversification and to frame selling policies based on consumer response as a major variable. A customer gives much significance to the contributions offered by the company to the product than what the product contributed him / her. Therefore, the knowledge of consumer behaviour makes it simple to analyse the marketplace with suitable policies. Hoyer et al., (2008) has said that one can identify two key methods for the study of customer behaviour: a "micro" positioning which concentrates on the specific psychological methods that customers use to make a purchase, character decisions and a "macro" positioning which concentrates on cluster behaviours and the representative nature of customer behaviour. This orientation draws heavily from such fields as sociology and anthropology. Evans and Berman (1987) has expressed that sellers need to understand the fact that persons and civilization can alter over time. In the early 1980s buyer consumption was noticeable to some extent. Many companies overlooked buyer's contribution or openly challenged customer clusters. Customers weren't well-informed about the quantity of goods, specifically engineering goods like autos which had numerous makes and yet did not develop a leading marquee. Hence, they weren't sure of what they expected from the products. Number of motorized cars were recalled in the auto business under the authority of the National Highway Traffic Safety Administration of the US. A research was conducted on customer life style effect of customer behaviour with respect to auto industry in Chennai by Vidyavathi (2012). A questionnaire was distributed to 350 respondents randomly and only 327 actual interviews were possible in Chennai town of Tamil Nadu. Interviews were held to ascertain insight of the respondents on the use of automobiles. The purpose of the research was to evaluate the automobile owner's insight and behaviour relating to the acquisition of automobiles and to identify and analyse the issues inducing the buying of the automobiles. Most of the respondents in the investigation faced technical problems with their present cars and some were going to change over to a new brand as they wanted to buy a car with the modern knowhow. The researcher feels that the government should promote research and development to make world class quality car

- Simon Thomas, PhD Scholar Tilak Maharashtra Vidyapeeth, Pune; Faculty St. Vincents College of Commerce, Pune University, Pune, Maharashtra, India. (Email:simonindia@hotmail.com)
- Dr. Asha Nagendra, Senior Professor at SIMS, Symbiosis International University, Pune, Maharashtra, India. (Email:asha.nagendra@sims.edu)

in India. He has concluded saying that the rising middle-class populace of India has fascinated the automobile industry. Hence, sellers who learn the behaviour of customers and provide to their desires will be victorious in the future in the coming LPG era. Sheetal (2014) conducted a research study on user behaviour for top passenger car section in the state of Uttar Pradesh after the liberalization period. The need of the study was to analyse the individual pre-purchase search strategies, factors that motivated the owners to buy a premium car, source of information to influence the buyer to buy the car, role of reference clusters in influencing the buyer to purchase a car and to study the post purchase satisfaction level of the customer. The study was done in 5 economically vital districts namely Allahabad, Kanpur, Varanasi and Lucknow of U.P. The study was done using a questionnaire from 250 respondents basically owners of the vehicles and 25 dealers. The study was done to get the customers perceptions towards premium passenger cars. The author has concluded saying that worldwide auto manufacturing is a vital segment of the financial system of every nation in the world. The future for the premium car industry is bright as the disposable income has increased, extensive choice of models, easy convenience of finance and technological advancement. Marketers must come out with state-of-the-art promotional plans to entice consumers. The profitability can be increased by marketers by pre-purchase strategies of consumers. Finally, based on the issues related with buyer behaviour, strategies can be planned on the chosen ways and can be employed to get maximum sale. A study on pre and post customer buying behaviour for different car brands in Punjab was conducted by Gurleen and Sukhmani (2011). A questionnaire was distributed to 200 respondents for this study and 195 correctly completed the questionnaires which were used for this study. SPSS 14 was used to statistically analyse the data and come to a conclusion. The study was done for mid segment car brands with a price range of Rupees 5 to 8 Lakhs. The objective of the study was to study the pre and post purchase behaviour of customers of passenger cars and find the issues that impact the purchase choices of customers while buying a car. The authors concluded that there was a stiff competition in this segment and Maruti Swift was the most preferred brand followed by Maruti Swift Desire, Tata Indica Vista, Ford Ikon and Volkswagen Polo. The least preferred were Nissan Micra and Fiat Punto among the respondents. Sources of information for buying the brand of car was from friends and advertisements. The study revealed that dealers and media were not much useful, but in contrast family members and

friends helped in the choice making method of buying a car. Bulk of the respondents were pleased with their vehicle, most of them with the after sales service, and were ready to hold on to their existing brand. Owners of Nissan Micra, Ford Ikon and Chevrolet Spark were ready to change their vehicles for a different brand. Brand name, fuel efficacy and value were the main factors that influenced a buyer, whereas after sales service and outlook were secondary and dealer network and warranty were the least. Renganathan (2005) analyzed the customer marketplaces and purchaser conduct of autos in Chennai zone. The sample size consisted of 135 persons who owned a car and individuals ready to change from 2 wheelers to 4 wheelers. The findings indicate that 39 % feel that their car should be mid-size with luxury. Appearance and style of a car influences a consumer to purchase the car. In the urban areas Hyundai has got a considerable marketplace in the city zones. They can conduct in the rural areas campaigns and road shows to capture those markets. The researcher suggests that to have an active advertising to convince the customers the company should first look for the right superstar to back the campaign and advertising. While selecting the celebrity the brand managers should recognize the long-term impact as the celebrity has an effect on the advertisements and this may help to increase the sales as well as bring down the sales.

3 STATEMENT OF THE PROBLEM

This study helps us to understand the various pre-purchase strategies undertaken by consumers before the purchase of a car in Pune. We also study the mean rank for various variables considered before purchase of a car. Moreover, there isn't any investigation made on this topic in Pune. This investigation is crucial for both car producers, sellers and financiers.

4 RESEARCH METHODOLOGY

Well-thought-out surveys were conducted to gather primary data. The investigation was carried out for Pune, Pimpri and Chinchwad of Pune region from 225 residents. Convenience sampling technique was adhered for gathering replies from the respondents. The sources of secondary data comprise of available information such as information from manuscripts, journals, periodicals, reports, etc. The information for the determination of the current investigation has been gathered via primary and secondary data.

4.1 DATA ANALYSIS AND INTERPRETATION

Table - 1: Pre-Purchasing Strategies Chosen by the Respondents Prior to Purchasing the Car
(SA – Strongly Agree, A – Agree, N – Neutral, DA – Disagree, SDA – Strongly Disagree) (More than one options considered)

SNo	Pre-Purchasing strategies	SA %	A %	N %	DA %	SDA %	Mean	Standard Deviation
1)	Communication with sales persons	60	29	8	2	1	4.44	0.823
2)	Glancing through advertisement of cars	40	18	31	4	7	3.81	1.208
3)	Collect information from public	40	24	25	9	1	3.92	1.068
4)	Visit dealers' showrooms	84	8	6	1	0	4.76	0.639
5)	Reading automobile magazines	10	15	19	31	24	2.56	1.288
6)	Internet websites	15	10	19	30	26	2.59	1.37
7)	Opinion from experts	64	20	15	1	0	4.45	0.823
8)	Taking test drive of the car	71	17	10	1	0	4.58	0.747

Bulk (84 %) of the respondents' pre-purchasing strategies were visiting dealers' showroom. A considerable section (71%) pre-purchasing strategies were taking a test drive, whereas only 10 % were reading auto magazines as a pre-purchasing strategy. Most (29 %) of the respondents' pre-purchasing strategies were communicating with sales persons. A substantial section (24 %) pre-purchasing strategies were collecting information from public, while only 8 % were visiting dealers' showroom as a pre-purchasing strategy. Majority (31 %) of the respondents' pre-purchasing strategies were glancing through advertisement of cars. A sizeable section (25 %) pre-purchasing strategies were collecting information from

public, however only 6 % were visiting dealers' showroom as a pre-purchasing strategy. Almost all (31 %) the owners pre-purchasing strategies were reading auto magazines. A significant section (30 %) pre-purchasing strategies were going through internet / websites, but only 1 % each were visiting dealers' showroom, getting opinion from experts and test driving as a pre-purchasing strategy. Most (26 %) of the respondents' pre-purchasing strategies were going through internet / websites. A large section (24 %) pre-purchasing strategies were reading automobile magazines, whereas only 1% each were communicating with sales persons and collecting information from public as a pre-purchasing strategy.

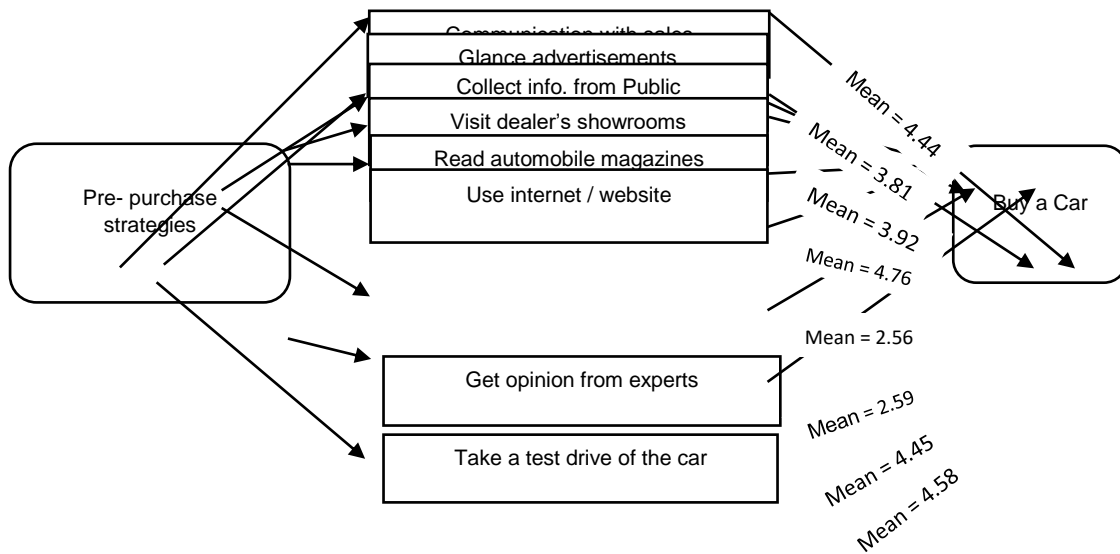


Fig. – 1. Pre-purchase Strategies Adopted by Consumers Before Purchasing a Car
(Source: Created by the researcher for this specific study.)

4.2 STATISTICAL TESTS - FRIEDMAN'S TEST

4.3 HYPOTHESIS

H0: Pre-purchasing strategies used by respondents do not differ in preference.

H1: Pre-purchasing strategies used by respondents differ in preference.

Table - II: Shows Variables, Mean Rank and Test Statistics Derived from SPSS

Variables	Mean Rank	Test Statistics	
Communicate with sales persons	5.68	N	225
Glancing through advertisement of cars	4.10	Chi-Square	1189.283
Collect information from public	4.30	df	7
Visit dealers' showroom	6.35	Asymp. Sig.	.000*
Reading automobile magazines	1.84		
Internet websites	2.02		
Opinion from experts	5.70		
Taking test drive of the car	6.00		

** = (* 3 decimal places are reported since significance value is < 0.1 %)

$\chi^2 (7) = 1189.283, P < 0.05$

5 RESULTS AND DISCUSSION

(* 2 decimal places are reported since significance value is < 0.1 %)

As the P value is lower than the level of significance the null hypothesis is rejected as it is concluded that visiting dealers, taking test drive of the car and taking opinions from experts are the pre-purchasing strategies adopted by the

respondents. To locate where the difference is the mean rank table is referred. On the mean ranks table, it is observed that visit to dealer's showroom has mean rank of 6.35. Taking a test drive has 6.0 as mean rank. Opinion from experts has 5.7 as mean rank. The top three pre-purchasing strategies adopted before purchase of a car are,

- 1) Visit dealer's showroom.
- 2) Take a test drive.
- 3) Solicit opinion from experts.

Hence the alternative hypothesis is proved / accepted.

6 CONCLUSIONS

Most of today's consumers live their lives online, as lot of research can be done just at the tap of the fingers. Moreover, people are more educated than before when they want to take a decision on their choice of a car. But even though all technologies are available there are some purchases that have to be done in person and Indians want to touch it, feel it, and see it before they take a decision to buy a car. Hence as per the researcher's, majority of the consumers want to visit a show room as a pre-purchase strategy before they purchase a car. Test drive is very important in today's era because there are many changes in the cars that exist today than the cars that existed 5 to 10 years before. More consumers just take a customary test drive of a new or a used car but there is more to it than a casual test drive as new technology has been used today in the design of the engine along with new features which they may not be familiar with. Moreover, by taking a test drive the consumers can be sure that it is the car that they want to own. This is very important as they are going to spend lot of money in the purchase of that car. Hence as per the researchers most of the consumers want to take a test drive before they purchase a car. Opinion from experts are very much in demand these days. We find the experts give their opinion on various websites and we can also get the same

from car repair shops wherein they come up with the positive and negative features of the product. The feedback from these experts can be on many issues like financing, comparison of prices, technology, past history of the brand in terms of after sales service / spare parts availability and right pricing etc. Hence as per the researchers many of the consumers want to take opinion from experts before they purchase a car.

7 REFERENCES

- [1] Evans, J. R., & Berman, B. (1987). Principles of Marketing. New York, USA: Macmillan.
- [2] Gurleen, Kanwal., & Sukhmani. (2011). A Study on Pre-& Post Purchase Customer Behaviour for Various Car Brands in Punjab. Journal of Radix International Educational and Research Consortium, 1(2). Retrieved from <http://www.rierc.org/marketing/paper6.pdf>
- [3] Hoyer, Wayne. D., MacInnis, Deborah. J. & Dasgupta, Pinaki. (2008). Consumer Behaviour. New Delhi, India: Biztantra. <http://iosrjournals.org/iosr-jbm/papers/Vol16-issue5/Version-3/G016534347.pdf>in Bangalore City. Global Business Analysis International, 2(1), 104.
- [4] Naik, C. N. Krishna., & Reddy, L. Venugopal. (1999). Consumer Behaviour. New Delhi, India: Discovery Publishing House.
- [5] Renganathan, R. (2005). Consumer Markets and Buyer Behaviour of Cars. Indian Journal of Marketing, New Delhi, 35 (4), 27-33.
- [6] Sheetal. (2014) A Study of Consumer Behaviour Towards Premium Passenger Car Segment in U. P. in Post-Liberalization Era (A Case Study of KAVAL Towns). (Ph.D. Dissertation). Retrieved from <http://hdl.handle.net/10603/104230>
- [7] Vidyavathi. K. (2012). Customer Life Style Influence of Consumer Behaviour with reference to Automobile Industry in Chennai. Zenith International Journal of Multi-Disciplinary Research, 2 (4), 37-50.