Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management

Master's Thesis

Analysis of Consumer Behaviour on Small Car Purchasing

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Faculty of Economics and Management

DIPLOMA THESIS ASSIGNMENT

Bc. Vishnu Pradeep, BSc

Business Administration

Thesis title

Analysis of consumer behaviour on small car purchasing

Objectives of thesis

To determine the socio-economic factors influencing consumers propensity to own a small car in Kerala State of India.

To outline the social and economic profile of respondents

To determine customers' major sources of information for choosing a brand

To identify customers' brand preference of small cars in the studied location

To analyse the main factors influencing customers brand selection

Methodology

This thesis comprises two main parts:
The theoretical part will contain a review of current literature on the topics of consumer behaviour in the context of making a car purchase, and the current trends in the motor car industry in India

In the practical part data collected from a set of structured questionnaires will be statistically analysed to determine the buyers' perceptions at the time of car purchasing. The questionnaires will be distributed to a sample of Government/Public and Private workers.

The proposed extent of the thesis
Approx 60 – 70 pages

Keywords
Customer behaviour, Car industry, India

Recommended information sources
KOTLER, P. – KELLER, K L. *Marketing management.* Upper Saddle River: Pearson Prentice Hall, 2012. ISBN 978-0-13-600998-6.
Satish S.M., Bharadhwaj S.; Information search behaviour among new car buyers: A two-step cluster analysis; IIMB Management Review (2010) 22, pp 5 – 15; doi:10.1016/j.iimb.2010.03.005

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Declaration

I declare that I have worked on my diploma thesis titled "Analysis of consumer behaviour on a small car purchasing" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 29.11.2019   _____

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Analysis of Consumer Behaviour on Small Car Purchasing

Abstract

This research analysed consumers behaviour in the small car market using data collected via Convenience sampling from 50 and 54 public and private sector workers respectively, from Kerala State of India. Descriptive statistics, Chi-squared test, Friedman's and Kendal's rank test and Logit were used to analyse the factors influencing consumers' behaviour and choice patens in the small car market. The results show that consumers income level and gender influence their brand choices. Moreover, though consumers preferred Volkswagen and Skoda, financial and family requirements pushed them to buy Maruti, Toyota and Hyundai. Again, brand name, safety and price, are the major considered factors whilst spare-parts availability, appearance and maintenance cost are the least considered factors when selecting a brand. Additionally, consumers' propensity to own a car is positively affected by old age, being a man, more years of education, large household size and level of satisfaction whereas upfront payments reduces their chances of owning one. Marketers should design appropriate strategies to rob-in the neglected section of consumers (e.g. women) whilst manufacturing should target safety and comfortability issues since they satisfy better the needs of consumers.

Keywords: Consumer behaviour, Brand preference, Marketing, Small cars, Socio-economic factors, Logistic regression, Kerala State, India.

Analýza Spotřebitelského Chování v Obchodu s Malými Osobními Automobily

Abstrakt

Tento výzkum analyzuje spotřebitelské chování na trhu s malými osobními automobily. Data byla získána pomocí příležitostného nebo tzv. pohodlného vzorkování od 50 veřejných a 54 soukromých sektorových pracovníků, respektive od státu Kerala v Indii. Deskriptivní statistika, Chí-kvadrátový test, Friedmanův a Kendalův rank test a Logit byly použity jako nástroje analýzy faktorů ovlivňující spotřebitelské chování a jejich volbu na trhu s malými osobními automobily. Výsledky ukazují, že výše příjmů a pohlaví ovlivňují výběr značky automobilu. Přestože spotřebitelé preferují Volkswagen a Škodu, finanční a rodinné požadavky je nutí zakoupit značky Maruti, Toyota a Hyundai. Právě jméno značky, bezpečnost vozidla a pořizovací cena jsou majoritními faktory v úvaze, jakou značku vozidla pořídit. Nejméně zvažovanými faktory jsou dostupnost náhradních dílů, vzhled vozidla a náklady na údržbu. Zákazník je dále pozitivně ovlivněn věkem, tím zda je či není muž, počtem let strávených vzděláváním, velikostí domácnosti a mírou uspokojení. Negativně spotřebitele ovlivňuje platba předem – ta snižuje šanci na pořízení vozu. Obchodníci by měli navrhnout odpovídající vhodné strategie, aby zahrnuli i zanedbávanou kategorii spotřebitelů – ženy, zatímco výroba by se měla zaměřovat na bezpečnost a komfort, protože právě ty uspokojí potřeby spotřebitelů.

Klíčová slova: Chování spotřebitelů, preference značky, marketing, osobní automobily, socioekonomické faktory, logistická regrese, Kerala, Indie

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List of abbreviations

SIAM	Society of Indian Automobile Manufacturers
AIDA	Attention, Interest, Desire ad Action
HCV	Heavy Commercial Vehicles
LCV	Light Commercial Vehicles
IBEF	India Brand Equity Foundation
SUV	Sport Utility Vehicle
MUV	Medium Commercial Vehicle
UV	Utility Vehicle
KPMG	Klynveld Peat Marwick Goerdeler
USD	United States Dollars
FDI	Foreign Direct Investment
TV	Television
HNI	High Net well worth Individuals
SPSS	Statistical Package for Social Scientist

1 Introduction

Everybody is a consumer in one way or the other. Our process of buying a product or services is different for everybody and for every category of the good. The modern market of today is consumer dominant and that is why the consumers are considered as "Kings". Thus, the decision to have or not to have a brand or product is solely dependent on the consumer's choices. Essential for marketing managers in modern marketing is to understand the buying behaviour of their target market (Kotler, 2009). Predicting the complex minds of consumers is a tough barrier that sellers seek to overcome since everyone is a unique product of genetics, environment and experience. Solving this riddle accurately brings fortunes and solving it inaccurately may lead to the loss of millions (Dhanabalan *et al.*, 2018). The buyers' mind is therefore a "Blackbox" that the seller seeks to open in order to be a successful marketer (Kumar, 2014). Consumer behaviour therefore borders on the personal, situational, psychological, and social reasons why people shop for products, buy and use them, sometimes become loyal customers and dispose them consequently if necessary. Modern businesses try to entice customers behaviour with things like store layout, music, pricing, advertisement, and grouping and availability. Some of these factors temporary influence customer behaviour whereas others result in long lasting influence (Kumar, 2014; Dhanabalan *et al.*, 2018).

The Indian automobile market is saturated by numerous modules of small cars, creating a high level of competition, relative to the monopoly that existed in the market until the late 80's. India's Automobile industry has been on its booming phase for almost two decades basically due to the government's economic liberalisation policy and the freedom from the License Raj.

These coupled with high disposal income, surge in mobility due to urbanisation and leisure travel, flexible car financing options by financial institutions, easily accessible service centres and spare parts (Meroni and Sangiorgi, 2014).

India's automobile industry is currently competitive due the sudden interest of major global auto players, since India provides them with a dual benefit of ready market and low manufacturing base (Anandh and Sundar, 2014). Manufacturers have therefore introduced diverse models with innovative and technological advancement in these models. Indian customers are being offered different alternatives of cars in various sizes and attributes to choose from due to the fierce competition by manufacturers to capture one the fasters

growing car markets in the world. For an Indian middle-class family today, owning a car has become a necessity due to the rising levels of the purchasing power of the urban populace as a result of the economic boom. Although sales volumes have increased for bigger cars for last couple of years (SIAM, 2007), the introduction of affordable mini-car, Nano by Tata Motors, and the emerging design of many affordable small cars is creating a space for a changing trend. The emergence of affordable small cars has also shaped customers' thoughts to easily change over new models' cars, to suit their changing lifestyles. The rapid changes in the small car market due fierce competition is compelling manufacturers to introduce innovative features and value-added services, attractive to customers, to entice their preference. Manufactures have therefore become responsive to customer preferences (Anandh and Sundar, 2014). Again, the engines with less consumption capacities are being developed to the sensitive nature of Indian consumers towards operating arising from the high prices of gasoline in the country. The perceived negative image associated with public and non-motorized modes of transport and the status of owning specific models of cars also comes to play an Indian's choice of vehicle

The behaviour of a consumer is fairly complex due to the high level of social, psychological, and financial involvement in the decision to purchase a car (Shende, 2014). Frequent modification of car models, with regards to features, capacity, styling, mileage, etc. has become necessary. It has therefore become necessary to study the consumer's behaviour in such a highly competitive market and to provide an understanding to their requirements in a dynamic environment (Meroni and Sangiorgi, 2014). The automobile industry, one of the fasters growing industries in India, is currently growing at 30% annually. Further reports by the Society of Indian Automobile Manufacturers (SIAM) also projects annual car sales to move from 5million in 2015 to 9 million by 2020. Companies such as Tata Motors, Hyundai, Nissan, Toyota, Volkswagen and Suzuki have all increased production and assembling due to the strong engineering base and expertise of the Indian in manufacturing low-cost, fuel-efficient cars (Meroni and Sangiorgi, 2014).

Notwithstanding, the growing inflation rate, high interest charges and other economic, social and personal factors are likely to affect consumers' choice and acquisition of cars. Nonetheless, literature of consumers behaviour in the Indian car market is less and inconclusive of why consumers prefers and select certain brands ahead of others. On this account, amid the rising demand for small cars, this study attempts to analyse the reasons behind the behaviour consumers in the Indian small car market using public and private

employees in Kerala State as a case. The study at the end will inform both manufacturers and marketers on how to design appropriate small cars modules and marketing and sales strategies to suit consumers' expectations.

2 Objectives

2.1 Objectives

Specifically, this research sought to;

- outline the social and economic profile of government and private sector employees in the Karela State who either own or do not own a small car,
- determine customers' major sources of information for choosing a brand
- identify customers' brand preference of small cars in the study area,
- analyse the main factors influencing consumers brand selection,
- determine the socio-economic factors influencing consumers propensity to own a small car in Kerala State.

2.1.1 Research Questions and Hypotheses

Research Questions

- What informs customers' preferences for small cars?
- Do customers' car brand preferences differ significantly?
- What are the major factors influencing consumers' brand selection?
- Do certain factors significantly induce consumers' selection of a specific car?

Research Hypothesis

- Consumers' decision to own a small car is significantly influenced by some social and economic factors.

3 Literature Review

3.1 Consumers Behavior

Consumer behavior refers to the choice, purchase and consumption of products to satisfy their wants. Consumer behaviour involves several processes. First, the consumer tries to identify the product s/he wants to consumer, then s/he selects only the product with a perceived higher utility. Afterwards, the consumer makes an estimation of monies to be spent on the product. Finally, s/he analyses the prevailing prices of the products and decide about the product to consume (Rani, 2014).

The consumer's behavior plays an effective role in the market and it depends on the brands and packaging of goods and products. It is an effective tool for marketing manager, and a very complex phenomenon to understand the mutual advantage of buyers and marketers. The consumer behavior helps to understand the nature of consumers' needs and wants to provide the best method to satisfy them (Dhanabalan *et al.*, 2018).

In developing economies, consumers are attracted to a product only when they have the purchasing power and need it. Communication plays a vital role in advertising products to consumers when in tend helps them to know about a variety of a product (Hadiyati, 2016). Communication provides information about different brands of similar products which helps consumers to decide which product best satisfy them. Advertising communication depends on the AIDA model – Attention, Interest, Desire and Action (Gharibi *et al.,* 2012) (Montazeribarforoushi *et al.,* 2017). Consumers attention, gained through effective advertisement messages and communication, therefore matters most in advertising a product. If consumers attention is captured by a product's advert, they will show interest and desire to buy it according to their need and features (Ghirvu, 2013). If the quality of a product according to the advertisement is good, then it enhances its sale and satisfy the consumers. Beside advertising communication, various social, cultural, personal and psychological factors influence the consumer's behaviour in their purchasing decisions on products like cars (Li and Yu, 2013).

3.1.1 Factors Influencing Consumer Behaviour

Studies on behavior states that customer's behavior is laid low with several internal elements like their desires and their reasons, attitude, mastering, in addition to outside or

environmental like family, tradition, reference institution, and opinion leaders. These inner and outside factors are explained in this section.

Internal Factors

Commonly internal factors are known as psychological determinants which represents the consumer's own psychological make-up. These factors are internal factors and not easy to understand the consumers behavior. Some these factors include;

Needs: Advertisers regularly trust that understanding consumer needs and intentions gives the premise to clarifying and foreseeing consumer conduct. Each purchasing choice process starts with the acknowledgment of a felt require. A „need" might be characterized as a circumstance in which an individual feels absence of something valuable and thought process, then again, alludes to an inward express that coordinates a person towards the activities for fulfilling a felt require. The terms "need" and "want" are every now and again utilized synonymously, and they are so utilized in promoting writings. The requirements and needs broadly contrast from person to person. One theory that comes to mind when needs are mentioned in the Maslow's hierarchy of needs. It explains why people are driven by specific needs at moments. He arranged human needs hierarchically in order of their importance – physiological, safety, social, esteem and self-actualization needs. Persons try to satisfy the most significant need first. After satisfying that need, it ceases being a motivator and they try tom satisfy the next important need (Jisana, 2014).

Motive: It is an internal expression that initiates human/consumer's exercises towards addressing a need or a specific aim (Stávková, 2008). Along these lines it speaks to the invigorating power that coordinates conduct towards an objective. Social researchers therefore think about thought process as the "boss" of human conduct. For instance, another conduct researcher, Frederick Herzberg, propounded the "Two Factor Theory" of human inspiration (Yusoff *et al.,* 2013). According to him there are satisfiers and dis-satisfiers in any work circumstance. Calling them as sparks or cleanliness factors separately, Herzberg said that the inspiration impels people towards perfection (Dartey-Baah and Amoako, 2011; Alshmemri *et al.,* 2017). Stretching this hypothesis to marketing, one can classify item quality, packaging and item guarantee as cleanliness factors. These are the given variables and all clients expect these crucial factors in all items. In any case,

the inspirations will be factors like client centered deals group, great client benefit, or might be of the way that the use of an item enables the client to make a different character for him or herself. The quantity of thought processes that can be distinguished inside a person is therefore relatively boundless.

Beliefs and Attitudes: Customer holds certain beliefs and attitudes towards different products. Marketers are interested in such believes and attitudes since they define brand image and affect consumer buying behaviour. Special campaigns could be lunched against such believes and attitudes of customers in a subtitle manner (Jisana, 2014).

Learning: It is considered as one of the focal points of purchasing conduct as it mirrors the capacity of a buyer to procure information. Learning is any deliberate change in conduct of a buyer because of experience and data. It requires no conduct versatility, but rather in most purchasing circumstances, the dynamic condition amid any noteworthy time span requires the purchaser to adjust to new conditions. These natural changes are initiated by such occasions as new items, evolving salaries, and so on. In a genuine sense purchaser conduct is found out. At the end of the day, at whatever point conceivable, the purchaser depends intensely upon his experience (learning) in picking brands (Jisana, 2014).

External Factors

External factors affect the purchasing behaviour of a consumer through external attributes. Below are some external factors influencing consumer behaviour.

Social influences: Social class involves an expansive gathering of individuals who have something common in qualities, interests, ways of life, and conduct. Social classes are formed when individuals feel sympathy for others based on comparable qualities and monetary conditions. Factors like status, riches, aptitude and influence are normally used to stratify human society. Social classes are in no way, shapes or forms totally homogeneous, and each class mixes into adjoining classes. All things considered, the general population in each class share many similarities or objectives and hold comparative perspectives about the proper methods for contacting them (Schofield, 2018).

Social classes form part of every society which are crucial to the marketer since the purchasing behaviour of people in each social class is similar. Marketers could therefore

tailor marketing activities based on different social classes. Again, studies also show that the social perception of a brand or a retailer plays a crucial role on the behaviour and purchasing decisions of customers. Some studies have also suggested that the social perception of a brand or a retailer is playing a role in the behavior and purchasing decisions of consumers. A consumer's buying behaviour may also change based on social class. For instance, a lower-class consumer will focus more on price whereas a consumer from an upper class will be more attracted to the imbedded quality and innovation feature, or the associated social benefits that could be obtained from the product (Rani 2014; Schofield, 2018).

Cultural influences: Culture is a complex of qualities, traditions, convictions, thoughts and abilities that are shared by an expansive gathering of individuals who shape a general public. Therefore, it's far an arrangement of scholarly convictions, values, demeanors, propensities, and styles of conduct which might be shared by means of the overall population in a society and transmitted starting with one age then onto the subsequent. Furthermore, in a major nation, a few sub-societies can be distinguished based on religion, provincial urban race and geographic conveyance. Culture is created by, the ideological framework mental framework comprising of thoughts, convictions, qualities and methods for thinking (great or awful); the mechanical framework comprises of aptitudes, strategies to create; organizational framework (family and social class) arranges conduct (Spencer-oatey, 2012).

Marketers can therefore segment the market into various cultural groups. For instance, the segment of "ethnic" cosmetics has gained popularity. There are products more suitable for non-Caucasians and others based on type of skin pigmentation such as Africans, Arabs or Indians. Brands usually communicate in diverse ways – sometimes even create peculiar products (sometimes with minor intrinsic difference) for that same product type in order to explicitly target an age, gender or specific sub-culture groups. Consumers are usually more receptive to products and marketing strategies that specifically target them (Rani 2014).

3.1.2 A Conceptual Model for Consumer Buying Process and Consumer Behaviour
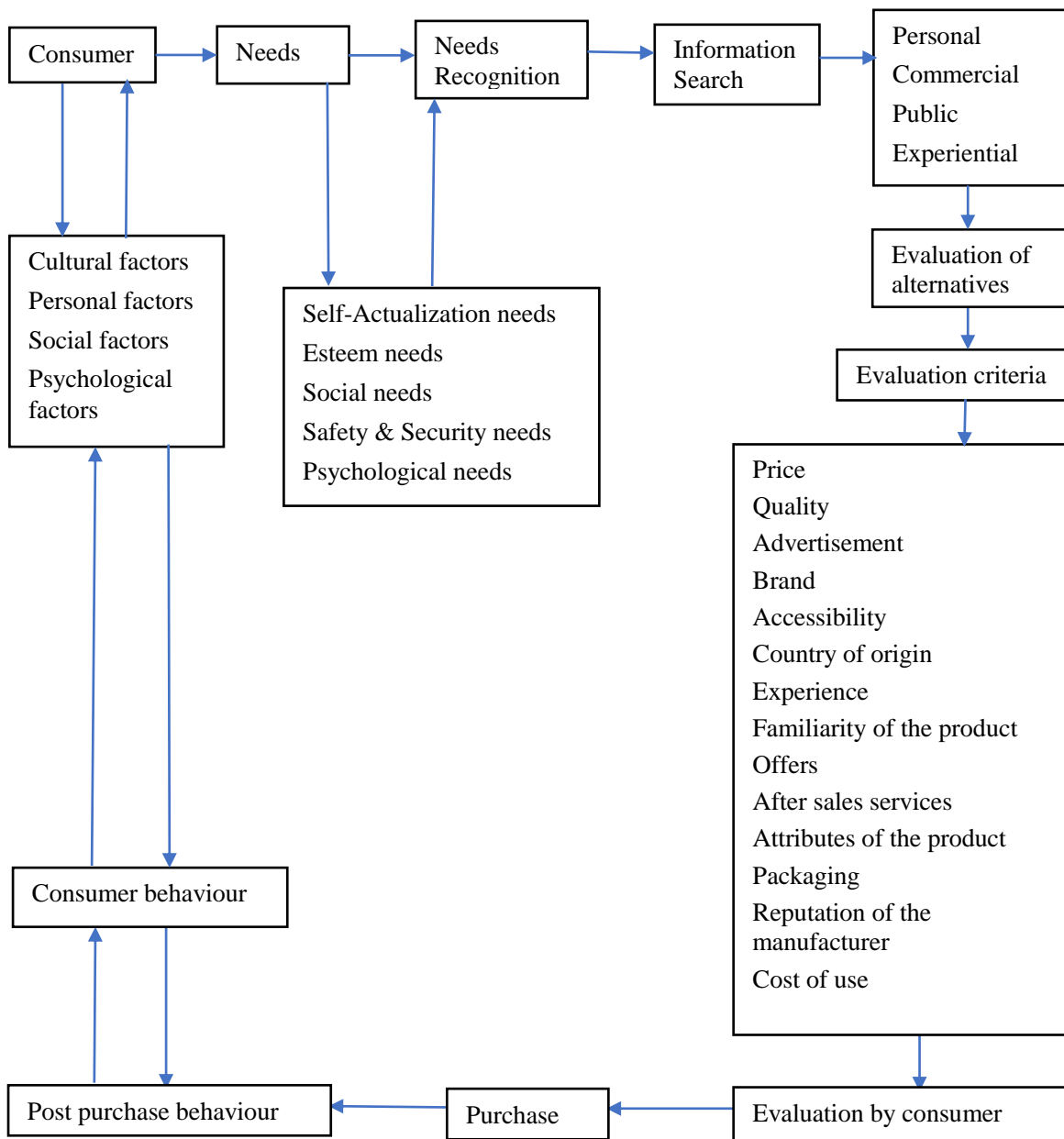
Source: Jisana (2014)

The model above explains the purchasing decision process and behaviour of consumers. First, is to discover an unsatisfied need. Secondly, information can be explored from various sources like personal, commercial, public and experiential sources. Then the consumer there will be several alternative choices available for the consumer to choose the best one after completing the search process. The available choices are evaluated by the consumer based on certain evaluation criteria such as price, quality, advertisement, brand,

etc. The consumer then makes the final purchase after the evaluation. The important stage however is the post purchasing stage. Thus, if the consumer is satisfied with the product or services, s/he will continue purchasing it. They will shift to another product if unsatisfied. This buying decision process of consumers is therefore a continuous process.

3.1.3 Types of Consumer Behavior

Organisational Consumer Behavior

Organisational behaviour of a purchaser is the acquisition conduct of producers, resellers, authorities' gadgets, and institutions. It is about the organisation obtaining the recognisable evidence, securing, get entry to, situating and management of property and related capacities the affiliation desires or capability needs in the fulfillment of its key destinations, "a commercial enterprise process in price of procurement of required cloth, administrations, and equipment" (Baumgartner and Homburg, 1996). Purchasing process in various associations has diverse stages and distinctive elements can influence the purchasing procedure on various associations. Complexity in the purchasing choice process in associations mirrors a few factors, the impact of the formal association itself; the vast number of people included, the unpredictable specialized and monetary elements that must be considered, the earth in which the firm works, and as often as possible extensive aggregates of cash engaged with the exchange (Baumgartner and Homburg, 1996).

Personal Consumer Behavior

Promoting idea declares a firm to distinguish and comprehend the buyers' needs and desires before it details its market offering with a mean to guarantee an ideal match between the offering and buyers' needs. Present day advertising, in this manner, starts with the investigation of these necessities and the conduct of the buyers to address these issues. In basic words customer conduct can be characterised as the arrangement of exercises and activities of the buyers in acquiring and utilising merchandise and administration (Hemsley-Brown *et al.*, 2016).

3.2 History and Structure of Cars in India

The car industry in India was working under the states of what is often termed as "secured promote it", shielded both from internal and external competition, for an authentic long duration. The barriers had been huge because of various section of obstructions raised by the authorities through business authorization, import regulations and one-of-a-kind contraptions. Entry barriers had been working as two new competitors in addition to an account of existing corporations due to restrictions on broadening, development of capability, foreign technology collaborations, imports of capital inventory and segments (Meroni and Sangiorgi, 2014). The effect of those restrictions become mainly noteworthy on this industry since several its organizations began their production technique with imported technology. Additionally, the number of companies in extraordinary segments of this industry, thus, cars and different four-wheeled drives [CARS], Light enterprise motors [LCV] and Medium and Heavy enterprise cars [HCV], till the mid-eighties, are no longer few.

Car production in India improved drastically in the course of this era at the same time as the aggregate motor vehicle production improved from 126 thousand out of 1980–81 to 350 thousand out of 1989–90, the cars sub-sector alone enlisted a variety from a trifling 47 thousand to 224 thousand at some point of a comparable length. The commercial enterprise automobile production, by and large, improved from 79 thousand in 1980–81 to 125 thousand in 1989–90. On the opposite hand, within the Commercial vehicle phase, it is far the LCV section whose manufacturing extended in excess of a hundred, at some stage in this era. The HCV section also enrolled for expansion, but now not as much as both the LCV and the Cars segment (Sakthivel, 2017). It is on this development technique that an exchange in the shape took place within the Motor Vehicle enterprise in India. The degree and nature of development have been unique in this segment of the industry relying on the separate structures that existed previously. It ensued for the most part as entry of new companies, expansion of production and arrival of latest merchandise. While new entries had been accepted with the aid of de-authorizing, expansion achieved through increased competition, because of easy entry, and the liberalization policy aided by the government. In each of the segments of this industry, there have been entries by new companies. Entry and diversification have been huge with the help of imported generation (Meroni and Sangiorgi, 2011; Sakthivel, 2017).

3.3   Types of Car Segment

3.3.1   Micro Car Segment

It is the least cost segment dominated by the Nano brand from Tata. Notwithstanding its minimal cost, it had real quality issues from the on start which hurt its image and client certainty in the auto market. As such it is superior   for inner-city movement in blocked street conditions with better security features over motor bikes (IBEF, 2010).

3.3.2   Mini Car Segment

It is the second greatest segment of the automobile industry controlled   by 2–3 critical players. The reason behind the closeness of the few players in this section its immediate consequence on the worth of its fragile purchasers. To empower the segment to enhance their minimal production effort to higher volumes, a broader framework is required. Maruti Suzuki and Hyundai are the biggest players in this segment as they were prior candidates with minimal production capabilities (IBEF, 2010).

3.3.3   Compact Car Segment

It is the most swarmed segment and the greatest sub-section in voyager cars. Nonetheless, the ability to make ease with extraordinary quality cars has brought about the market being dominated by 2 players – Maruti Suzuki and Hyundai who have solidified a greater part of the market with their brand. However, Maruti Suzuki, Hyundai and Tata were the early entrants in that sub-section.

3.3.4   Super Compact

"Super Compact", the greatest sub-section, is contained vehicles and engravings that began with 3 cars in that portion. This sub-section is controlled by Maruti Suzuki with a minimum cost car, Swift Dzire, created on its best littler hatchback car. The quality of Maruti Suzuki terminations of this sub-fragment in the levels of leadership. The *"medium Size"* is the fourth greatest sub-fragment in the explorer car showcase. Most players in this fragment either offer a product which bestows a phase to its offering in the Compact sub-section or an overall product. The choice of car in this fragment is driven by the buyer's income or salary. In this fragment customers' first inclination is for security, driving and

seating comfort and brand, the second most tendency is for after arrangements advantage, esteem, power and pickup, mileage while most noteworthy speed is of slightest inclination.

3.3.5 Extravagance and Coupe Sub-section

These are commonly fringe segments with under 1 percent combined offer to the explorer car showcase. All products in these sub-segments are offered through the CBU course (Completely Built Unit) due to minimal volumes which neither legitimizes nor adjacent social affair. These includes awesome brands such as, Audi, BMW, Jaguar, Mercedes, Lexus, as these brands are considering clemency. The ordinary car cost of these areas is more than Rs. 35 Lakh and is creating at a typical rate of 20 percent. The high societal position of the clear brand image is the standard driving variable of this segment. Superior usefulness, best in class quality and top notch and revamp incorporate is the most supported parameters of this section.

3.3.6 SUV and MUV Segment

This is the segment with high utility with further divisions into UV1, UV2, UV3 and UV4 based on the length and esteem parameters. Economy area UV's are Sumo, Safari, Bolero, Scorpio, XUV500, Xylo, Innova. Although top notch UV showcase is outstandingly confined and overpowered by Fortuner, Prado, Landcruiser, Pajero, etc. Customers on the economy and first-class SUV show differ fundamentally to the extent moderateness of the vehicle esteem, spares cost and workableness. Although the key factor driving this segment is fun, street nearness, egocentric relationship. In India, economy class SUV's seem to be of better choice in provincial region as thing picture is intense, strong, cruel and outrageous, esteem to dreadful streets. Cars in this segment have high evident security of customers because of appearances, the general structure and external styling of the vehicle (Sakthivel, 2017).

3.4 Car Segment –Sales Volume in India

The Indian vehicle industry, which includes the auto and auto-part ventures, is one among the biggest groups in the country. Expanded internal competition and the growing acknowledgment in their gadgets inside the outdoor enterprise sectors have energized the Indian automobile makers to replace their mechanical capacities, either through in-residence revolutionary work (research and development) or via distinct approaches for

innovation procurement. The revolutionary endeavors of Indian automobile manufacturers are obtaining reward round the sector. In terms of passenger vehicles, India crossed the three million mark for the first time and still developing the growth rate day by day.
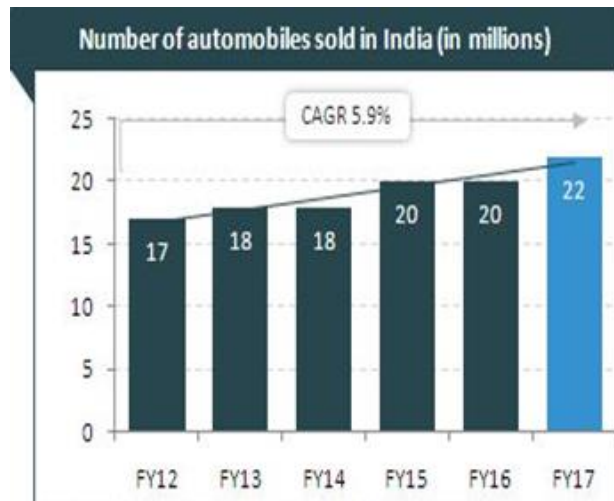
Figure 1: Number of cars sold in India

Sources: Society of Indian Automobile Manufacturers (SIAM)

3.5 The Decisional Factors of Consumer Behaviour in the Car Market

Existing studies highlights the factors that affect the buying decision of the buyer's in many ways. Some of the factors considered includes; price of the car, income of the customer, features within the car, safety standard, finance facility, service facility, warranty scheme. Others also considered the 4Ps of marketing mix; product, price, promotion and place (Sharp, 2012; Dhanabalan *et al.*, 2018). Furthermore, motivation personality, perception, learning, values/convictions as well as lifestyle have also been considered (Salvi, 2015; Sakthivel, 2017; Anandh and Sundar, 2014). Customers decision to buy a car is also influenced by their personal characteristics such as age and life-cycle stage, occupation/profession, economic situation and lifestyle (Miremadi *et al.,* 2017).

3.6 Recent Trend in Indian Automobile Industry

This overview related to car segment represents the interesting and exciting changes in the global automobile sector. India imports many cars thereby providing a competitive platform for car manufacturers, technological powers, and automotive component outsourcing to the automobile giants. Due to the large size of the car market, it is easy to

make new models visible in India with best quality and style. Innovation, quality, and perfection are often updated from time to time based on customer expectation. In the last few years, India has emerged as a leading market for car manufacturers to exhibit their products. However, there are some challenges impeding the growth of automobile industry. The rise in individuals' personal incomes and economic expansion is the cause for the increased demand in the automobile industry. Nonetheless, growth can really slow down if the economy becomes weak (KPMG, 2010; Anandh and Sundar, 2014).

The Indian vehicle enterprise has gained extra grounds from the continuous global financial crisis, and arrangements over all regions with visible record-breaking numbers. The country is positioned to produce more than forty million cars. India is considered as one of the few nations that created massive voyager automobile deals amid the global financial crisis period. In fact, India recorded its maximum production volume ever between 2009 and 2010. It is assumed this steady rise in volumes can be upheld within the coming years because of an increase in the demand for own family car units and extended push on passages (KPMG, 2010; Gayathri, 2014).

Car bargains in India have been developing at a rapid feet in view of much less asking for cash openness, growing sensibility and dispatch of a couple of latest models as opposed to the manner in which most automakers climbed prices in 2010 to stability leading to the rising charges and statistics expenses. The customer ask for work is based upon discrete alternatives and within each marketplace period, every customer is required to choose the correct vehicle bundle from amongst the ones available (Berkovee, 1985). Financially and demographically, the Indian automobile industry is organized all around for development and logically, convey situations. Changing economics in India will see vehicle deals scale new statures. The extending growth of the educated population coming into the operating age loads will give an effective situation to a light economic system and a sturdy enthusiasm for private vehicles. The Indian economy has created a standard rate of around 9 percent over the span of over the years and is expected to continue with this development within the medium term. This is foreseen to pressure an extension inside the extent to which the Indian people are prepared to address the fee of motors. India's automobile in line with capita volume (conveyed in cars in line with 1,000 peoples) is currently one of the minimal globally essentially 10 vehicle markets (KPMG, 2010).

The future of the industry in the medium term depends on the current trends globally analyzed in two different themes, growth and consolidation, in the automobile industry.

3.7   Growth of the Indian Automobile Industry

The growth of the Indian automobile market is expected to be driven by the following unique characteristics.

•   *Affordability:* While numerous new vehicles in the Indian market have been made locally, vehicle moderateness remains an imperative concern. Regardless of the way that the expense of a typical cruiser in India (about USD 900) is essentially indistinguishable to the ordinary per capita pay, the expenses of explorer vehicles have far to go. Notwithstanding the way that the segment's level vehicle, Nano, is evaluated at around USD 2,500, the explorer vehicle market could create multi-cover if there is a jump forward of another esteem level in the coming years (KPMG, 2010).

•   ***Rural Market***: The vehicle business still cannot totally exploit enthusiasm from nation zones. Previously, customers from rural areas would need to go to car dealerships in towns and urban regions to purchase a vehicle. Regardless, promotional players have of late made proposals to nation buyers, with repeat developing arrangements. While the Indian car industry attempts to twofold total arrangements on the back of persevering advancement all through the next decade, these modestly under-tapped premium segments (provincial markets, women, youth and lavishness vehicles) are required to expect an immense activity (KPMG, 2010).

3.8   Consolidation

As India is on the road to end up one of the world's finest automobile markets, it's far fascinating to have a look at its development consistently. India's interest as a goal for automobile creators has been underscored via the quantity of latest automobile manufacturers getting into the country for the duration of the cutting-edge too many years. Not in the slightest diploma like in more than one business sector, the quantity of producers has persisted creating in India throughout the time transversely over automobile divides. The Indian marketplace is progressing at a noteworthy pace and vehicle players from over the world view it as an indicator of growth in their business area. Besides, community players within the car sector now look at the complete universal market as an opportunity. With excessive skill levels and a forceful space, they are in no way again restrained to study India on my own. Indian car institutions consider personal enthusiasm, and similarly advances into the price feature. More car gamers are purposely peering closer

to India and subsequently, the business is displayed to frontline functions, great measurements, and execution tiers. While the voyager car section has been advanced with the aid of 3 enterprise goliaths – Maruti Suzuki, Hyundai and Tata Motors (which collectively spoken to 70 % of explorer vehicle deals inside the year 2009-10) Considering the fantastic advancement the business is at present gazing, doubtlessly any new member could want to demonstrate unsurprising and clear differentiators to make a play for a specialist position within the Indian marketplace.

3.9 Theorical Literature on Consumer Behaviour

Juster (1966)[1] argued that the *perception of customer* expectations to buy a car are wasteful indicators of procurement rates since they don't give precise appraisals of mean buy possibility. This is a result of the way that expectation studies cannot distinguish developments in mean possibility among non-intenders, who represent the greater part of genuine buyers and for often arrangement difference in buy rates. Comparison of forecasts from selective studies, one of subjective buy probabilities and the other of purchasing aims, shows that buy probabilities clarify about twice as a great part of the cross-segment fluctuation in car buy rates as purchasing goals. Comparative yet not exactly so indisputable contrasts are gotten from examination of choosing family unit durables. The likelihood variable predicts more precisely than the aims variable, generally because it partitions non-intenders, and the individuals who report that they "do not have the foggiest idea" about their purchasing expectations, into subgroups with efficiently unique buy rates.

Punj and Stalin (1983)[2] explored that the data examine is a basic part of the choice process for most buyer durables. This paper proposes a repetitive model of data pursuit and tests the estimated connections utilizing review information gotten from a test of new vehicle buyers. The outcomes bolster the speculation that there are no less than two novel segments of earlier information: item learning and general item class information. The previous causes less outer hunt, the latter causes more outside pursuit. Cost of pursuit was observed to be adversely identified with outside hunt, while outer inquiry was observed to be decidedly identified with taken a toll investment fund. Fulfillment was observed to be identified with taken a toll reserve fund yet not to outer pursuit.

Baumgartner and Homburg (1996)[3] identified a component conceptual of exploratory consumers buying behavior in which exploratory securing of objects is diagnosed from exploratory records chasing. A scale for measuring singular contrasts in customers'

tendencies to take part inside the exploratory buying behavior is created considering this conceptualization, and the tool is recognized with a few exceptional developments and actual exploratory practices. The aftereffects of six investigations with subjects from unique international locations exhibit that *'size'* has great psychometric impact and that its associations with unique developments and genuine exploratory practices follow hypothetical desires.

Woodside and King (2001)[4] conducted a study to adjust the hypothesis without indicating how the hypothesis, identify with late hypothetical improvements in consumer conduct. Exact examination of the hypothesis is likewise ailing in purchaser brain science writing. This article refreshes Heider's adjusted hypothesis in buyer conduct by building up the hypothesis' connected to speculations of perceptual, attitudinal, and conduct automatic and controlled considering and intellectual experiential self-hypothesis. Key recommendations for applying balance hypothesis to consumer brain science connect programmed controlled memory recoveries and narrating of unequal (i.e. dumbfounding) circumstances that empower additionally considering and activity. Research utilizing narrating strategies help in looking at these hypothesis advancements.

Sheth and Sisodia (2004)[5] conveyed that human behaviour is advancing quickly. Due to recent mechanical unrest, changes in business focus behavior will normally take over. Future buyers will be drastically unique in relation to over a significant time span customer. There will be extra time-driven, more asking for, extremely individualistic. The accomplishment of sponsors will rely upon their ability to pass on signify customer comfort. It consolidates trouble free request, trouble free acquiring, trouble free use and trouble-free exchange. In addition, shopping on demand will fuse at whatever point, wherever acquisition and furthermore at whatever point, wherever usage. Promoters, who move proactively will rename the limit and change its regard condition and will position themselves for an awe-inspiring future.

Langford and Schultz (2006)[6] inspected that purchasers will in general be sporadic and as such are extensively hard to get it. Further to that client inclination and qualities are awesome, much of the time participated in variables misty to even themselves. It is thus upheld to express that buyers give an explicit information and a while later act is courses that in every practical sense of the time have all the earmarks of being clashing. He was given the above view and via quantifiable examination established that no connection among manufacturers favored and the actual buy diagrams.

3.10 Consumer Behaviour in the Car Market – Empirical Literature

Piplai (2001)[1] tested the effects of development on the Indian vehicle industry at the mid-1940s as technology, advertising and marketing, export, era tie-up, product up-degree and advantage. Till the 1940s, the Indian automobile enterprise changed into non-existent, seeing that the automobile turned into transported in from General Motors and Ford. In the mid Nineteen Forties, Hindustan Motors and Premier Auto started by bringing in technologies from General Motors and Fiat one after the other. Since the 1950s, two or three unique associations entered the market for bicycles and business vehicles. In this way, Piplai (2001) presumes that the automobile business in India has not expanded much from the progressions, other than being pushed into an abnormal state of unsustainable contention.

York (2003)[2] introduced a research on cross-national range in length of passenger automobile fleets. Further, he inspected various factors that doubtlessly affect automation. The Minimum rectangular backslide method were used to study the impact of different segments. For the said cause test turned into assembled from 138 countries. The disclosures of the examination prescribed that money-associated change seems to extend motorization and globalization of individualistic social and political structures provoke augmentation of car fleets.

Sagar and Chandra (2004)[3] described about, how the Indian car industry has improved innovatively determined by a conversion of variables, for example, serious competition, demanding purchaser preferences, Government methods, and the worldwide procedures of the different players. They explained that car producers in India rely on plans, combining propelled advances, that are frequently for all intents and purposes indistinguishable with those available all around and Indian car exports out are also growing rapidly.

Renganathan (2005)[4] broke down the client markets and the buyer's behavior of cars in Chennai domain. The example gauge for the exam turned into one hundred thirty-five containing individuals who guarantee a car and the people who will refresh from a bicycle to four wheelers. Results exhibited that 39 percent of the inspected respondents foresee that a vehicle may be for rich and everyday measured. It rearranges that, the fashion and look of a vehicle moreover impact a client's hoping to shop for a vehicle. It could likewise lead a couple of fights and road shows up in common ranges and consider the individual markets. Further, he suggests that when an association needs a feasible publicizing to persuade the customers, it must be centered around decision of enormous name endorsers.

Mandeep and Sandhu. (2006)[5] explored to find the noteworthy highlights which a customer looking while at the same time going to purchase another car. The best car proprietors perceive that solace and wellbeing are the hugest highlights of the traveler car pursued by extravagance.

Verhoef *et al.* (2007)[6] tended to that scientists found the emblem and merchant protection within the new car sector and contemplated the organizing little bit of logo stage. The examination explored how many sellers add to mark assist and concentrated how this devotion is composed by logo stage. The records were accumulated from past car consumers and tested with 999 vehicle clients. Disclosures confirmed that dealers supplying volume manufacturers may want to decorate mark consistency standards. It uncovered that providers of reputable and financial system manufacturers were not able to impact mark renovation. Outward service providers' benefit qualities have the littlest impact for shippers offering economy manufacturers, even as service providers divide regarding the essential determinants for providers' guide for these shippers.

Moodley (2006)[7] tested a blend of facts assets, extending from the web, tips, propose test drives, through the print media become referenced earlier than the buy. From the standpoint of individual effect, accomplices, relatives, and friends apparently had been the first-class within the preference. Esteem, mark, fuel utilize, highlights and central focuses near to an assistance/motor shape were perceived as a guiding 5 principal elements that affect the tourist automobile customers. The situational elements had a particularly stable accentuation on money-associated consequences. Solitary pay, as frequently as possible organized portions, develop fees, a way of lifestyle and component length have been visible because the important 5 factors that prompt ordinary workers whilst creating a buy. Along those traces, it is settled that an expansive part of the general populace is careful of the buy trade technique. The results confirm that most of respondents had been attached or concerned with the aid of the amidst obtaining strategy.

Goyal *et al.* (2008)[8] discovered the various factors that hypnotize a consumer at the time of choosing a specific car. Diverse estimation strategies like Mean, Standard Deviation, Factor Analysis, and Bi-Variate Correlation were adopted for the study. The examination uncovers in the event of obtaining a luxurious car, the additives like pulls in, stuff restrict, the look is most basic components and in case of a medium automobile, after arrangements benefit, lodging of additional components, version, form and engine limit are the basic factors considered by buyers. On the off chance that there ought to emerge an occasion of

little cars, the parts like, ornamentation, engine limit, after arrangements administration and cost were guidelines for customer perception. Along these lines, it was insisted that auto makers expect to appreciate the overall noteworthiness of various characteristics for the numerous pieces of cars.

Kaushik and Kaushik (2008)[9] introduced purchaser's inclination towards the vacationer car mark in South West Haryana district. He considered pre-buy and post-purchase leads and factors influencing the brand tendency of traveler motors. The judgmental Sampling technique was used and reflect on considerations on changed into done in Bhiwani and Mahendragarh areas of Haryana in substantial masses of June to August 2007. Multidimensional Scaling Techniques and the movement path of motion have been used. It changed into visible from the exam the Maruti 800, Alto and Wagon R had been maximum first-class selections in that locale and clients have been extra affected by allies, spouse and children in preference to vendors and manages individuals. Brand name, fuel, profitability, and fee have been seen to be simple determinants for acquiring motors in that place.

Rani (2008)[10] investigated the visitor car enterprise in India. Examples inside the Indian car industry were pondered going before motion and put up-headway time. According to her, huge checking technique which gave new licenses to general social activities of automobile matters started in 1985. In the publish-headway period, the tourist automobile enterprise in the nineties were depicted by means of an extension in the wide variety of manufacturers in the market which prompted brands to conflict at the introduction of element incorporates. Graph of gives of motors prolonged from 264,803 devices in 1994–95 to 819,918 devices in 2004 – 2005. The automobile business contributed 19 percent of duties in 2007 and produced in excess of two million organized jobs and peculiar paintings of round 10 million. The author again demonstrates that the crucial constraints of the Indian vehicle industry had been road gadget, transportation, fills, development status quo and designing. Most of the constraints have been minimising vehicle segment and over some uncertain time allotment, its miles expected that it may create to fuse luxurious cars as properly.

Dongyan Xuan (2008)[11] examined the Chinese market and provided a layout on active Chinese customers' automobile buy conduct. This examination is transcendently fixated on Beijing children. Both fundamental and discretionary statistics were conducted during the examination. The results show that vehicle buying decision is an essential selection criterion for maximising utility in the long run of Chinese customers. Purchasers get

records from exclusive channels, vehicle bargains workforce, internet, own family/partner (verbal), automobile shows, etc., notwithstanding, with the brisk progression of a lot of customers start to use the internet to get car records such that it is the second cleverly used redirect to get data in our examination. The result of their examination also reveals that Chinese customers take "safety" as the optimum primary trademark, "regard for money" as the second and "riding consolation" as the third vital trademark whilst getting an automobile. "Security" and "regard for money" are essential, which will be different from the point of view of western vehicle customers.

de Haan *et al.* **(2009)**[12] conducted a study to recreate the car market retaining in thoughts the give up intention to figure the impacts of feebate frameworks in view of a power naming plan utilizing classifications A to G. Exceptionally fuel-effective (A) vehicles get a cash motivation, very wasteful (G) automobiles pay more charges. Customers have distinct value versatilities and behavioral selections to reply to feebate. They can trade into a littler measured vehicle, however, as power productiveness differs widely interior size fragments; they can likewise adhere to the popular size class and pick out an extra motorist. Also, already claimed vehicles impact the subsequent automobile to be picked.

Bhardwaj and Fairhurst (2010)[13] conducted an examination on information and inspect conduct among new automobile customers. Data was assembled from two Indian Metros, Bangalore and Chennai. The variables determined for the examination had been taken from beyond research. The facts turned into separated with the help of element examined and the factors considered related to owners of vehicles. The 4 components have been isolated, for instance styling and comfort, value for money, security and trustworthiness and coincidental, and many others. The social events had been perceived the usage of bunch examination, which turned into related to look activity variables and character factors. Four groups so fashioned were named, extensive direct searchers, high-quality considerable searchers, low huge searchers, and coffee searchers. So, the examination changed the primary to section the car shoppers in India and moreover, the results conformed with past examinations.

Monga *et al.* **(2012)**[14] investigated the impact of logo on choosing automobiles in India by means of coordinating the measurable reviewing. Though individually attracting, logos will assist to apprehend what a patron considers a given emblem of car and what are the possible factors handling a likely purchase. Also, estimating the customer unwaveringness will fill an equal want of selecting the purchaser acknowledgment. Along these traces, by

means of estimating the "fame of present customers of an automobile to advise it to other humans" will help the automakers with chalking out the whole Customer Buying Behavior. This study could be helpful for the new vehicle member institutions in India to locate the possible openings among the client desires and the prevailing market contributions. The exploration will separate the congruity of current exam thoughts, speculation, and contraptions for surveying client delight.

Rezvani *et al.* **(2013)**[15] conducted the study to audit the nation of root writing and outlined distinctive factors that impact buyer purchase intention, and also featured the relationship of factors and client buy expectation in view of past studies. This research is profitable for advancing the purchaser conduct writing and offering help for connections between the decision factors and buy expectations. Moreover, it additionally enables advertisers to take a shot at related themes as per the nation of root point of view. Current studies demonstrate that the greater part of the factors said in this paper have an association with the client purchase intension from the 'nation of source' perspective. Be that as it may, there are many variables for which it has not been resolved whether they impact purchaser by goal identified with the nation of root issue and there is a wide extension for future innovative work.

Vidhyavathi (2012)[16] found that the marketplace is currently purchaser driven. Awareness is transferring from the item-based promotion to require based, totally advertising. It therefore important to reflect on the consumer's observations and conduct of the Automobile owners so us to prescribe appropriate advertising and marketing techniques. the study was conducted in Chennai, a town in Tamil Nadu State, South of India. This research found consumer conduct to assumes a fundamental part in marketing Automobiles and recommended extra studies on the topic.

Menon (2012)[17] concluded that Globalization and advancement, with the section of numerous unmistakable outside producers, modified the vehicle scenario in India, from the mid-1990's. World Leaders in car assembling, consisting of, Honda, Ford, General Motors, Toyota, Mitsubishi, Benz, Suzuki, Renault, BMW, Hyundai, Volkswagen, and Nissan set up their assembling devices in India in a joint venture with Indian corporations via Foreign Direct Investment (FDI) arrangement of the Government of India. These producers started attracting Indian car clients with their choice of mechanical and innovativeness, which were exceptional and unwavering best. With alternative selections on hand to Indian tourist vehicle consumers, it considerably changed the auto-buying state of affairs in India,

especially within the Kerala State. This changed the car scene from a vendors' market to consumers' marketplace. The aftereffects of the examination go all the way down to earth mastering base of the car commercial enterprise, especially to the visitor car fragment. It has likewise a first-rate contributory esteem growth to the producers and traders for tweaking their marketing designs in the State.

Menon (2012)[18] investigated the assortment of selection open to the Indian tourist vehicle consumers, it virtually changed the car buy circumstance in India, especially in the State of Kerala. This changed the automobile scene from a dealer" market to customers" show off. Car clients began developing their own unique dispositions and shopping plans, which were up to this dark factor at the Indian automobile fragment. The essential notion driving this paper is to think about the idea of possible parameters and an auxiliary enhancement, that have an effect on the customer buy direct times of explorer automobile proprietors within the State of Kerala, so further studies should be workable, in mild of the framework and the identified parameters.

Monga *et al.* (2012)[19] tested the character of buyers in picking vehicles in India using the factual studying. This character structuring will assist in perceiving what a purchaser thinks about a given emblem of a car and what are the viable components likely to influence a buy. Also, estimating the client dependability will fill a similar want of selecting the consumer acknowledgment. Thus, by estimating the repute of stimulating customers of a car to endorse it to others will help the automobile makers to look at the whole patron Buying Behavior. The research suggests that mark acknowledgment is, which starts developing earlier than a vehicle is acquired and proceeds with its usage. In the study discoveries, vendors anticipate an essential element in operating up the emblem influence of the vehicles.

Vidhyavathi (2012)[20] tosses light at the trade points of view that the business sectors must stress on to draw the arranged buys. The enthusiasm for the little Automobile fragment is developing an instantaneous result of the growing number of own family devices and furthermore preventing troubles. Along these lines the manufacturer has to locate the conditions, tastes and tendencies of clients with a selected real objective association with the gadgets. Additionally, capability and using solace are the most necessary parameters took after via the consolation of extra objects and their values.

Balakrishnan and Raj (2012)[ab 21] verifies that, due to esteem differentials in Diesel and Gasoline, about 33% of car owners have diesel motors. The study indicates that about 1/7

of automobiles in the city were for family utilization. Nevertheless, workplace and commercial enterprise motives were the next pressing reasons for owning a car. Outside emblem motors imply a super inclination in the Kerala automobile element. Thus, it was observed that information for consumer buying decision is gathered from TV commercials on automobile fashions and brands, appearance on the website of the producer and websites of shippers were the most resourced consumers gather facts on car fashions.

Raj *et al.* **(2013)[22]** examined the segments influencing customers brand inclination of the economy zone MUV's and SUV's. The data amassing was made through direct correspondence and client discover diagram utilizing outline. Illuminating examination was used to change information into justifiable game-plan and variable examination was used for perceiving check of elements impacting buyer's propensities. As shown by the result, the propensity of a given brand can be enlightened for six factors especially money related factors, sharp premium, Product immovability, rehash of non-regard types of progress offered, steady quality and client feeling or relationship towards the brand. Advertisers are required to consider these variables while making effective enhancement in the SUV Automobile publicities.

Srivastava and Tiwari (2015)[23] inspected the consumers conduct for A3 segment motors, as an instance, SX4 and Honda City in a specific district, Jaipur. Information were collected from 100 participants 50 each from Maruti SX4 and Honda City. Members were considered from different factors like occupation, gender, and income magnificence. Also, the consumer purchases parameters considered in exploring are safety, max speed, price, comfort, mileage, styling, power and pickup, after sales service, brand name and spare parts cost. The above parameters and analyses uncovered that, in purchasing A3 fragment cars, clients place greater significance on safety, seating and riding consolation and brand name. So, additionally expressed repute and plugs in vehicle magazines are moreover persuading correspondence on automobiles for the improvement of Cars.

Verma *et al.* **(2013)[24]** found that luxury automobiles are the fastest emerging segments in India. In India luxury vehicle production and use is revived in the current years. Studies indicates that the extravagance automobile exhibit is developing at a continues rate of 25% with a regular growing variety of luxurious vehicles coming on the Indian vehicle market. India is one of the fastest developing economies of the World. With the predicted

development rate of 8 to 9 percent in the last five years with individual's real income increasing noticeably. In addition, the improved HNI (High Net well worth Individuals) social order in India is surpassing 25%, the most tremendous inside the World. Due these developments, the luxury vehicle market which used to exist mostly in the USA, Europe, China, Japan, and Korea, years ago, has started gaining prominence in India. Analysts show that the excess vehicles would constantly be produced at a rate of 28 percent. More than seven thousand luxurious vehicles were bought in India consistently and nearly 20 typical brands have been competing for the overall commercial quantity. The Indian indulgence car selling has tripled its size within the past 5 years. It is to create at a comparative speed for two-three years. This paper consists of the past studies of the Indian luxury car market and to investigate the engaged.

Vikram Shende (2014)[25] inferred that today's automobile business is the maximum wonderful enterprise. Considering augmentation in discretionary cashflow in both provincial and urban zones and availability of sincere fund are the important drivers of high quantity automobile segments. More rivalry is warming up with a huge buildup of latest players coming in and complete brands like Porsche, Bentley, and Ferrari prepared to wander into the Indian market. This article demonstrates an examination of research in the place of Consumer Behavior of Automobile Car Customer. Suitable origination of clients shopping conduct will allow the promoter to be successful inside the marketplace. All segments within the Indian Car enterprise have been foreseen and uncovered that the purchaser has alternative prerequisites in every vicinity, at the same time, an important motivative factor for vehicle purchase is optionally available earnings. Financial considerations, protection and driving comfort pinnacles the factors many patrons want; whilst the observed nature of customers generally depends upon emblem photo. The objective of this examination is the specific proof of factors influencing consumer's inclinations for an explicit segment of vehicles. This paper in addition tries to enroll in discoveries and hints to conquer display condition of staleness in arrangements and beautify destiny enthusiasm for car vehicle show off.

Nayum *et al.* (2016)[26] broke down the idle elegance institution which separates the consumers amongst ordinary vehicle consumers primarily based on maximum recent obtained vehicle highlights. The test of difference and slightest square blunder have been

performed at the five gatherings of mutt purchaser and electric automobile clients primarily based on psychological variables. This research proves that battery electric automobile purchasers gathered had diverse psychological behaviour from everyday car clients. The everyday car clients assessed more feature in place of electrically powered automobile.

3.11 Summary of Empirical Literature

The above empirical studies conclude that customers prior and post buying choices are resolved by all manner of human conduct. Understanding the customer enables an advertiser to take marketing varieties which are perfectly with its buyer requirements. For these studies, there are different significant class of customer behaviour determinants and desires, especially political, mental, financial, geographical, statistic and product and technology. All reviews discussed about ascertained different impact factors that influence buyer behavior while purchasing a car.

4 Results and Discussion

4.1 Methodology

4.1.1 Sampling Technique

The target population for the study were all government and private sector employees in the Karela State who own or do not own a small car. The study adopts a non-probability sampling technique due the difficulty in determining the total target population prior to the survey. Thus, a sample size of 104 government and private sector employees was conveniently drawn from the target population. Out of this number, 50 were public sector workers whereas the remaining 54 were workers of the private sector.

4.1.2 Data Collection Process

The primary data were collected through an online semi-structured questionnaire outlining questions on the buyer's behaviour in acquiring a car. The online primary data collection was designed and administered through an application called *SurveyMonkey*. In the questionnaire were again questions related to the perception of buyers at the time of purchasing the car informed by their experience and general knowledge about cars in the market. Questions on the satisfaction and after purchase perception as well as the demographic characteristics of respondents were also part of the semi-structured questionnaire. Secondary data accessed online were also used for the literature review.

4.1.3 Analytical Methods

Data collected were first coded and entered in excel before analyses. STATA, SPSS and Excel were subsequently used for the data analyses. The socio-economic profile of respondents' and the main marketing information sources for choosing a brand, first and second objectives, were analysed with descriptive statistics and chi-square analyses and the results were presented in tables and charts. Respondents' brand preferences and the factors affecting consumers' brand selection, third and fourth objectives, were analysed by Freeman's Rank test and Kendal's Coefficient of Concordance and the results were tabulated. Logistics Regression was also used to examine the fourth objective – socio-economic factors influencing consumers' propensity to own a car. Below is a detailed description of the analytical methods used in the study.

Rank test

Both Freeman's rank test and Kendal's Coefficient of Concordance were used in this study as earlier stated. To achieve the objectives with these rank test, a list of selected small cars brands within the Indian market and a list of carefully selected factors influencing customers small car brand preferences, based on literature, were provided in the questionnaire. Respondents in were then asked to rank them on a scale of one to the highest number with one (1) being the most important or pressing factor and least factor taking the highest score.

Logistic Regression

Logistic regression (Logit) was used since the dependent variable, car ownership status, was a dummy. Thus, one (1) if a respondent owns a car and zero otherwise. Below is the description of the Logit model used.

$$y = a_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4, \dots \dots, \beta_9 X_9 + \varepsilon$$

Where y is the dependent variable (car ownership), a_0 is the intercept, $\beta_1 - \beta_i$ are the parameter estimates, $X_1 - X_i$ are the explanatory variables – socio-economic factors influencing propensity to own a car *(refer to Table 1 for details)* and ε is the error term.

Table 1: Definition of explanatory variables for the logit model

Variable Name	Description	Measurement
Car ownership	Respondents' car ownership status	1 = own a small car; 0 = do not own a small car
Age	Age of respondent	Years
Gender	Sex of respondent	1 = male; 0 = female
Occupation	Respondent's sector of work	1 = private sector; 0 = public sector
Education	Years spent in schooling	Years
Family income	Net income per month	Rupees (Rs.)
Household size	Respondent's total household size	Number per household
Satisfaction	Level of satisfaction of respondents with the services of care sellers	1 = satisfied; 0 = unsatisfied
Payment mode	Respondents' preferred mode of payment when buying a small car	1 = upfront/instant payment; 0 = payment based on financing

4.2 Socio-economic Profile of Respondents

Table 2, 3 and 4 coupled with Figure 2 and 3 outline the socio-economic profile and brand preferences of respondents. From Table 2, 55% of the 104 respondents were male whereas 45% where female. Again, out of the total number of female respondents (47), only 7 (7% of the total respondents) owned at least a car whereas the remaining 40 females (38% of the total respondents) were non-car owners *(refer to Table3)*. Table 3 again, shows that unlike women, most (46% of the total population) of the sampled car owners were men (48) with only a few of the male respondents, 9 (9% of the total population), being non-car owners. This result is not surprising as it depicts a classic case of how resources are unequally distributed in developing economies like India. Furthermore, a chi-square analyses was conducted on gender and brand of cars used by respondents irrespective of their ownership status. The result indicates that most men (24) in the study area droved Maruti followed by Toyota (12) and Hyundai (10) whereas women used Suzuki (4) *(refer to Table 4)*. These findings conform with Mathur *et al.* (2018) who found a higher

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percentage of male usage of Maruti relative to Honda city cars in a similar study on consumers' buying behaviour in the Indian car market.

Table 2: Descriptive statistics of explanatory variables for the logit model

Variable	Obs.	Mean	Std. Dev.	Min	Max
car ownership	104	0.529	0.502	0.000	1.000
Age	104	25.827	6.757	19.000	56.000
Gender	104	0.548	0.500	0.000	1.000
occupational sector	104	0.519	0.502	0.000	1.000
Education	104	13.596	2.120	10.000	20.000
Income	104	139539.400	339974.900	500.000	3000000
household size	104	7.317	3.850	1.000	30.000
Satisfaction	104	0.625	0.486	0.000	1.000
payment mode	104	0.394	0.491	0.000	1.000

Nonetheless, Table 4 shows that about 62% of the respondents living on $4-6$ lakhs used Maruti (41%) and Hyundai (21%) whereas 36% of the respondents living $7-9$ lakhs of income drove Maruti. Conversely, most of the respondents (33%) living above 9 lakhs used Toyota. Equal numbers, 2 each, used Honda, Maruti and Suzuki. These findings imply that average income respondents used Maruti and Hyundai relative to Honda, Suzuki, Tata and Toyota whereas higher income earners drives prestigious motor vehicle brands like Toyota.

Table 3: Chi-square analysis of gender and car ownership status

	Car ownership		Total
Gender	non-car owner	car owner	
Female	40	7	47
Male	9	48	57
Total	49	55	104
Pearson Chi^2(1)	*49.674*		
Pr.	*0.000*		

Moreover, as an Indian made car, Maruti is see in the car market as affordable relative to foreign brands Toyota and the rest, hence its usage by the average income families. Table 2

again shows that the average income of a respondent is 139,539.40 Indian Rupees although there was a sizeable deviation around this mean (SD = 339974.90).

Results in Table 4 further shows 36% of the business, professional and services working class drove Maruti followed by Hyundai (16%) and Toyota (16%) relative to other brands with Tata been the least used brand at homes. Moreover, approximately 52% of the total respondents were private sector employees with the remaining 48% working in public offices *(see Table 2)*.

Table 4: Chi-square analyses of respondents' socio-economic characteristics car brands used

Socio-economic Characteristics	Honda	Hyundai	Maruti	Suzuki	Tata	Toyota
Level of Income						
4 Lakh – 6 Lakh[a]	6	8	16	2	2	5
7 Lakh – 9Lakh	3	3	8	3	2	3
Above 9 Lakh	2	1	2	2	1	4
Gender						
Female	2	2	2	4	2	0
Male	9	10	24	4	3	12
Occupation						
Business	1	2	8	5	1	3
Professional	8	7	11	1	3	7
Service	2	3	4	2	1	2
Level of Education						
Non-graduate	0	1	6	0	0	1
Undergraduate	8	8	10	5	3	5
Postgraduate	3	3	10	3	2	6
Total	**11**	**12**	**26**	**7**	**5**	**12**

Summary of chi-square analyses			
	DF[b]	**Chi^2 value**	**Significance**
Level of Income	*10*	*7.245*	*0.702*
Gender	*5*	*12.548*	*0.028*

Occupation	10	9.892	0.450
Level of Education	10	10.442	0.403

*Note: **a** = 1 Lakh is equal to 100,000; **b** = (**DF**) Degree of freedom*

Furthermore, Figure 2 shows that most of the respondents (55.77%) had undergraduate educational qualification whereas 34.62% and 9.62% had post-graduate qualifications and non-graduate qualifications respectively. This implies about 91% of the sampled respondents had undergraduate and post-graduate qualifications. This further indicates that the sampled respondents were highly educated. This was expected since cars are often attached with some level of prestige, hence persons with higher level of education prefer to own one especially in a society like India where relevance is highly placed on social status. These findings are confirmed by the fact that approximately 13.5 years was average spent in school by a respondent *(see Table 2)*. A chi-square analyses of respondents' level of education and used brand also shows that Maruti is highly used across all levels of education *(refer to Table 4)*. The difference however lies with the second choices of the respondents. Whereas undergraduates use Hyundai and Honda as their second in the absence of Maruti, postgraduates preferred Toyota as a second choice.

Notwithstanding, the bottom half of Table 4, chi-square results, shows that there is no significant relationship between brand used or choices and the income and educational levels as well as occupation of the respondents. The results however indicate a significant correlation between respondents' gender and their brand choices/usage. Hence, a person's income level and occupation do not influence their brand usage relative their gender in the car market. Mathur *et al.* (2018) also found gender to be a significant determinant of brand preferences in the Indian car market relative to occupation and income.
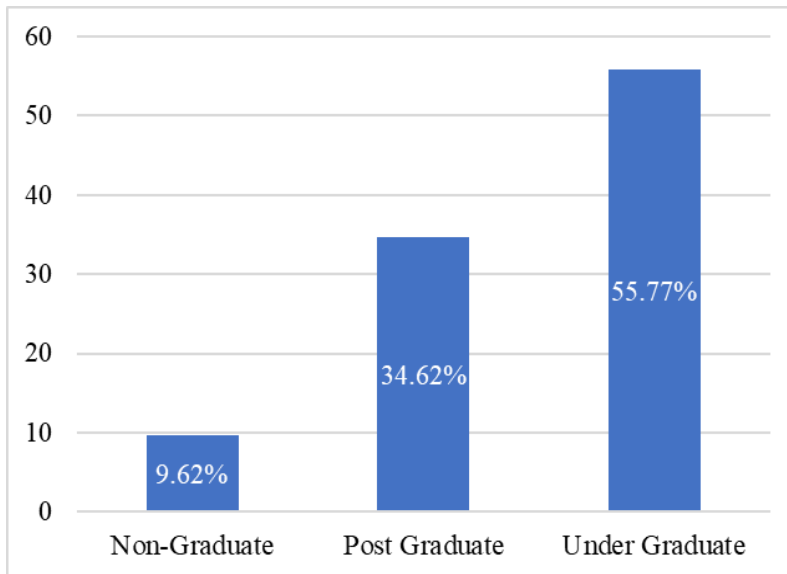
Figure 2: Respondents' level of education

Again, most of the respondents were youthful (mean age = 25. 83) whereas the average household size was about 7 persons per household. This also indicates a higher household size which might be a key reason why respondents might purchase cars. Out of the 104 sampled respondents, approximately 53% owned at least a small car whilst the reaming 47% did not own a car by themselves. Nonetheless, majority of the respondents preferred to pay for their motor vehicles based on financial arrangements over time whilst the reaming 39% prefers upfront payment when buying their preferred small vehicle *(refer to Figure 3)*.

Figure 3:Car ownership status of respondents

4.3 Major sources of information influencing respondents' choice of brands

Information plays a key role in customers' preferences and subsequent purchases in the car market (Liu Dongyan, 2008). People get information for their purchasing decision from either television, radio and print media adverts, the internet, recommendations by family and friends, brochures, billboards, or it's a personal decision taken by the consumer. Figure 4 therefore shows that consumers place high value on information received from family and fri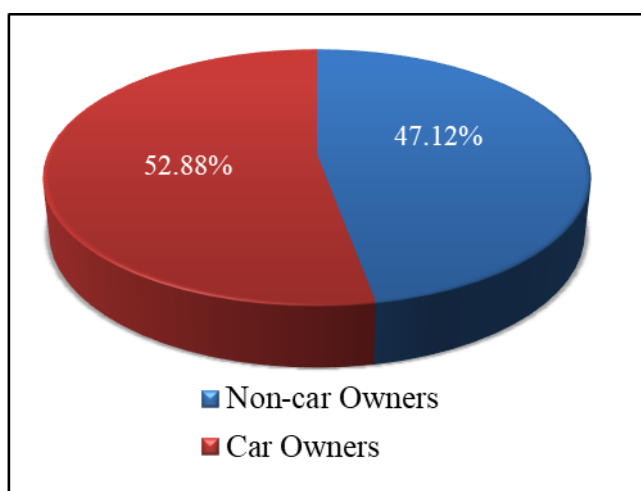ends (62%) followed by personal decision (33%). This is unsurprising within developing economies like India where high value is placed on social relations. With level of technological advancement in this Digi-age, the internet has become place where consumers search for vital information on products before purchasing. It is therefore not surprising that the internet like televisions adverts, was the third medium for information by consumers in the Indian car market, especially with the youthful nature of the sampled respondents (i.e. mean age = 25.82).
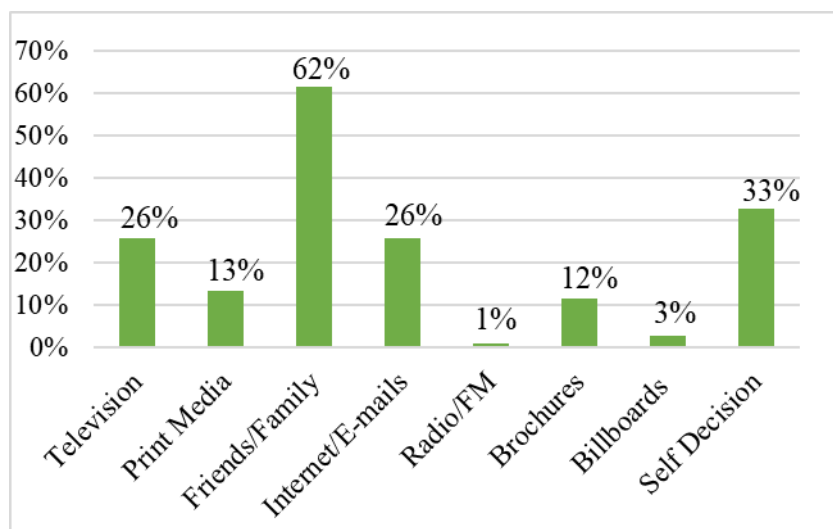
Figure 4: Major source of information that influence consumers choice of brand

4.4 Brand Preference and Selection in the Indian Small Car Market

Table 5 presents the results for the Friedman's ranking test conducted on respondents' small cars brand preference. From the table, the ranking made is statistically significant at 1% alpha level since its p-value is 0.00. The results show that, respondents highly prefer Volkswagen (ranked 1st) to be their next choice of new small car, out of the 11 known brands in the Indian market. This they associate with the prestige associated with Volkswagen and its corresponding quality technology in their small cars like Golf and

Passat. The second ranked preferred brand by respondents is Skoda. With their new small cars such as the Fabia, Skoda is making huge entry unto the Indian small car market. Respondents associates their preference for Skoda based on the stylish nature of their new modules coupled with their stylish inner deco and auto-technology. Ford was ranked as the fourth preference of respondents while known local (Indian) brands like Maruti, Tata and Mahindra were ranked 4th, 5th and 7th respectively. Nonetheless, known Japanese and Korean brands such as Toyota, Honda, Nissan and Hyundai were ranked 6th, 8th, 10th and 11th respectively. The surprising aspect of these set is the Hyundai. With modules like the I10, I20, etc. It was assumed prior to the analyses that Hyundai would have been highly preferred among respondents although the results proves otherwise. Several studies have also list these brands as the most preferred brands in similar studies in different Provinces in India (Kale, 2012; Monga *et al.,* 2012; Chaturvedi and Reddy, 2019). Notwithstanding, our findings contradicts (Gayathri, 2014) who found Tata and Maruti as the most preferred brand of small car in a similar studies in the Krishnagiri town.

Table 5: Ranks of respondents' brand preference of small cars

Variable	Mean Rank	Rank
Maruti	5.18	4th
Tata	5.30	5th
Skoda	5.00	2nd
Ford	5.01	3rd
Volkswagen	3.74	1st
Mahindra	6.62	7th
Renault	7.11	9th
Nissan	7.17	10th
Hyundai	7.43	11th
Honda	6.86	8th
Toyota	6.57	6th
N	92	
Chi-Square	119.65	
df	10	
Asymp. Sig.	0.00	

However, an analysis of the major brands bought and used at the homes of the sampled respondents revealed that Maruti (35%) coupled with Toyota (16%) and Hyundai (16%) are the most used brands of small cars by respondents. This is followed by Honda (15%) and Suzuki (11%) with Tata been the least bought and used brand.
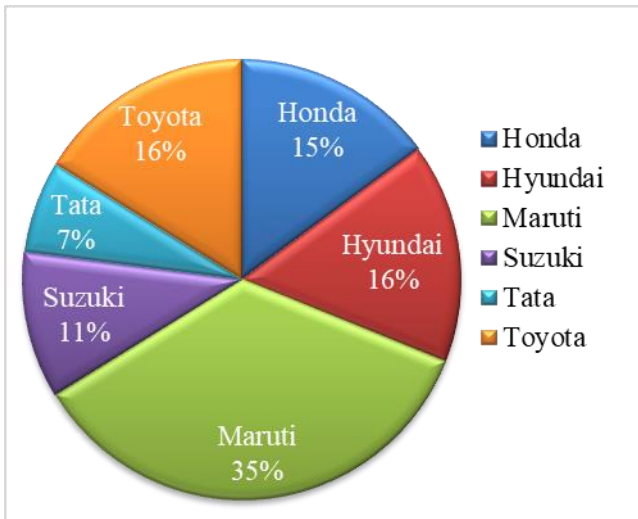
Figure 5: Brands bought and used at the homes of respondents

This implies that the respondents within Kerala do not actually end up buying and using their most preferred brand of small cars. Because the first, second and third ranked brands *(see Table 5)* by respondents (i.e. Volkswagen, Skoda, Ford) were not even mentioned as used brands by respondents in Figure 5. This implies that consumers due factors such as price, payment plan, family decisions, etc. may end up not buying their preferred brands of small cars. Thus, the final buying decisions of consumers contradicts their initial preferences.

4.5   Factors Influencing Consumers Brand Selection in the Small Car Market

Several personal, social, economic and technical factors are considered by consumers in their selection specific brands in the car market (Srivastava and Tiwari, 2015; Chaturvedi and Reddy, 2019). In this regard, this study sought to analyse the factors that influence consumers' final decision in selecting a brand of small car. Table 6 therefore presents result from a Kendal's rank test of these factors. The p-value of the rank test (0.00) in Table 6 shows that the rank analyses is statistically significant hence the listed factors confirms the true position of respondents on the impact of these factors on their brand selection as ranked. Results from Table 6 shows that the crucial factors considered by

consumers when selecting a brand are the 'brand name, safety, price, driving and seating comfort and fuel efficiency' whereas 'spare-parts availability, appearance and style, after sales value and maintenance cost' are the least considered factors. Specific car brands are associated with perceived durability and some level of prestige in society. It is therefore not surprising that in societies like India where social status matters a lot, brand name is the most considered factor in choosing a brand of car. What is surprising though is the fact that pricing is considered as a third factor in selecting a brand. Existing similar studies in Jaipur, Ahmadabad, Tamilnadu, etc. (Salvi, 2015; Srivastava and Tiwari, 2015; Mathur *et al.*, 2018; Dhanabalan *et al.*, 2018). It however confirms the findings of Srivastava and Tiwari (2015) who also found 'safety, brand name driving and seating comfort as the highest factors influencing consumers selection a brand in the Indian car market.

Table 6: Ranks of factors influencing respondents' brand selection

Variable	Mean Rank	Rank
driving and seating comfort	4.47	4th
safety	3.41	2nd
brand name	3.21	1st
Price	3.68	3rd
fuel efficiency	4.55	5th
after sales services	6.55	6th
Utility	7.05	7th
after sale value	8.24	9th
maintenance cost	7.20	8th
spare-parts availability	8.98	11th
appearance and style	8.68	10th
N	*100*	
Kendall's W	*0.44*	
Chi-Square	*438.61*	
Df	*10*	
Asymp. Sig.	*0.00*	

Moreover, Table 7 presents the results, on a scale of most important to least important, the major factors influencing respondents' selection of a specific car within the set of cars produced by their preferred brand name. The results from 7 shows that respondents buy cars because it is a family requirement (81.40%), its necessity (74.12%) to them, the warranty accompanying the car (70.24%) and the economic situation of the buyer (65.88%). Nonetheless, luxury (30.95%), marketing (25.61%) and social status (24.73%) are the least important factors considered when selecting a particular small car. With the large average household size of approximately 7 persons per household *(see Table 2),* respondents are more likely to buy cars that suit their large families. Perhaps this might be the major reason why family requirement is considered more important than luxury and status when buying a car. Again, in social settings like India, cars are often bought by individuals for their family hence it is the requirements of the family that will be considered before purchasing a car.

Table 7: Factors that influencing respondents' selection of a specific car

Influential Factors	Mimp.[a]	ID.[b]	Limp.[c]	N/A[d]
Social status	34.41	19.35	24.73	21.51
Internal entertainment	37.93	28.74	18.39	14.94
Necessity	74.12	9.41	10.59	5.88
Warranty	70.24	14.29	10.71	4.76
Marketing	34.15	25.61	25.61	14.63
Luxury	29.76	25.00	30.95	14.29
Family requirement	81.40	11.63	2.33	4.65
Economic situation	65.88	11.76	11.76	10.59

Note: *All values in the table are in percentages;* **a** *= most important;* **b** *= indifferent;* **c** *= least important;* **d** *= not applicable.*

4.6 Socio-economic Factors Affecting Consumers Propensity to Own a Small Car

Finally, we determine the socio-economic factors that propels respondents to buy small cars. To conduct this analyses, we first test whether it fulfills the basic regression assumptions of non-autocorrelation and the normal distribution of the errors. Results in

Table A1 and A2 shows that both assumptions are fulfilled. Table 8 presents the average marginal effects of the logit analyses of consumers propensity to acquire a small car. Results from the table show that the entire model is statistically significant at 1% alpha level. Again, the adjusted R-squared (0.737) indicates that up to 74% of the variations in car ownership (the dependent variable) is determined by variations in the explanatory variables listed in Table 8. The null hypothesis that there is no association between the socio-economic characteristics of consumers and their propensity to own a car is therefore rejected. The mean marginal values and for that matter the logit model therefore explains why respondents purchase small cars. The results again indicate that respondents' age, gender, years of education household size, expected satisfaction level as well as the payment arrangement mode for the vehicle are statistically significant (at alpha level of 1% and 5%)determinants of consumers propensity to buy a car whereas occupational sector (public private) and family income per month are statistically insignificant determinants of respondents propensity to buy a car.

Table 8: Average marginal effects of consumers' propensity to own a small car

Variables	Mean Marginal Effects	Delta-method Std. Err.	P>t
Age	0.014	0.004	0.001
Gender	0.240	0.072	0.001
occupational sector	0.005	0.053	0.930
Education	0.059	0.015	0.000
Income	9E-08	8E-08	2E-01
household size	0.020	0.008	0.013
satisfaction	0.304	0.079	0.000
payment mode	-0.112	0.056	0.049
Number obs.	104		
Prob > F	0.000		
R-squared	0.757		
Adj. R-squared	0.737		

This implies that, a year increase in a respondents age increases his/her likelihood of buying a small car by 1.4 percentage points. Age, a proxy for experience, is likely to increase the chances of a worker acquiring a vehicle. Because it is anticipated as one work

overtime his/her savings or level of income grows, hence paving way for "luxurious" expenditures. Also, in social settings like India persons' ages correlate with the probability of them marrying and forming their family. This is therefore likely to influence their decision to own are since it is established that respondents buy cars because it is family requirement *(see Table 7).*

Again, the positive coefficient for gender implies that male employees are 24% more likely to buy cars than their female counterparts. In developing countries and social settings like India women are often deprived the advantage of owning assets. As indicated in Table 3, only 13% of the car owners were women. Men often hold assets in trust for the family even if it is the woman who bought it or contributed most towards the acquisitions of the assets. It is therefore not surprising that female workers are less likely to own a car relative to male workers even if both earn similar salaries.

Furthermore, an additional year spent in schooling increases an employee's car ownership chances by 5.9 percentage points. Cars are accorded some level of prestige in India and some developing countries. It is therefore expected of people who have climbed higher on the educational lather to own one in Indian societies. It was therefore expected *a-priori* that higher level of education was more likely to increase a worker's propensity to own a car. Moreover, respondents (employees) with larger household sizes are more likely to own a car relative to those with smaller household sizes. From Table 8 an employee's propensity to own a car increases by 2 percentage points if their household size increases by a member. As discussed, since cars are often purchased in India as a family need rather than a personal need, persons are more likely to buy cars as the family increases in number.

Nonetheless, consumers buy products in anticipation of a perceived utility or satisfaction from its usage. It is therefore not surprising that the perceived satisfaction to be realized from a car before and after its purchase increases consumers' likelihood of buying it. From Table 8 consumers satisfied with the before and after sales services of car sellers 30 percentage points more likely to buy a car. According to Sharp (2012) the utility of products has become more crucial in business along with the development of relationships between demand and supply in the market. Consumers are currently concerned about the product satisfaction rather than its quality. Car companies therefore needs to determine a products utility from the consumer's perspective since they hold the power in today's market. It is therefore not surprising that satisfaction/utility has the highest impact on an employee's propensity to buy a car relative to the other factors. Dhanabalan *et al.* (2018)

argued in a similar study that, today's consumers place higher value on utility than price when purchasing a car. According to them, consumers are more willing to pay more if the utility of using the car is high.

Additionally, consumers are less likely to buy a car if they are to pay upfront/instantly for its entire cost. As indicated in Table 8 respondents are 11 percentage points less likely to own a car if its payment arrangement is upfront/instant. Consumers today are more likely to buy cars if the cost of it is spread over a period (i.e. financing arrangement) rather than paying for the huge cost of the car upfront. Car sellers should therefore design flexible payment models for their products to entice more consumers.

5 Conclusion

This study analysed consumers behaviour in the small car market using private and public sector workers of Kerala State of India as a case study. We employed the Kendal's Coefficient of Concordance, Fireman's rank test, Persons' chi-square test and descriptive statistics in outlining consumers socio-economic profile, their major source of information when purchasing a small car, consumers brand preference, the major factors influencing consumers' brand selection and the socio-economic factors influencing consumers propensity to own a car. Data used was collected from employees of private and public sectors in the Kerala State of India via *SurveyMonkey*.

The results prove that relatively lower income earners prefer Maruti whereas higher income earners mostly prefer Toyota. Again, men prefer own Maruti whereas women mostly prefer Suzuki. The study also finds that a person's occupation (i.e. business, professional or service) and his education level (i.e. non-graduates, undergraduate and postgraduate) do not define his/her car brand preference as all of them preferred Maruti over other brands. Notwithstanding, only gender was a statistically significantly determinant of consumers brand preference based on the chi-square analyses.

Nonetheless television, radio and print media adverts, the internet, recommendations by family and friends, brochures, billboards, and personal decisions are the major sources of information for consumers when making their car purchasing decisions. However, consumers prefer to seek for information from their close relatives and friends, decide personally, surf the internet or watch television adverts to make their purchasing decisions. Thus, these were the most influential source of information for consumers. Moreover, among the known 11 brands of small cars in the Indian market, consumers ranked Volkswagen and Skoda as their preferred first and second brand of cars respectively due to the technology and modern designs used by their two brands as well as their perceived quality. These were followed by two indigenous giants Maruti and Tata with Hyundai, Nissan and Renault ranked as the least preferred brands. Albeit, results on the actual brands bought shows that consumers do not end up buying their preferred brands of cars due financial and other family requirements. Because the most used cars in the homes of the respondents were Maruti, Hyundai, Toyota, Suzuki and Tata with the most first two preferred brands of respondents (i.e. Volkswagen and Skoda) not mentioned among the fleet of cars used by respondents.

Furthermore, consumers are highly influenced by brand name, safety, price, driving and seating comfort as well as the fuel efficiency of vehicles respectively when selecting a brand. Thus, consumers are willing to pay more for famous and safe car brands. Availability of spare-parts, appearance and style, after sales value and maintenance cost are however the least considered factors when selecting a brand. Our findings again show that consumers in the study area buys a specific brand of car because it is a family requirement, its necessity to them, the warranty of the car and the economic/financial position of the buyer. Albeit, luxury, the marketing strategy of the seller and associated social status of the car are the least influential factors that induce a consumer's final selection of a specific car among the fleet of their preferred brands.

Additionally, consumers' propensity to own a car is significantly and positively affected by their age, gender, years of education, household size as well as the before and after sales satisfaction gained whereas the payment mode for the car reduces consumers chances of owning a car. Thus, the aged, men, consumers with large household size as well as satisfied and highly educated consumers are more likely to buy and own a car whereas upfront/cash payment for a car reduces consumers propensity to own a car. Nonetheless, the occupational sector (public and private) and the income level of consumers are not significant socio-economic determinants of their propensity to own a car.

Consumers holds the power in today's market. This therefore implies that producers and car companies, should tailor their brands towards achieving their diverse preferences and desires. The low car ownership status of women from the discussion above shows that there is a niche market that car marketers and companies can target. Appropriate gender-based marketing strategies/campaigns could be lunched to rob-in these neglected sections of consumers. Secondly, the fact that consumers end up not buying their preferred brand of small cars due to financial and family requirements means their preferred brand manufacturers (Volkswagen and Skoda) are not producing to the specifications that suits the family and personal needs of consumers. Manufacturers should therefore expand the modules of small cars to include specifications that can carry more passengers due to the large average household size of consumers. Manufacturers and marketers should pay attention to issues of the safety, driving and seating comfort, pricing and fuel efficiency since they are the factors that influences consumers most in choosing a brand. Finally, consumers are more concerned about the utility of a car more than its associated price. Companies therefore needs to identify their small car's utility/satisfaction from the point of

view of the consumer since they hold the power in today's marketing. Nonetheless, appropriate payment modalities should be designed by car companies in collaboration with financial institutions, for a smooth and stress-free purchases of cars by the average income earner. These can improve their sales and improve the profitability and competitiveness in the Indian automobile industry.

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7   Appendix

Appendix 1: Test for Normality and Autocorrelation

Table A1: *Shapiro-Francia normality test*

Variable	Obs.	W'	V'	Prob>z
age	104	0.785	20.015	0.000
car ownership	104	1.000	0.000	0.000
payment mode	104	1.000	0.000	0.000
Occupation	104	1.000	0.000	0.000
education	104	0.931	6.427	0.000
income	104	0.352	60.450	0.000
satisfaction	104	1.000	0.000	0.000
gender	104	1.000	0.000	0.000
household size	104	0.811	17.644	0.000

Table A2: *Autocorrelation test*

	car ownership	age	gender	ocptn.[a]	hh[b]_size	edutn.[c]	inc.[d]	saftn.[e]
car ownership	1							
age	0.408	1						
gender	0.691	0.258	1					
ocptn.	0.056	0.018	0.170	1				
hh_size	0.531	0.091	0.368	-0.031	1			
edutn.	0.623	0.108	0.449	0.090	0.404	1		
nc.	0.284	0.038	0.214	0.063	0.211	0.188	1	
saftn.	0.741	0.367	0.654	-0.070	0.422	0.473	0.214	1
payment mode	-0.382	-0.052	-0.256	-0.051	-0.324	-0.293	-0.175	-0.229

*Note: **a** = Occupation; **b** = Household; **c** = Education; **d** = Income; **e** = Satisfaction*

Appendix 2: Logit Model for Estimating the Mean Marginal Effects in Table 8

Table A3: Probit model used for estimating the marginal effects in Table 8

Variables	Coef.	Std. Err.	t	P>t
age	0.014	0.004	3.460	0.001
gender	0.240	0.072	3.350	0.001
occupational sector	0.005	0.053	0.090	0.930
education	0.059	0.015	4.060	0.000
income	9E-08	8E-08	1E+00	2E-01
household size	0.020	0.008	2.540	0.013
satisfaction	0.304	0.079	3.860	0
payment mode	-0.112	0.056	-1.990	0.049
_cons	-1.075	0.214	-5.020	0
Number obs.	*104*			
Prob > F	*0.000*			
R-squared	*0.757*			
Adj. R-squared	*0.737*			

Appendix 3: Questionnaire for the Survey and Data Collection

PART I

1.   Respondents' age……………………
2.   Gender   a) Male   b) Female
3.   Occupation   a) Service   b) Professional   c) Business   d) Agriculture   e) Manufacturing
4.   Which sector do you work? a) Private sector   a) Public sector
5.   Educational Qualifications: a) Non-Graduate   b) Undergraduate   c) Postgraduate
6.   Number of years spend in schooling (primary one to any level)
7.   Respondents' income (Rs. Per month) ……………………....................................

PART II

8.   Do you personally own a car? a) Yes   b) No
9.   How many cars in your household?...

10. Which brand(s) of small(s) do you own?

I. ……………………………….............

II. …………………………….................

III. …………………………………………..

IV. …………………………………………..

11. What price range would you expect to pay for a small car?

I. 4 lakh – 6 lakh

II. 7 lakh – 9lakh

III. Above 9 lakh

12. Which of the following factors informs your decision to buy a car? (Select only one)

I. Brand

II. Price

III. Quality

IV. Design

V. Utility/Satisfaction

VI. Technical considerations

13. Which of the following brand of cars do you prefer most (please rank the brands from the most liked one to the least like brand: 1 for the most liked brand and 11 for the least liked)

Brand	Rank
Maruti	
Tata	
Skoda	
Ford	
Volkswagen	
Mahindra	
Renault	
Nissan	
Hyundai	
Honda	

Toyota	

14. What mode of payment do you opt for buying the car?

I. Onetime /upfront payment

II. Financing

15. Source of Information about model before you purchased it: (tick as many)

i.	T.V. Advertisements	
ii.	Newspapers/Magazines	
iii.	Friends/Family	
iv.	Internet/E-mails	
v.	Radio/FM	
vi.	Brochures/Printed displays	
vii.	Wall writing/billboard	
viii.	Self-decision	
ix.	Other (Please specify) ………	

16. A list of variables that may motivate you to purchase a new car is given below. Tick the appropriate option where M.imp. – Most Important, ID – Indifferent, Limp – Least Important

Variables	M.imp.	ID	Limp.
i. Symbol of social status			
ii. Time saving device			
iii. Source of entertainment			
iv. Guarantee/Warranty			
v. Item of necessity			
vi. Marketing influence			
Vii Luxurious Item			
viii. Family requirement			
ix. Economy			

17.   Given below is a list of factors that affects an individual in selecting a particular brand of car. Please rank them from in order from the most influencing factor to the least factor (1 = most influencing factor and 11 for the least influencing factor).

Factors		Ranks
I.	Marketing Influence	
II.	Brand Reputation or image	
III.	Technology & Maintenance	
IV.	Price	
V.	Fuel Efficiency	
VI.	After Sales Services	
VII.	Level of Satisfaction with Old Brand	
VIII.	Resale Value	
IX.	Comfort and Space	
X.	Spare Parts Availability	
XI.	Appearance of Car	

18.   What are the pre-purchase strategies adopted by you before purchasing the car?

Variables	Strongly agree	Indifferent	Strongly disagree
Talking to salespersons			
Looking at advertisements of cars			
Collecting information from others			
Visiting dealer's showroom			
Reading auto magazines			
Websites			
Expert opinions			
Test driving			

19.   Who among the following affects you most in making car related decisions? (tick up to 3)

i.   Spouse

ii.   Children

iii. Parents

iv.   Brother/Sister or Dealers

v.   Opinion leader

vi.   Friends

vii. Solely self

20.   Are you satisfied with the level of sales/services provided by dealers?

I.   Excellent

II.   Good

III. Satisfactory

IV.   Poor

21.   How satisfied are your with your current car?

I.   Satisfied

II.   Unsatisfied

22.   In future if you wish to buy any car, would you like to buy the small car of the same company?

I.   Yes

II.   No

23.   Dislikes/Problems faced in your CURRENT car out of the listed ones: (Can tick more than one)

Sales and Servicing	
Maintenance	
Spare parts availability	
Fuel Economy	
Breakdown	
Outdated Styling	
Safety	
Driving Discomfort	
Any Other (Pls. Specify)…………………	