Consumer Buying Behaviour of Car In India – A Survey

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Abstract- *The automobile industry of India is one of the largest in the world and growing steadily each year. With the case of availability of automobile loans, the rise in salary structure and higher buying capacity of the middle-income class, there has been a spurt in cars playing on roads. The present paper indulges in studying the buying behaviour of cars in India. Apart from the literature review of the concurrent facts and figures, a questionnaire survey was conducted to understand the various factors that influence the decision in purchasing cars in India. A questionnaire survey was designed in google forms and sent to people using different tools like e-mail, WhatsApp, Facebook, etc. For those who were not well versant with these tools a hard copy of the questionnaire was provided to them for filling up. The results of the survey were analysed statistically and are presented here.*

Keywords- Buying behaviour; automobile; questionnaire survey; social media.

I. INTRODUCTION

The automobile industry of India is one of the largest in the world, contributing 7.1% to the gross domestic product (GDP) [1]. As a person moves up the ladder in his income, his/her priority is to buy a car. It is becoming more of a necessity no wades to own a car than a luxury. Presently, a 100% foreign direct investment (FDI) is allowed in this area meaning the foreign investors do not need any prior permission from the government of India. The sales of private vehicles grew by 9.17% commercial vehicles by 3.03% andwheelers by 8.29% during the period April – January 2017[2].During the financial year 2016-17 a total of 37,91,540 units of passenger vehicles; 8,10,286 units of commercial vehicles ;7,83,149 units of three -wheelers and 1 ,99,29,485 units of two -wheelers were produced as shown in table 1 [3].The world standing for the Indian automobile sector, as per the confederation of the Indianindustry is the largest three – wheeler market , second largest two-wheeler market, tenth largest passenger car market ,fourth largest tractor market, fifth largest commercial vehicle market and fifth largest bus and truck segment. In India, a total of Rs.92,218.42 crore or 5.02% of the total FDI inflows in India, from April 2000 to March 2017 has been towards the automobile industry [4].

Automobile production trends in India from 2011 – 2017

Year	**Passenger vehicle production**	**Passenger vehicle domestic sales**
2011 - 12	31,46,069	26,29,839
2012 - 13	32,31,058	26,65,015
2013 - 14	30,87,973	25,03,509
2014 - 15	32,21,419	26,01,236
2015 - 16	34,65,045	27,89,208
2016 - 17	37,91,540	30,46,727

In today's world, consumer do not only consider engine performance as a major factor. They look for those differentiating parameters, through which they can make the choice from one brand to another. As stated by financial time India has become fifth largest passenger vehicle market, after China, US, Japan and Germany. The sale of passenger vehicle too grew 9.24% to3.04 million during 2016 – 17, the fastest growth rate seen since 2010 – 11, when they grew 28.2% [16]. With the dynamic international norms as regards to both business and environmental protection, the car industry has to keep pace with the changing scenarios. There hasbeen a shift towards automated and electronically controlled cars.

II. METHODOLOGY

The methodology adopted for the paper (Fig.1) consisted of first an extensive literature review of the facts and figures influencing car buying behaviour and trends in India. Then a questionnaire survey was designed to know the current preferences and decision influencing factors for car buying in India. The questionnaire was designed on google forms and sent to likely respondents through various modes like social media (WhatsApp, Facebook, etc.), e-mail, and distribution of hardcopies. The response so received were analysed and the results are discussed in this paper.

Design of Questionnaire survey

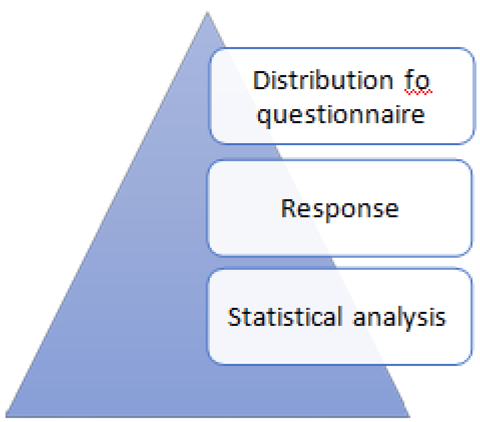


Fig (1). Methodology diagram

III. RESULTS

Majority of the respondents (82.50%) in the survey were aged between 18-25, followed by 7.8%being aged between 25-35 and 9.55% is above the age of 35 (Fig.2). Whereas 77% were student, the rest were working professionals, home makers and retired people (Fig.3).

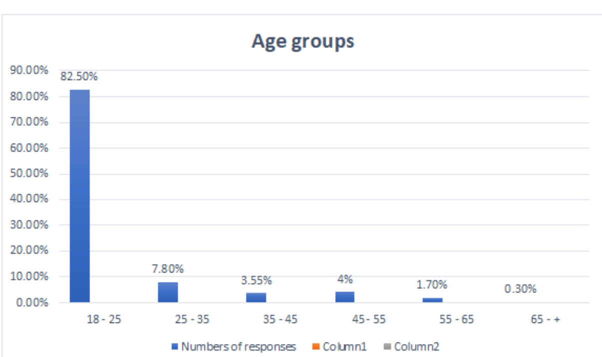
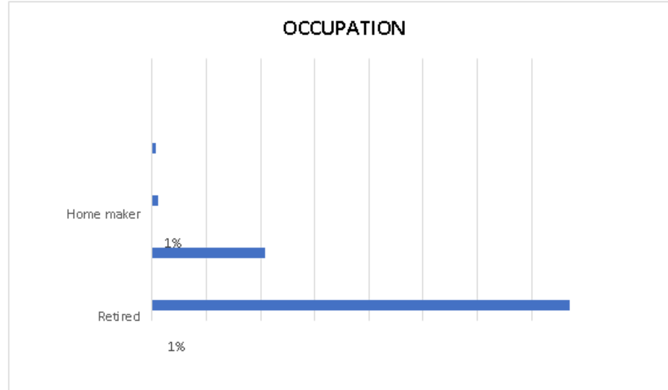
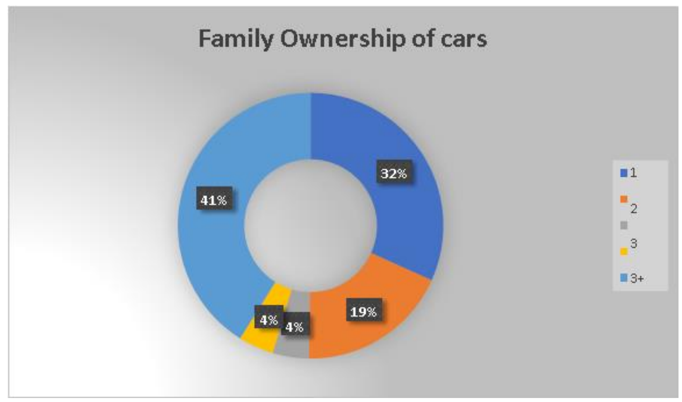


Fig. (2). Age groups of the respondents





With a figure of 61%, sedan is the most preferred car among the respondents (Fig .6), followedby SUV and Hatchback. MUV is the least preferred car type (6.40%). Out of the total respondents, the brand preference (Fig 7) is as follows - Maruti (16.50%), Hyundai (13.40%), Honda (14%), Toyota (11%), Mahindra (5.70%), Tata (3%), Volkswagen (11.20%), Nissan (5.30%), Ford (8.20%), Renault (4%), Skoda (6.20%), BMW (0.5%), Audi (0.5%) and Mercedes (0.3%).

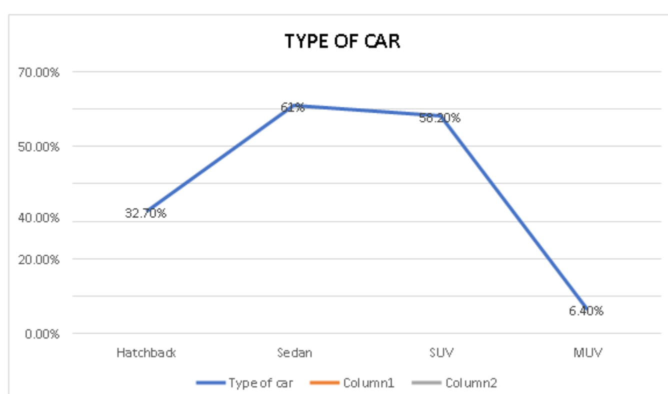


Fig 6. Type car preferred by the Respondents

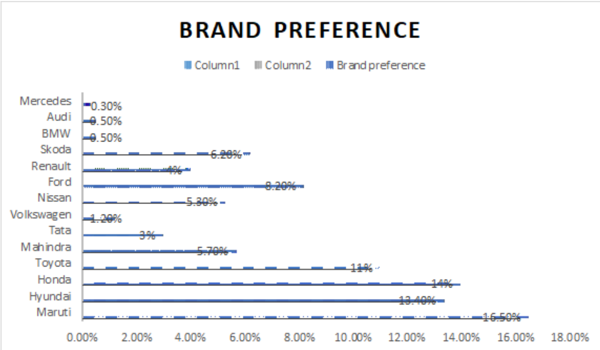


Fig.7.Brands preferred by the Respondents

Most of the people (37.50%) are satisfied with either of the two engines – petrol or diesel (Fig.8). The second most preferred engine type is petrol with 31.10% and 25.50% people prefer a diesel engine. The least preferred is electric engine. Figure 9 illustratesthe effect of brand image on the buying behaviour of the respondents. Majority of them are affected by the brand image before they finalize their buying decision. They are also influenced by the advertising of the cars and the feature that are displayed in them.

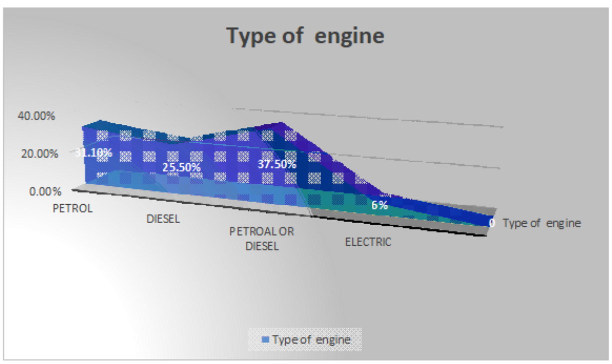


Fig.8. Engine preferred by the respondents

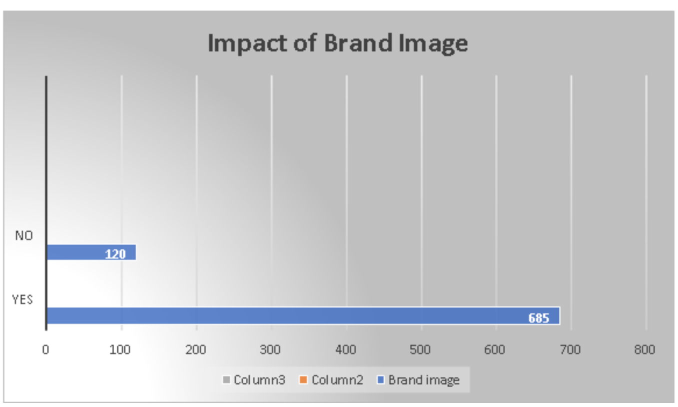


Fig.9. Impact of Brand Image

IV. CONCLUSION

It can be concluded that the buying behaviour of cars is influenced by type and brand image of the cars and manufacturers. So, it is imperative for them to maintain their brand images. Technically the engine type and efficiency whereas good advertising with detailed features are the dominant factors that influence the potential car customers. The manufacture must keep these things in mind while planning the manufacturing and marketing of their cars.

V. ACKNOWLEDGEMENTS

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