



“STUDY OF FACTORS INFLUENCING BUYING BEHAVIOUR OF CUSTOMERS OF NEW FAMILY CARS IN AHMEDNAGAR CITY”

Dr. D. B. More

Associate Professor and Head, Dept. of Commerce,
Ahmednagar College, Ahmednagar.

ABSTRACT:

The prime aim of studying buyer behaviour is to examine and analyze buyer and thus, create detailed understanding about the buyer. Buyer's behaviour involves both individual (psychological) processes as well as group (social) processes. It includes all decisions, processes and activities involved in purchasing and utilizing goods and services. Actual buying decision is only part and parcel of entire process. Research is an exploratory study investigating into various factors affecting buyer behaviour of different customers of family cars in Ahmednagar city. Study is based on primary data collected through field survey with the help of structured questionnaire. Study identified and examined thirteen different factors which influenced and affected buying behaviour of customers of new family cars. These factors included advertisement and promotion, brand image, exterior features, family requirements, fuel consumption, internal features, loan and financing facilities, price of car, reliability and consistency, resale value, safety features, schemes and offers and finally, service cost and after sales service. Five point scale for studying level of influence was used. These factors were ranked on the basis of calculated weighted average score.

KEY WORDS: Buying Behaviour, Customer, Family Cars, Factors Influencing, Ahmednagar.

1) INTRODUCTION

The prime aim of studying buyer behaviour is to examine and analyze buyer and thus, create detailed understanding about the buyer. Buyer's Behaviour is defined as 'all psychological, social and physical behaviour of potential customers as they become aware of purchase, consume and tell others about products and services.' Buyer's behaviour involves both individual (psychological) processes as well as group (social) processes. It starts through investigation immediately from earlier post purchase evaluation indicating fulfillment or non-contentment from previous buying of goods and services. Buyer's behaviour comprises of communication, consumption and purchasing behaviour. It consists of studying behaviour of both buyers



(customers) as well as business. It includes all decisions, processes and activities involved in purchasing and utilizing goods and services. Actual buying decision is only part and parcel of entire process.

The marketing unit (alongwith sales team) of business organisation should be fully aware of basic features and requirements of target buyers to whom ultimate goods and services will be delivered. These requirements and demands of buyers will be based on numerous factors related to personal, professional, demographic, social, cultural, economic, physiological and psychological aspects. Thorough and in-depth understanding of buyer’s behaviour play significant role in determining appropriate marketing plan and programme for the business. It is one of the most essential elements of overall marketing function. Buyer’s behaviour gives consideration to number of aspects of buying. This includes what person buys, why person buys, how person buys, when person buys, where person buys and various conditions and assumptions for buying goods and services.

2) OBJECTIVES OF STUDY

- To study different factors influencing buying behaviour of customers of family cars in Ahmednagar city
- To analyze level of influence of such factors affecting buying behaviour of customers of family cars in Ahmednagar city

3) RESEARCH DESIGN

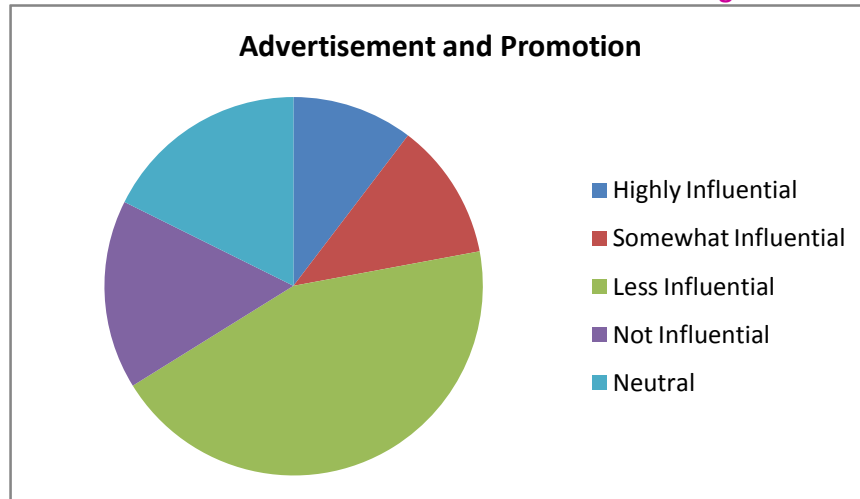
- Research is an exploratory study investigating into various factors affecting buyer behaviour of different customers of family cars in Ahmednagar city.
- Data Collection: Study is based on primary data collected through field survey with the help of structured questionnaire.
- Sample Plan:
 - Universe: Customers who actually purchased new family cars of different car companies and brands located in Ahmednagar city
 - Sample Size: 68 customers who bought new family cars.
 - Method: Random sampling method
- Scope: Study identified and examined thirteen different factors which influenced and affected buying behaviour of customers of new family cars. These factors included advertisement & promotion, brand image, exterior features, family requirements, fuel consumption, internal features, loan and financing facilities, price of car, reliability and consistency, resale value, safety features, schemes and offers and finally, service cost and after sales service. Five point scale for studying level of influence was used. These factors were ranked on the basis of calculated weighted average score.
- Duration: Field survey was conducted in Ahmednagar cities with the help of dealers of new family cars.

4) ANALYSIS AND DISCUSSIONS

Table 1: Advertisement and Promotion as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Advertisement and Promotion	7	8	30	11	12	68
%	10.29	11.76	44.12	16.18	17.65	100.00

Exhibit 1: Advertisement and Promotion as influencing factor

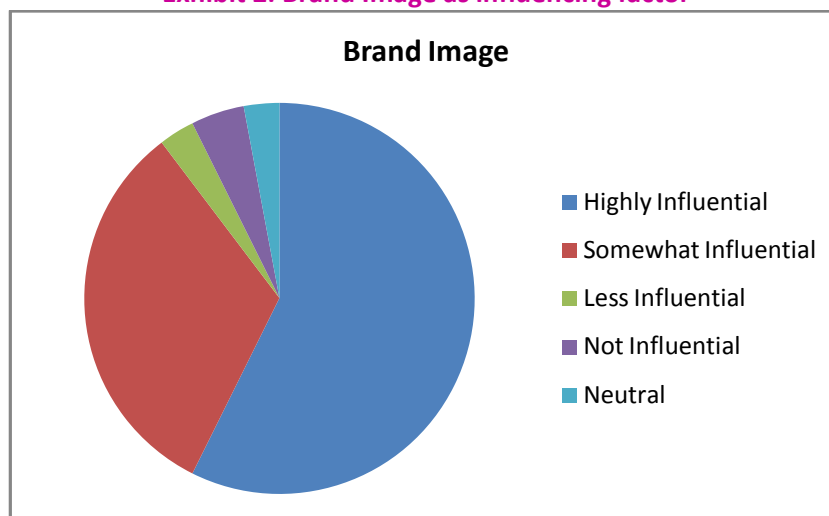


Significant number of customers (44%) mentioned advertisement and promotional measures of car companies was considered as less influential factor affecting their buying behaviour; whereas 16% customers opined commercial ads and marketing tools did not affected their buying behaviour. Lower number of customers formed view that advertisements and promotional measures were either highly influencing factor (10%) or somewhat influencing factor (12%). Over 17% customers did not form any opinion advertisement and promotional measures of car companies.

Table 2: Brand Image as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Brand Image	39	22	2	3	2	68
%	57.35	32.35	2.94	4.41	2.94	100.00

Exhibit 2: Brand Image as influencing factor

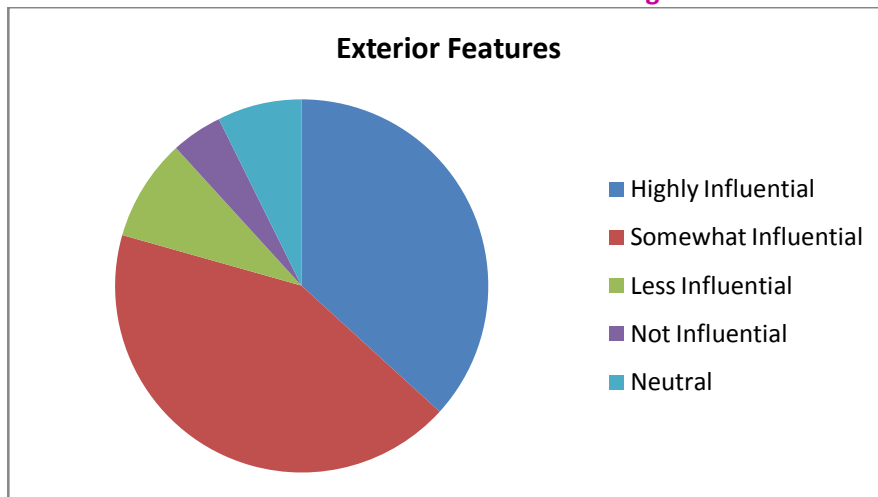


Large number of customers accepted that brand image (reputation of car companies) was regarded as either highly influencing factor (57%) or somewhat influencing factor (32%) affecting buying behaviour. Marginal number of customers formed view that brand image of company was either not influencing (4%) or less influencing factor (3%) affecting buying behaviour. Negligible proportion of customers did not form judgement about brand image of car companies.

Table 3: Exterior Features as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Exterior Features	25	29	6	3	5	68
%	36.76	42.65	8.82	4.41	7.35	100.00

Exhibit 3: Exterior Features as influencing factor

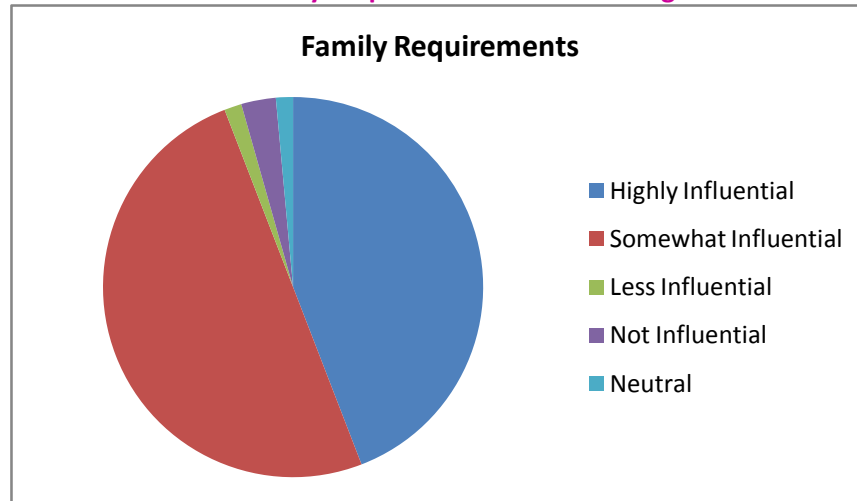


Substantial customers formed perception that external features and characteristics of cars was mentioned as either somewhat influencing factor (42%) or highly influencing factor (37%) affecting their buying behaviour. Lower number of customers formed opinion that exterior features of cars (including looks and physical appearance) was either less influencing factor (9%) or not at all influencing factor (4%). Smaller proportion of customers (7%) did not form view about external features and characteristics of cars.

Table 4: Family Requirements as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Family Requirements	30	34	1	2	1	68
%	44.12	50.00	1.47	2.94	1.47	100.00

Exhibit 4: Family Requirements as influencing factor

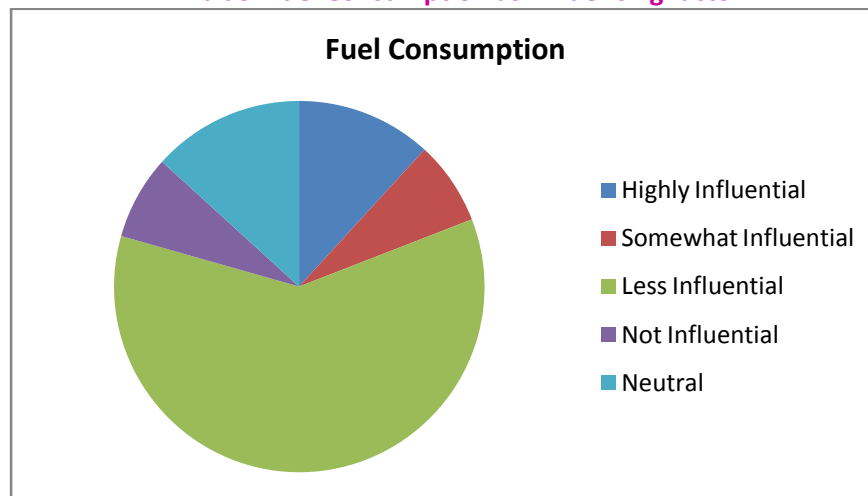


Half of the customers agreed that necessity of family members while purchasing cars was considered as somewhat influencing factor, while 44% customers perceived such family requirements as highly influencing factor. Merely 3% customers were not influenced by the requirements of family members and nominal customers were less affected by family requirements. Negligible proportion of customers (under 2%) preferred not to form any opinion about necessity of family members while buying cars.

Table 5: Fuel Consumption as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Fuel Consumption	8	5	41	5	9	68
%	11.76	7.35	60.29	7.35	13.24	100.00

Exhibit 5: Fuel Consumption as influencing factor



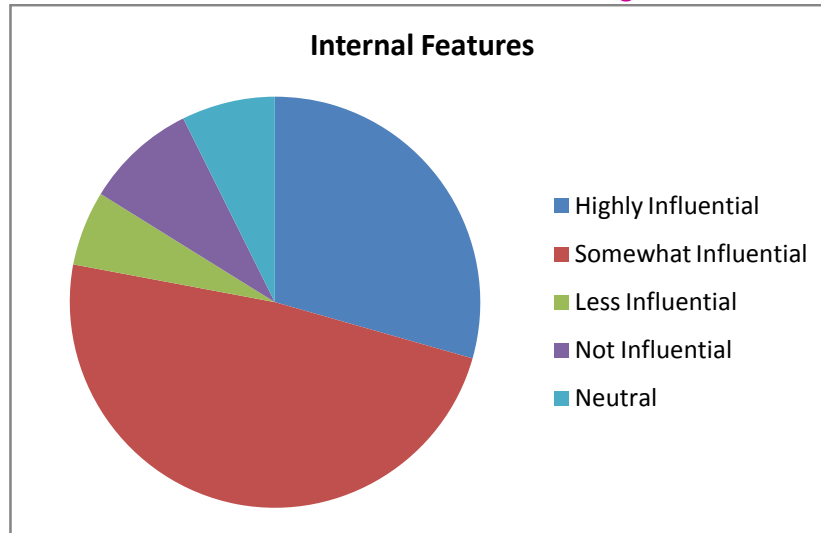
Significant number of customers (60%) expressed that fuel consumption / economy of cars was accepted as less influencing factor which affected buying behaviour. Nearly 12% customers believed fuel

consumption was highly influencing factor and 7% customers perceived it was somewhat influencing factor. An equal number of customers mentioned fuel usage did not affect their buying behaviour. Lower number of 13% customers did not form any view about fuel consumption / economy of cars.

Table 6: Internal Features as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Internal Features	20	33	4	6	5	68
%	29.41	48.53	5.88	8.82	7.35	100.00

Exhibit 6: Internal Features as influencing factor

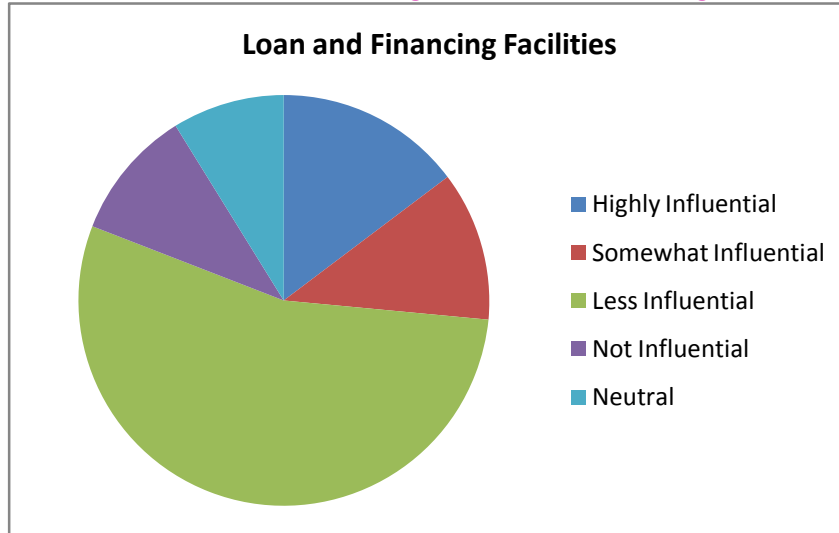


Considerable number of customers perceived internal features and characteristics of cars including space and interior of cars was regarded as somewhat influencing factor (49%). About 29% customers mentioned this factor as highly influencing. Less than 9% customers opined interior features of cars was not influential factor and nearly 6% customers believed it was less influencing factor. Smaller proportion of 7% customers did not form view about internal features and characteristics of cars.

Table 7: Loan and Financing Facilities as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Loan and Financing Facilities	10	8	37	7	6	68
%	14.71	11.76	54.41	10.29	8.82	100.00

Exhibit 7: Loan and Financing Facilities as influencing factor

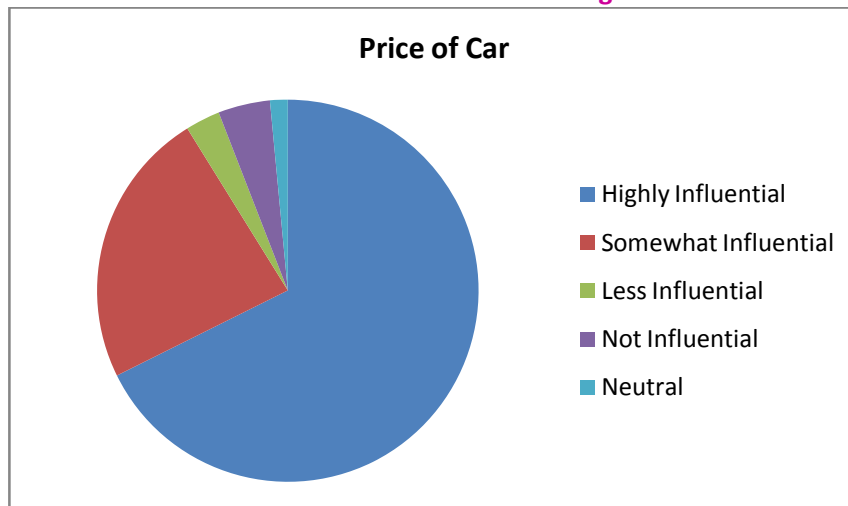


Substantial number of customers (54%) formed opinion that loan arrangements and financing facilities for buying cars was less influencing factor which affected buying behaviour. More than 14% customers believed such financing facilities was highly influencing factor and 12% customers viewed it was somewhat influencing factor. Over 10% customers mentioned loan and financing facilities did not influenced buying behaviour. Lower number of under 9% customers did not form any perception about loan and financing facilities for buying cars.

Table 8: Price of Car as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Price of Car	46	16	2	3	1	68
%	67.65	23.53	2.94	4.41	1.47	100.00

Exhibit 8: Price of Car as influencing factor

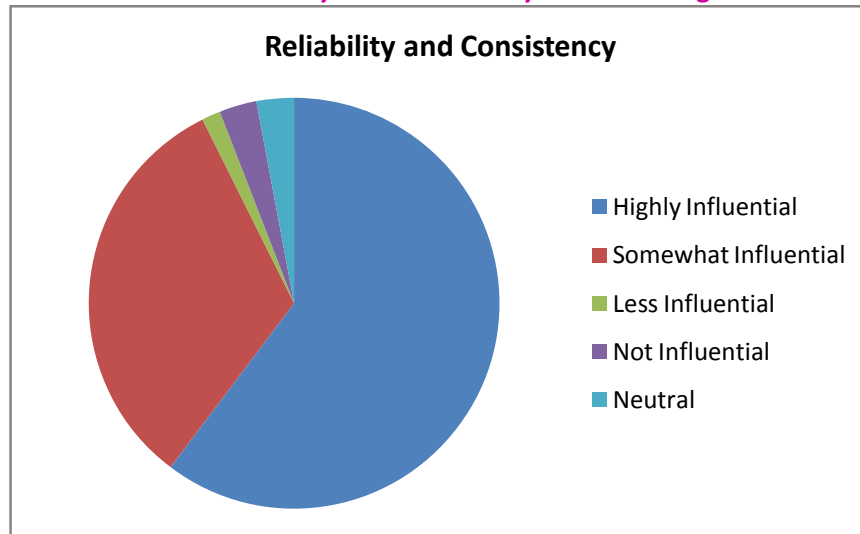


More than 2/3rd of customers accepted that purchase price of cars was considered as highly influencing factor. In addition, 23% customers stated it was somewhat influencing factor affecting buying behaviour. Marginal number of customers formed view that purchase price of cars was either not influencing (4%) or was less influencing factor (3%) affecting buying behaviour. Nominal proportion of customers (under 2%) did not form judgement about purchase price of cars.

Table 9: Reliability and Consistency as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Reliability and Consistency	41	22	1	2	2	68
%	60.29	32.35	1.47	2.94	2.94	100.00

Exhibit 9: Reliability and Consistency as influencing factor

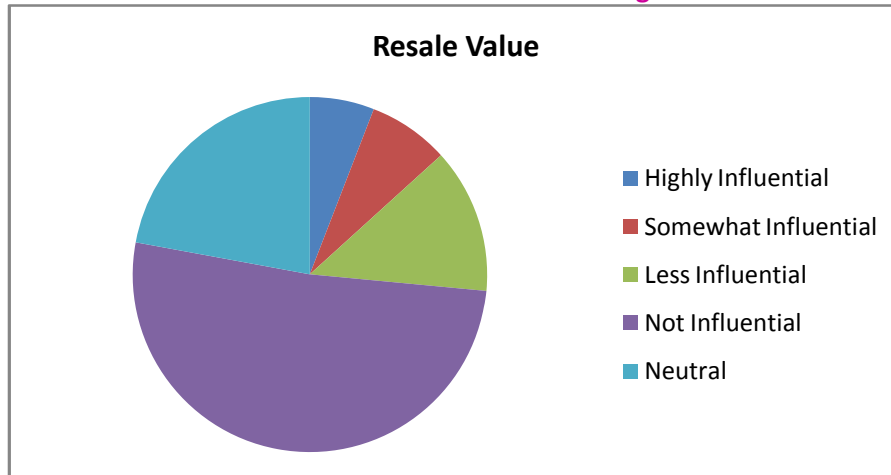


More than 3/5th of customers accepted that reliability and consistency in performance of cars was understood as highly influencing factor. Further, nearly 1/3rd of customers mentioned it was somewhat influencing factor affecting buying behaviour. Small number of customers formed view that purchase price of cars was either not influencing (3%) or less influencing factor (less than 2%) affecting buying behaviour. Marginal proportion of customers (less than 3%) did not form any opinion about reliability and consistency of cars.

Table 10: Resale Value as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Resale Value	4	5	9	35	15	68
%	5.88	7.35	13.24	51.47	22.06	100.00

Exhibit 10: Resale Value as influencing factor

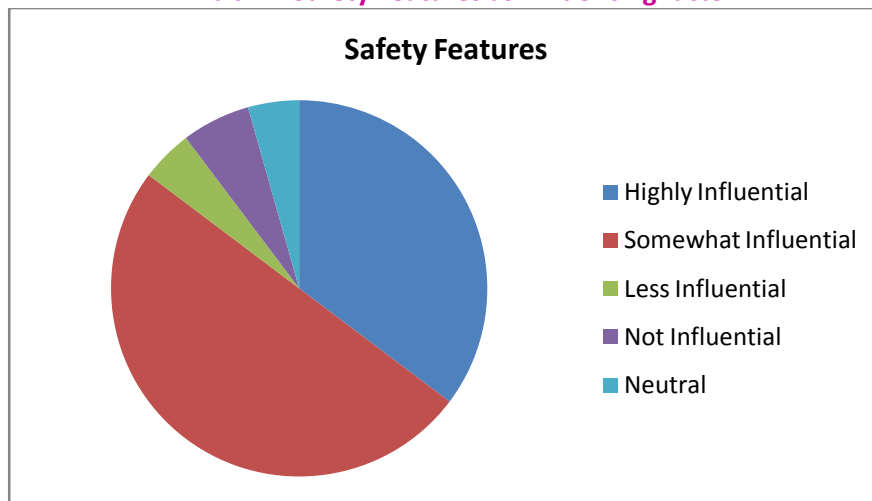


More than half of customers mentioned that resale value of cars companies at the time of disposal was considered as influential factor affecting buying behaviour. Lower number of customers formed view that resale value of cars was either less influential factor (13%) or was somewhat influencing factor (7%). Nearly 6% customers expressed it was highly influencing factor. More than 1/5th of customers (22%) did not form judgement regarding resale value of cars.

Table 11: Safety Features as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Safety Features	24	34	3	4	3	68
%	35.29	50.00	4.41	5.88	4.41	100.00

Exhibit 11: Safety Features as influencing factor



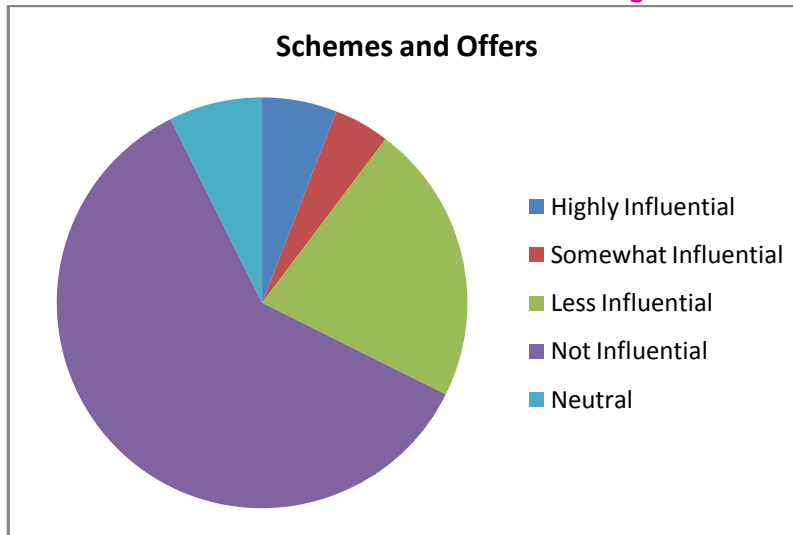
Half of the customers mentioned that safety features of cars was considered somewhat influencing factor and more than 1/3rd customers expressed it was highly influencing factor affecting their buying behaviour. Smaller number of customers formed perception that safety features of cars was either not influencing factor

(6%) or less influencing factor (4%) that affected buying behaviour. Nominal proportion of customers (4%) did not form judgement about safety features of cars.

Table 12: Schemes and Offers as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Schemes and Offers	4	3	15	41	5	68
%	5.88	4.41	22.06	60.29	7.35	100.00

Exhibit 12: Schemes and Offers as influencing factor

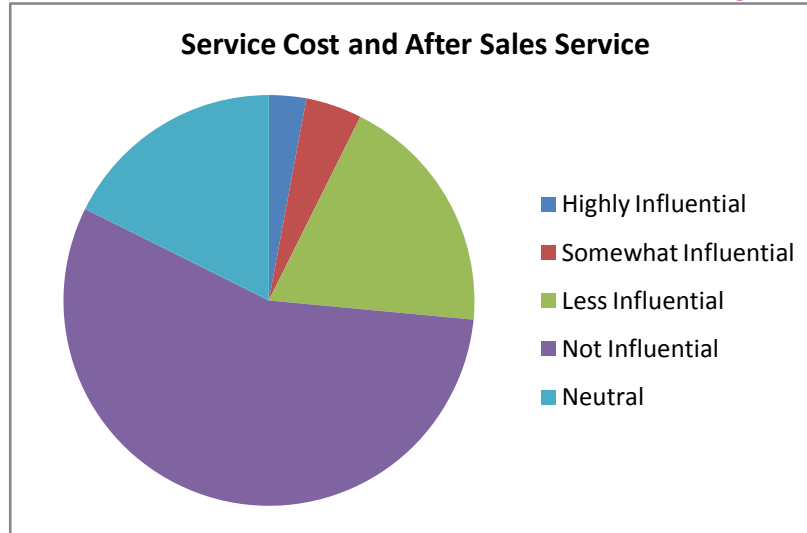


More than 3/5th of customers mentioned that schemes and offers such as discounts, coupons, lucky draws, etc. on purchase of cars did not influenced buying behaviour. More than 1/5th of customers (22%) mentioned it was less influencing factor. Smaller proportion of customers expressed it was either highly influencing factor (6%) or somewhat influencing factor (4%). Lower number of customers (7%) did not form any view regarding schemes and offers during purchase of cars.

Table 13: Service Cost and After Sales Service as influencing factor

Factor	Highly Influential	Somewhat Influential	Less Influential	Not Influential	Neutral	Total
Service Cost and After Sales Service	2	3	13	38	12	68
%	2.94	4.41	19.12	55.88	17.65	100.00

Exhibit 13: Service Cost and After Sales Service as influencing factor



More than half of customers (56%) mentioned that service cost and after sales service on cars was considered not influential factor. About 19% customers expressed it was less influential factor affecting buying behaviour. Marginal number of customers formed view that service cost and after sales service on cars was either somewhat influencing factor (4%) or highly influencing factor (3%). Under 18% customers preferred not to form any judgement about service cost and after sales service on cars.

Table 14: Ranking of different factors affecting customer buying behaviour of family cars

Factors	Weighted Average Score	Rank
Price of Car	4.515	1
Reliability and Consistency	4.441	2
Brand Image	4.368	3
Family Requirements	4.324	4
Safety Features	4.059	5
Exterior Features	3.971	6
Internal Features	3.838	7
Loan and Financing Facilities	3.132	8
Fuel Consumption	2.971	9
Advertisement and Promotion	2.809	10
Schemes and Offers	2.412	11
Resale Value	2.235	12
Service Cost and After Sales Service	2.191	13

Weighted average score for each of the different factors selected under study are calculated and accordingly ranks are assigned to such factors. Above table indicated arrangement of such factors on the basis of ranks determined.

5) CONCLUSION

Study concluded different factors affecting / influencing buying behaviour of customers while purchasing new family cars are classified and arranged as under:

- Factors that highly influenced buying behaviour of customers included price of car, reliability and consistency of cars, brand image of car companies and family requirements of buyers.
- Factors which had somewhat influence on buying behaviour of customers included safety features of cars, exterior features and internal features of cars.
- Factors having less influence on buying behaviour included loan and financing facilities, fuel consumption of cars and advertisement and promotion measures of car companies.
- Factors that did not influence buying behaviour included schemes and offers by companies, resale value of cars and finally, service cost and after sales services.

Study suggest further studies can be carried out to examine factors influencing buying behaviour of customers who are interested to purchase used / second hand family cars in Ahmednagar city as well as other cities. Similar studies can also be conducted in other cities and towns located in as well as outside of Maharashtra state. Also alike studies may be executed for ascertaining buying behaviour of customers of cars and vehicles other than family cars.

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