

Brand choice on consumer buying behavior for passenger car – With reference to State of Kerala

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ABSTRACT

Customers are influenced by different factors and sources while going for a car purchase decision. Understanding the importance and degree of influence of different factors are very much important. Organizations that are able to design their marketing strategies after understanding the customer needs and wants can only be able to win the customer sentiments. Data were collected from 600 customers, who purchased mid segment or compact size car within one year. Data's are collected from the three regions of Kerala state, namely Thiruvananthapuram, Cochin and Calicut. Social, Cultural and Psychological factors are made under present study to evaluate the influence over the customer purchase decision and their degree of influence was analyzed using different statistical tools.

KEYWORDS: Passenger Car Industry, Social Factors, Cultural Factors, Psychological Factors

1. INTRODUCTION

Car purchase decisions among the people of Kerala are not taken in a day or two. Going for a house and going for a car are important decisions taken in a person's life and the decision for a house and a car are influenced by many external factors. Social, cultural and psychological factors, mainly influence the purchase decision are made under present study. To understand the influence of these factors in car purchase decision was analyzed through the specified questions presented in the questionnaire give to the respondents.

Literature review: According to Kotler and Armstrong (2008) Consumer buying behavior can be defined as a process by which individual search for, select, purchase, use and dispose of goods and services in respect of satisfying their needs and wants. Wilkie, (1994) explains Consumers' buying behaviors as physical, emotional and mental activities that satisfy the needs and demands of the consumers.

Manufactures and marketers who are aware of consumers' reaction to different characteristics of goods, prices and advertisement tricks will have advantage over its competitors (Kotler and Keller, 2009), According to Abdul, Abdul and Edwin (2006) cultural factors, social factor and psychological factor have strong influence over customers car purchase decision.

Culture is one of the important factors plays an important role in the purchase decision, "the values, beliefs, preferences and tastes that are handed down from one generation to the next."Kurtz, Mackenzie and Snow (2009). Lamb, Hair and McDaniel (2008) explains cultural factor as the most important basic element that shapes a person's wants and buying patterns.

According to Abdul et al., (2006) family circle, social group, social roles and social status can be the important social factors and have significant influence over the buying behavior of the consumers. Mousavi (2006) in his study found that income, location, age, sex, family members and their job have significant influence over the car purchase decision.

Extensive information will be sought and more time may be devoted to the decision making, when purchasing a new product of which the consumer has little product knowledge (Pride and Ferrell, 2010). Consumers are likely to have a high degree of product knowledge, so that they can be confident that the item that they purchase is right for them (Pride et al., 2010).

Objectives of the study: The objectives of this study are as follows:

- i. To study the impact of social factor over consumer car purchase decision.
- ii. To study the impact of cultural factor over consumer car purchase decision.
- iii. To study the impact of psychological factor over consumer car purchase decision.

2. METHODOLOGY

Data Collection and Sample: The state, Kerala was taken for the present study to understand the factor influencing car buyers' brand choice. The study population for the present study was pertained to Kerala, in which Thiruvananthapuram, Cochin and Calicut were the study regions.

A list of those customers who had bought the cars within one year was collected from different dealer outlets. From this list, 600 sample subjects were randomly selected (200 for each location) and made a personal telephonic call for participating in this survey. The sample was included with 25% (50 for each location) of female respondents from each location. A cross section of respondents using hatchback and sedan was selected from the list supplied by the dealers to get a better and wider perspective. Convenience based Random sampling method was employed in this study. A survey was conducted in person in a structured manner using a structured questionnaire and only completely and correctly filled questionnaires were used for this study.

Data Analysis: Analysis of data is most important aspect of every research. Structured and validated questioners used for collecting data consisted of many variables under study and it was arranged in the most appropriate manner. Understanding the importance of each variable and relation between these variables under study was analyzed to come out with the research outcome. Statistical tools with the help of software packages like SPSS were used for analysis.

3. RESULTS AND DISCUSSION

In this study Percentage analysis is one of the statistical measures used to describe the characteristics of the sample or population in totality. Percentage analysis involves computing measures of variables selected for the study and its finding will give an easy interpretation for the reader.

Social factors:

Null Hypothesis: H 1. There is no significant relation between Social factors and car purchase decision: A null Hypothesis was formulated to test the significant relation between the Social factor and car purchase decision. The Chi-square test was enabled to study the impact of Social Factors over brand choice and the same was presented in the Table 1.

Table.1.Impact of Social Factors in Purchase Decision

Social Factors Under Study	TVPM Mean	Cochin Mean	Calicut Mean	Average Mean	Standard Deviation	NI	RI	STI	I	HI	Total	Chi- Square Value	P Value
Wife	3.33	3.57	3.61	3.5	1.528	145	10	24	242	179	600	2076.232	0.001**
						24.17	1.67	4	40.33	29.83	100		
Children	2.84	2.78	2.67	2.76	1.457	198	59	102	170	71	600		
						33	9.83	17	28.33	11.83	100		
Other Family Members	2.22	2.70	2.35	2.42	1.031	156	123	236	83	2	600		
						26	20.5	39.33	13.83	0.33	100		
Friends	2.88	2.93	2.79	2.86	1.819	51	88	361	93	7	600		
						8.5	14.67	60.17	15.5	1.17	100		
Relatives	1.99	1.86	1.68	1.84	1.857	245	232	99	21	3	600		
						40.83	38.67	16.5	3.5	0.5	100		
Neighbors	2.55	2.31	1.87	2.24	1.996	170	180	190	54	6	600		
						28.33	30	31.67	9	1	100		
colleagues	2.70	2.50	2.74	2.65	1.124	140	97	205	152	6	600		
						23.33	16.17	34.17	25.33	1	100		
Family Profile	3.00	3.13	3.25	3.13	1.924	26	132	196	233	13	600		
						4.33	22	32.67	38.83	2.17	100		

****Denotes Significant at the 1 % level, Mean = Weighted, Mean Score; Std. Div. = Standard Deviation; N = Number of respondents (600); NI = Not Important; RI = Rarely Important; STI = Somewhat Important; I = Important; and HI = Highly Important**

The customers were asked to rate the influence of the above social factors in their car purchase decision. The result shows that, almost all the social factors have direct or indirect influence over the purchase decision of the customers. According to the data analysis and information obtained from respondents, it was observed that among social factors influencing the car buying and brand choice decisions, wife (MD = 3.5, SD=1.53), children (MD= 2.76, SD=1.46), other family members (MD= 2.42, SD=1.403), Friends (MD= 2.86, SD=1.82), Relatives (MD= 1.84, SD=1.86), neighbors (MD= 2.24, SD=1.99), colleges (MD= 2.65, SD=1.12) and profile (MD= 3.13, SD=1.92). Family group seems to have more influence over the car purchase decision followed by social status and then referral group.

The Chi-square value obtained out of analysis was 2076.232 and a P value is 0.001**. The P value is less than 0.001 and the statement to be validated is rejected at the 1 % significance level. Hence concluded that social

factors under present study and customer's car purchase decision are associated and so the null hypothesis H.1 seems null and void, hence rejected.

Cultural factors:

Null Hypothesis: H.2. There is no significant relation between Cultural factors and car purchase decision

A Null Hypothesis was formulated to test the significant relation between the Cultural factor and car purchase decision. The Chi-square test was enabled to study the impact of Cultural factors over brand choice and the same was presented in the Table 2.

Table 2: The Impact of Cultural Factors on Purchase Decision

Cultural under	TVPM Mean	Cochin Mean	Calicut Mean	Avg. Mean	Std. Deviation	NI	RI	STI	I	HI	Total	Chi-Square Value	P Value
Shape of the Car	3.74	4.33	4.51	4.19	1.21	3	7	73	306	211	600	31.77	0.0015**
						0.50	1.17	12.17	51.00	35.17	100		
Design of the Car	3.88	4.33	4.54	4.25	.961	1	2	63	315	219	600		
						0.17	0.33	10.50	52.50	36.50	100		
Colour of the Car	3.79	4.29	4.39	4.16	.693	4	2	74	336	184	600		
						0.67	0.33	12.33	56.00	30.67	100		
Size of the Car	3.82	4.33	4.54	4.23	1.07	8	9	67	270	246	600		
						1.33	1.50	11.17	45.00	41.00	100		

**** Denotes Significant at the 1 % level, Mean = Weighted, Mean Score; Std. Div. = Standard Deviation; N = Number of respondents (600); NI = Not Important; RI = Rarely Important; STI = Somewhat Important; I = Important; and HI = Highly Important**

Cultural factors like Shape of the car, Design of the car, the colour of the car and size of the car was taken for the present study. The customers were asked to rate the influence of the above cultural factors in their car purchase decision. The result shows that, about all almost all the cultural factors have direct or indirect influence over the purchase decision of the customers.

The factors studied were the shape of the car (MD = 4.19, SD=1.21), the design of the car (MD= 4.25, SD=.961), the colour of the car (MD= 4.16, SD= .693), the size of the car (MD= 4.23, SD= 1.07). Chi-Square test was enabled to analyze the relation and influence of the cultural factors over the car purchase decision of the customers. The average mean value for all the reason is above 4 and among the factors shape of the car and the size of the car has a significant impact over the car purchase decision. The colour of the car and design of the car also have inevitable influence over the customer's in-car choice and purchase decision.

The chi-square value obtained out of analysis was 31.77 and a P value is 0.0015**. The P value is less than 0.001 and the statement to be validated is rejected at the 1 % significance level. Hence concluded that cultural factors under present study have significant influence over the car purchase decision and so the null hypothesis H.2 seems null and void, hence rejected

Psychological factors:

Null Hypothesis: H.3. There is no significant relation between Psychological factors and car purchase decision

A null Hypothesis was formulated to test the significant relation between the Psychological factor and car purchase decision. The Chi-square test was enabled to study the impact of Psychological factors over brand choice and the same was presented in the Table 3.

Table.3.The Impact of Psychological Factors on Purchase Decision

Psychological Factors under Study	TVPM Mean	Cochin Mean	Calicut Mean	Avg. Mean	Std. Deviation	NI	RI	STI	I	HI	Total	Chi-Square Value	P Value
Car Type (Hatch Back, /Sedan)	3.95	4.56	4.59	4.36	2.702	2	8	42	265	283	600	2285.197	0.000**
						0.33	1.33	7.00	44.17	47.17	100		
Car Class (Economy / Luxury)	3.79	4.30	4.14	4.08	1.780	4	9	110	291	186	600		
						0.67	1.50	18.33	48.50	31.00	100		
Model (Wagon R /Honda)	4.10	4.61	4.57	4.42	2.612	1	3	24	284	288	600		
						0.17	0.50	4.00	47.33	48.00	100		
Brand (Maruti / Honda)	4.01	3.21	4.00	3.74	2.892	3	63	131	295	108	600		
						0.50	10.50	21.83	49.17	18.00	100		
Dealer (Tvs /Indus)	2.79	2.13	2.50	2.47	1.012	106	215	183	81	15	600		
						17.67	35.83	30.50	13.50	2.50	100		
Previous Experience	2.31	2.04	2.09	2.14	1.132	243	127	136	89	5	600		
						40.50	21.17	22.67	14.83	0.83	100		

** Denotes significant at the 1% level, Mean = Weighted, Mean Score; Std. Div. = Standard Deviation; N = Number of Respondents (600); NI = Not Important; RI = Rarely Important; STI = Somewhat Important; I = Important; and HI = Highly Important

Psychological factors like car type, car class, model, brand, dealer and previous experience was taken for the present study. The customers were asked to rate the influence of the above psychological factors influenced in their present car purchase decision. The result shows that, about all almost all the psychological factors have direct or indirect influence over the purchase decision of the customers.

The factors studied where car type (MD = 4.36, SD= 2.70), car class (MD= 4.08, SD= 1.78), model (MD= 4.42, SD= 2.61), brand (MD= 3.74, SD= 2.89), dealer (MD= 2.47, SD= 1.02), previous experience (SD = 2.14, MD = 1.13). Chi-Square test was enabled to analyze the relation and influence of the psychological factors over the car purchase decision of the customers. All the factors under study have more or less influence over the customer's in-car choice and purchase decision. Car type, brand and model seems to be on the top priority, followed by car class, dealer and previous experience

The chi square value indicates that the entire factor under study had a significant relation to car purchase behavior. The chi square value obtained out of analysis was 2285.197 and a P value is 0.000**. The P value is less than 0.001 and the statement to be validated is rejected at the 1 % significance level. Hence concluded that psychological factors under present study have significant influence over the car purchase decision and so the null hypothesis H₃ seems null and void, hence rejected.

Findings: Respondents from all the region irrespective of male or female strongly agree that, family plays an important role in purchase decision followed by social status and friends circle among social factors. The study outcome says that the influence of other family members, relatives and neighbors are not much more relevant or doesn't have much impact in the car purchase decision. Regarding the cultural factors that influence the purchase decision, the study outcome reflects that shape, colour, design and size of the car are equally important in the purchase decision and all factors are considered before going for the last choice of model. Model, brand image, dealer, class

of the car, earlier experience and type of the car coming under psychological factors have equal importance in car purchase decision and choice of brands.

In a nut shell social, cultural and psychological factors are very much important and have very much influenced in the purchase decision and choice of brands.

4. CONCLUSION

This study will be useful for the passenger car manufacturers and marketers understand the factors that influence the car purchase decision and brand selection with their degree of influence. The Present study will give an insight about the factors influencing customer's brand choice and the factors seems important in customer brand selection and it is the total outcome of the present marketing strategies adopted by the passenger car manufacture's and intermediaries. Further research can be carried out in the passenger car industry, especially in the other regions and other segments, which was not covered under this present study.

Limitations: This study has got its own limitations. The Present study was limited to the state of Kerala; the findings of the study may not be same for other regions. In this present study only hatchback and sedan model was taken and hence the generalization may not be applicable to other models or other segments like an SUV or luxury category.

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