

## The Study of Market Strategy and Consumer Behaviour Relating to own Car

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### Abstract

Buyer behaviour is all psychological, social and physical behaviour of potential consumers as they become aware to evaluate, purchase, consume and tell other about products and services. An understanding of the consumer enables a marketer to take marketing decisions which are compatible with its consumer needs. For car marketers the knowledge of consumer behaviour is as much necessary as consumers are necessary for marketing. This knowledge of consumer behaviour is necessary for the formulation and implementation for marketing strategies. Marketers must know about the needs and wants of the consumers and their purchasing power to develop a product. Cars became a need rather than a choice. It is a need of everyone to purchase luxurious commodity for their comfort. Moreover, added features attract the consumer attention. As a result, it is important that individuals gather more information to purchase a car. The product features, advertisement, design, etc. all are based on the understanding how consumers learn and perceive and keep it in memory. It is always the effort of marketer that their communication should not only be noticed but they should be believed, remembered and recalled when occasion arise to buy the product. When it came to decision based on preferences, personal needs, the top slot parameters were - the need of the business firm, peer pressure from other family members owning a car and upgraded the model to suit personal ambition. Marketers need to understand these requirements and focus their marketing strategies towards these customer requirements.

**Key words:** Buyer Behaviour, Car Marketer, Communication, Marketing Strategies, Customer Requirements.

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## **1. INTRODUCTION**

A consumer purchase a particular product or services because of strong inner feeling force which instills in him a strong desire to have possession of the same. Motive is a strong desire, feeling, an urge from within, a drive, stimulus, or emotion which plays a role in the consumer's decision to purchase a product/ services. For car marketers the knowledge of consumer behaviour is as much necessary as consumers are necessary for marketing. This knowledge of consumer behaviour is necessary for the formulation and implementation for marketing strategies. Marketers must know about the needs and wants of the consumers and their purchasing power to develop a product. Segment wise analysis of car has also brought out these specific comfort requirements across all the brands. Manufacturers might look into these aspects to their car design, so to attract car passengers, prone to decide the models based on these criteria. Marketing is a core element of management philosophy and the key to its success lies in focusing more and more on the customer. It will be the customer who will decide where the firm is heading. Marketer is to ensure that they satisfy every customer. No doubt, the quality of the product or services will decide whether it matches the consumer expectations or not, but the firm and marketer must make all efforts to ensure that consumer satisfaction is achieved. Today, consumer is looking out for value for money. Marketers are trying to enhance the concept of value through unique delivery methods. They should be able to perceive, interpret, serve and satisfy the customer with the type of products and services he/she desires and arm it so to gain a competitive edge of customerisation. In today's period the customers seek to show personality, leadership from brand of car as most of the customers prefer. Car price, fuel efficiency, spares cost are also important. Car interiors styling such as IP shape & finish, all customer touch points such as : seat, steering, door handle, etc. are of high importance. Also exterior styling, overall look, paint finish and safety & driving comforts are of prime importance.

## **2. OBJECTIVES**

1. To study the reasons for the growth of the Indian automobile market.
2. To study the suggestive areas to manufacturer to encourage the buyers behaviour to purchase the car.

## **3. REVIEW OF LITERATURE**

The way someone selecting and deciding to purchase car have been widely studied by different researchers. So far the vehicles planners are always interested to understand deeper about the choice of car type and how much the number of cars purchased by domestic consumers and how the designation of the use of vehicle, and actually lot of researches have been done by scholars. Some of them are as follows:

1. **Manski and Sherman (1980)**, multinomial logit frameworks have been developed to investigate how many cars have been purchased and the ways and means to select such purchased car. Several car type selection models have been developed for individual and household owner of one or some cars in their house.
2. **Mannering and Winston (1985)** studied that customer decides model of cars, its type and the use of cars within an interconnected framework; they form a separate model for an individual or family ownership of a car or some cars.

3. **Hensher and Le Plastrier (1985)** have used nested logit structure to find out which model car a customer purchase and they also used car ownership structure based on basic composition variety of options before buying an automobile.
4. **Ramita Verma, Shubhkamana Rathore**, studied the luxury car segment of India. Research has revealed that the luxury car market is growing at a steady speed of 25% per annum with more and more numbers of luxury cars entering Indian car market. Luxury cars are preferred by HNI (High Net worth Individuals). HNI wants to differentiate themselves from crowd for various reasons. Change in attitude of the customer accounts for the sudden increase in demand of the Luxury car in India, as the emphasis has been shifted from price consideration and affordability to design, quality and pleasure.
5. **Brownstone et al. (1996)** has developed buying a car tendency using selection of stated-preference data. Their study has used six alternative hypotheses with a different specific attributes.
6. **Yamamoto et al. (1999)** has developed consumer transactions competition period risk model by estimating economic risks. It may occur for every transaction in order to determine bargaining to complete transaction considering choice differences possibility between survey respondents and somebody who are not respondent observed during the study.
7. **K. Vidyavathi**, 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.
8. **Mohammadian and Miller (2002b, 2003a, 2003b)** developed a study regarding dynamics of car selection and selection of transaction type of car using nested logic, mixed logic, and various machine learning methods. It's true that a consumer may not necessarily go through all the decision making process for every purchase he or she makes. At times, consumer makes his decision automatically and the decision may be based on heuristics or mental shortcuts. Other times, in case of high involvement products consumer may take a long time before making a final purchase decision. It depends on consumers' preference of the products like purchase of a car or home. Moreover, consumers try to make an estimated brand universe on the basis of available information about the brands, and to make a tentative utility function on the basis of past consumption experience.
9. **Research Gap:** The different authors/researchers have done lot of work but nobody has done the study of market strategy and consumer behaviour relating to purchasing own car. We have filled the gap to complete this study.

#### **4. REASONS FOR GROWTH OF THE INDIAN AUTOMOBILE MARKET**

The automobile industry is one of the key drivers that boost the economic growth of the country. By 2021, India's emerging and middle-class segments combined will comprise nearly 900m people and will open up new opportunities for businesses. Auto industry in India is likely to benefit from this growth as aspirations of the majority of the middle class include owning a car. As the economic prosperity spreads across demographics, mobility will no longer be a luxury but

a necessity for Indians. the Indian population overall will likely to move up the income curve, as the lower-middle class dwindles from 460m to 290m, and the emerging-middle, upper-middle classes increase in size as the economy move from developing to developed country. India has witnessed a rapid growth in the automobile sector. Today, almost every global auto manufacturer has set up facilities in the country. Fuel economy and demand for greater fuel efficiency is a major factor that affects consumer purchase decision that will bring leading companies across two-wheeler and four-wheeler segment to focus on delivering performance-oriented products. The Automotive Mission Plan for the period of 2006-2016 aims to make India emerge as a global automotive hub. The idea is to make India as the destination choice for design and manufacture of automobiles and auto components, with outputs soaring to reach US\$ 145 billion which is basically accounting for more than 10% of the GDP. The Indian automobile industry has a prominent future in India. Apart from meeting the advancing domestic demands, it is penetrating the international market too. This sector is favoured with various benefits such as globally competitive auto-ancillary industry, production of steel at lowest cost, and high skill manpower, entrenched testing and R & D centers etc.

There are various reasons for the growth of the Indian automobile market such as –

1. **Fuel economy:** High rates of fuel have forced competition among the companies to focus on delivering performance-oriented products.
2. **Demography:** India is a huge market for automobile industries. Increased affordability concept has attracted many towards buying vehicles.
3. **Banking Infrastructure:** Financial inclusion, availability of car loans has helped the customers. Car Finance options available from Financial Institutes at reasonable rate of interest.
4. **Availability of Service Centers:** Availability of service centers and spare parts in near vicinity is another point which also encouraging people to buy his own car.
5. **Improved Infrastructure:** While India has made remarkable progress in building new roads, highways, expressways and support infrastructure like airports, ports, railways and power plants, infrastructure growth has not kept pace with growing demand. It is imperative to recognize that infrastructure is a major driver of growth for auto industry.
6. **Disposable Income:** The people have more disposable income as economy is growing helps in the growth of automobile industry.
7. **Mobility:** Increase in the need of mobility due to urbanization and leisure travel.
8. **Tax Reforms:** Tax waiver given by government, reducing cost of production in the automobile industry.

#### 5. THE SUGGESTIVE AREAS TO MANUFACTURER TO ENCOURAGE THE BUYERS BEHAVIOUR TO PURCHASE OWN CAR

For car marketers the knowledge of consumer behavior is as much necessary as consumers are necessary for marketing. This knowledge of consumer behaviour is necessary for the formulation and implementation for marketing strategies. Marketers must know about the needs and wants of the consumers and their purchasing power to develop a product. There are following points related to suggestive areas to manufacturers to encourage the buyer's behavior to purchase the own car includes:

1. In the category of personal preference on comfort factors, dominant factors were comfort in driving, value for money and interior design, which topped the requirement list. Car segment wise analysis also brought out these specific comfort requirements across all the brands. Manufacturers might look into these aspects to their car design, so to attract car passengers, prone to decide the models based on these criteria.
2. It is suggested that the services that to be rendered should be properly explained, friendly approach and reliability in service to be further improved. Cost of spare parts to be charged reasonably.
3. The final decision to buy a car is based on preferences, personal needs, the top slot parameters i.e.,- the need of the business firm, peer pressure from other family members owning a car and upgraded the model to suit personal ambition. Marketers are suggested that they need to understand these requirements and focus their marketing strategies towards these customer requirements.
4. India is developing nation with low per capita income. Instability in Indian economy will have an immediate effect on car sale, as car is perceived as life style product. Though car industry cannot be insulated from the effects of slow down and recession in economy, industry needs to be more in sync with growth and development of India.
5. Growth in disposable income and higher education will remain the main drivers of future advance cars. Car manufacturers are suggested to track these trends and align their product strategies.
6. Advertisement plays a greater role in influencing the purchasing decisions made by consumers. They are even known to bring about a great shift in market shares of competitive industries by influencing the purchasing decisions of consumers. The Marketing campaigns done on regular basis can influence the consumer purchasing decision to such an extent that they may opt for one brand over another. Marketing campaigns if undertaken at regular intervals even help to remind consumers to purchase the product.
7. Understanding, analyzing and keeping track of consumer behaviour is very critical for a marketing department to retain their position successfully in the market place.
8. Road infrastructure needs to be further updated to support technological requirements such as ABS, Air Bag, and Vehicle tracking through GPS, RFID and electric car by proving road side electrical charging.

## **6. CONCLUSION**

Buyer behaviour is all psychological, social and physical behaviour of potential consumers as they become aware to evaluate, purchase, consume and tell other about products and services. This knowledge of consumer behaviour is necessary for the formulation and implementation for marketing strategies. Marketers must know about the needs and wants of the consumers and their purchasing power to develop a product. Auto industry in India is likely to benefit from this growth as aspirations of the majority of the middle class include owning a car. As the economic prosperity spreads across demographics, mobility will no longer be a luxury but a necessity for Indians. The Indian automobile industry has a prominent future in India. Apart from meeting the advancing domestic demands, it is penetrating the international market too. There are various reasons for the growth of the Indian automobile market such as Fuel economy, Demography,

Banking infrastructure, Availability of service centers and spare parts in near vicinity, improved infrastructure, Increase in Disposable Income, Mobility from rural to urban areas and Tax Reforms etc. It is suggested that the services that to be rendered should be properly explained, friendly approach and reliability in services to be further improved. Cost of spare parts to be charged reasonably. The Marketing campaigns done on regular basis can influence the consumer purchasing decision to such an extent that they may opt for one brand over another. Marketing campaigns if undertaken at regular intervals even help to remind consumers to purchase the product. Growth in disposable income and higher education will remain the main drivers of future advance cars. Car manufacturers need to track these trends and align their product strategies.

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