

A STUDY ON CONSUMER BEHAVIOR TOWARDS LUXURY CAR BRANDS IN CHHATTISGARH

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ABSTRACT-

India has become a very big market for luxury cars in the past decade and many global players have entered in the market including Mercedes, BMW, Audi, Jaguar, Range Rover, Volvo, Rolls Royce, Bentley etc. This research paper deals with the investigation of consumer behavior while purchasing luxury cars in Chhattisgarh (India) by exploring the factors in a complex car market. The paper investigates about those factors which makes a customer purchase an expensive luxury car brand. A luxury car is one which is able to integrate both the luxurious feel and the esteem/prestige. The main motive behind this study is to understand the perception of the people luxury cars brands. Wealthy consumers usually purchase these luxury cars not only for the high quality and superior technical attributes, but also for non-technical attributes such as the perceived image of the car brand in order to demonstrate their wealth and status. In most parts of India owning a car is a prime necessity as far as metropolitan cities are considered but it is also considered as a status symbol when the price of the car increases a limit and to some specific brands which are considered as symbol of prestige.

KEY WORDS: Brand, Luxury Cars, Perception, Consumer Behavior, Lifestyle

INTRODUCTION-

The Indian automobile sector has emerged as one of the significantly developing and growing sectors in the last decade. The automobile industry of India has witnessed a tremendous growth and has attracted foreign auto giants to set up their production facilities in the country in a bid to take advantage of several benefits provided by the industry. The automobile sector experienced a drastic change in the car segment with the number of entrants like Toyota, Hyundai, Honda, Ford, GM, Renault/Nissan etc. Indian auto makers like Tata, Mahindra and Mahindra and Maruti are given a tough competition by the foreign players.

A number of premium car brands competing with each other have left the consumer with a large no. of alternatives to choose from. The presence of large number of alternatives in this segment is the important factor in studying the consumer behavior. The rise in disposable income, wide choice of models and easy availability of finance will drive growth in premium passenger car segment and future looks even brighter.

As far as Consumer Behaviour is concerned it is the study of use and disposal of products as well as the study of how they are purchased. Having a better understanding of consumer behaviour will help firms to get survival against its competitors. Understanding of consumer's behaviour

enhances the marketer's ability to predict the consumer's acceptance of their various informational and environmental cues and thus plan their marketing strategies accordingly. It also helps in the process of product positioning. An understanding of the relevant markets can help in analyzing the opportunities and then design suitable marketing plans accordingly.

It is a stunning fact that when the world was enjoying the best and the most sophisticated cars rolled out by top notch manufacturers Indian, automobile industry was ruled only by two car manufacturers, The Ambassador (Amby) from Hindustan Motors and Fiat / Premier Padmini by PAL India Ltd., the consumers had no choice for selection even after the introduction of Maruti in the 1990's the automobile industry was at the sellers bay. Due to remarkable rate of economic and demographic changes now this industry is highly competitive with global players such as Volkswagen, BMW, and AUDI who are busy setting up their plants and sales network in India and changing the way Indian roads. The majority of established car makers globally have already set up base (MarutiSuzuki, Hyundai, General Motors, Mercedes Benz, Fiat, Volkswagen and Nissan), to take advantage of the opportunities of the world's largest four wheeler market.

The consumer preferences in rural and urban India are different as the preferences, income level and infrastructure are different. With the growth in the IT Sector and disposable income the aspirations of the urban youth to own a four wheeler have also increased. Due to poor and uncomfortable public transport systems, customers with high disposable income prefer to use own four wheeler. Along with this in the Metropolitan cities, there was a growth in the service sector. E.g. Mumbai is a hub for the 5 financial sector or Bangalore is an IT hub. People were drawn to these cities for better opportunities and better income. Due to longer distances in the Metropolitan cities, owning a car is a prime necessity. It is also considered as a status symbol.

LITERATURE REVIEW -

Sagar, Ambuj, D. & Chandra & Pankaj (Research Entitled: Technological Change in the Indian Passenger Car Industry)

Sagar et al. (2004), discussed, as to how the Indian car industry has advanced technologically driven by a confluence of factors such as intense competition, demanding consumer preferences, Government policies (especially tightening emission standards), and the global strategies of the various players. They elaborated that car manufacturers in India are based on designs, incorporating advanced technologies, that are often comparable with those available globally and Indian car exports are also growing rapidly.

MandeepKaur and Sandhu H.S. (Research Entitled: A Study on Factors Influencing Buying Behaviour of Passenger Car Market)-MandeepKaur and Sandhu (2006),

attempts to find out the important features which a customer considers while going to purchase a new car. The premium car owners perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness.

Dr. S. Subadra, Dr. K. M. Murugesan, Dr. R. Ganapathi (Research Entitled: Consumer Perceptions and Behaviour: A study with reference to car owners in Namakkal District)

S. Subadra et al. (2007), postulates the changing perceptions and behaviour of the consumers with special reference to the car owners. Through this research paper the authors discussed how India is witnessing a change in consumerism. Market has now become predominantly consumer-driven. The focus has now been shifted from product based marketing to the need based marketing. Consumer is given many options to choose. This paper discussed the consumer perceptions and behaviour of the car owners which was supposed to give a feedback on how marketing strategies work. This study throws light on various features that the manufacturers should concentrate on to attract the prospective buyers. The authors trace the factor-analysis – factors influencing purchase. The general purpose of this is to find a method of summarizing the information contained in a number of original variables into a smaller set of new composite dimensions with minimum loss of information. It derives out of several variables which are identified as the influencer in purchase decision and satisfying the consumers. Some 14 variables under the sub-head „factors influencing purchase“ have been discussed. Hence, an understanding of the consumer behaviour enables a marketer to take marketing decisions which are compatible with its consumer needs. There are four main classes of consumer behaviour determinants and expectations i.e., cultural, socio-economic, personal and psychological. The manufacturers and marketers who study the behaviour of consumers and cater to their needs will be successful.

Desagen Moodley (Research Entitled: “Consumer Behaviour of the Black Middle Classes with the Passenger Vehicle Market in South Africa”) In this research again the factors that influence the decisionmaking process of the consumer while purchasing a passenger car have been discussed. Results of this research confirmed that the steps in the decision-making process were followed by this segment of the population. The primary objective of this study is to investigate the consumer decision-making process of the consumers in purchasing a consumer motor vehicle. Further analysis resulted in establishing both the product and situational factors that played a vital role in influencing the purchase decision. The research determines the factors result in the need to purchase a passenger vehicle by evaluating the problem recognition step of the decision making process.

Shyamala Mathan Sankar (Research Entitled: Consumer Perception of Global vs. Local Brands: The Indian Car Industry) Shyamala Mathan Sankar (2006), through this research study examines consumer perception of global brands vs. local brands in the Indian car industry. Consumer brand perception is having substantial implications in Marketing. This study explores and helps in understanding consumer perceptions of global and local car brands in India by accomplishing the secondary objectives. The secondary objectives were achieved by highlighting the factors that affect consumer preferences for global brands, by examining the effects of country of origin on consumer perception for global brands and local brands, and by studying the effects of consumer ethnocentrism towards global brands. The findings of this particular study advised that the consumers who possessed global car brands preferred their car brands due to factors such as global presence, worldwide reputation, and quality of being a foreign make. It was found the prestige of status had a very little or no influence in their preference for global car brands consumers made favourable perceptions of the country, wherein they tend to associate factors such as superior quality, technical advancements modernization etc., to the country from

which the brand had taken its origin. Consumers who owned a local car brand evaluated the local brand in a favorable manner, wherein they tend to associate the brand to India's strong automobile sector that makes quality and technically efficient cars. The study found to have both Non-ethnocentric consumers and consumers who were low on CET. Most of the study results show, the local brands to be good in India, but not as good as the global ones in quality, technical expertise and designs of the cars.

Dr. M. Akber, P. Ashok Kumar (Research Entitled: "A Study on Attributes of Car Buyers in Vellore District") M. Akber and P. Ashok Kumar (2012), presents this study of

consumer buying behaviour, that has proved that many factors like price, income, distribution of income, competition with alternatives, utility, consumer preference (economic factors) and factors like culture, attitude, social values, lifestyles, personality, size of family, education, health standards etc., play a major role in buying behavior of customers. The scientific study on the purchase decision towards the purchasing of cars has revealed fruitful findings and recommendations, which could be used for enhancing the products to meet the requirements of car buyers. This study explores aspects like:

- i. To investigate the reason for the time gap between intention and actual purchase of a car.
- ii. To identify the attribute sources of information for purchasing a car.
- iii. And to measure the significant motivating factors that contribute for the preferences of the cars.

The overall analysis that contributes for the preference of any car has come with five significant factors:

- Economy in fuel
- Economy in maintenance
- Purchase price
- Warranty
- Style

Pick-up, durability and size of the cars have been preferred very less by the respondents. Resale value, company reputation, after sale value, and prestige are the attributes which were not at all preferred by any consumer using any brand of car. The study has brought out the attributes of buyer of market and different brand of a given market. If the Marketing Management of respective car companies lesser the car as per the aspiration of buyer revealed through the perfect study they would stand to benefit both in intern of volume and value of turnover.

Jakrapan Anurit (Research Entitled: "An investigation into consumers towards the purchase of New Luxury Cars in two culturally distinct countries: The UK and Thailand")

This research is an investigation into consumer perceptions towards luxury products and exemplified by two luxury car Marques in two main markets and seeks to explain the brand dominance of BMW in the individualistic culture of the UK and Mercedes in communitarian Thailand. This research aims to answer following two questions:

- i. What are the factors, distinguish a luxury car?
- ii. How do cultural differences between the UK and Thailand explain the difference in

purchasing patterns of BMW and Mercedes and provides insights for brand marketing of the two luxury car Marques?

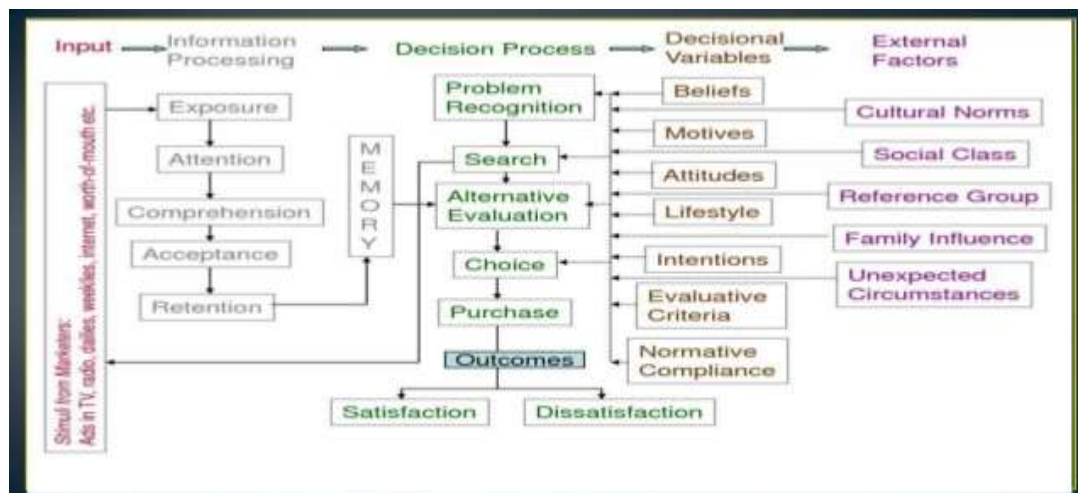
The principal contribution of this study lies in extending our understanding of consumer behaviour through an empirical examination of the contribution of group and social influences on consumer behaviour towards the purchase of new luxury cars. This thesis under study demonstrates the significance of the contribution of group and social influences on consumer behaviour of luxury products as exemplified are luxury cars in two main markets, the UK and Thailand. Theoretical contributions of this thesis are as under:

- This thesis confirms Fishbein's behavioral model that there can be different types of beliefs held by an individual.
- The theoretical contribution of this thesis lies in an extension of Maslow's hierarchy of needs and motivation.
- This thesis develops links between culture and consumer behaviour by linking branding and consumer needs using brand components, i.e. - functional, social and experiential images.

Dr. K. Singaravelu (Research Entitled: "Consumer Behaviour: A study of influence of special features of passenger cars in Coimbatore")

This research is an attempt to assess the buying behaviour of passenger cars. And to examine the pre-purchase behaviour of passenger car buyers, study gives an analysis of influence of special features of passenger cars. It is illustrated that Government employees have got their salary increment after introduction of sixth pay commission, which make them shift from two wheelers to four wheelers. Hence, rising per capita income and changing demographic distribution are conducive for growth of automotive industry. In this research paper influence of the sources of information and influence of special feature of passenger cars have been discussed. Sources of information are classified into three categories, i.e., personal sources, commercial sources and public sources.

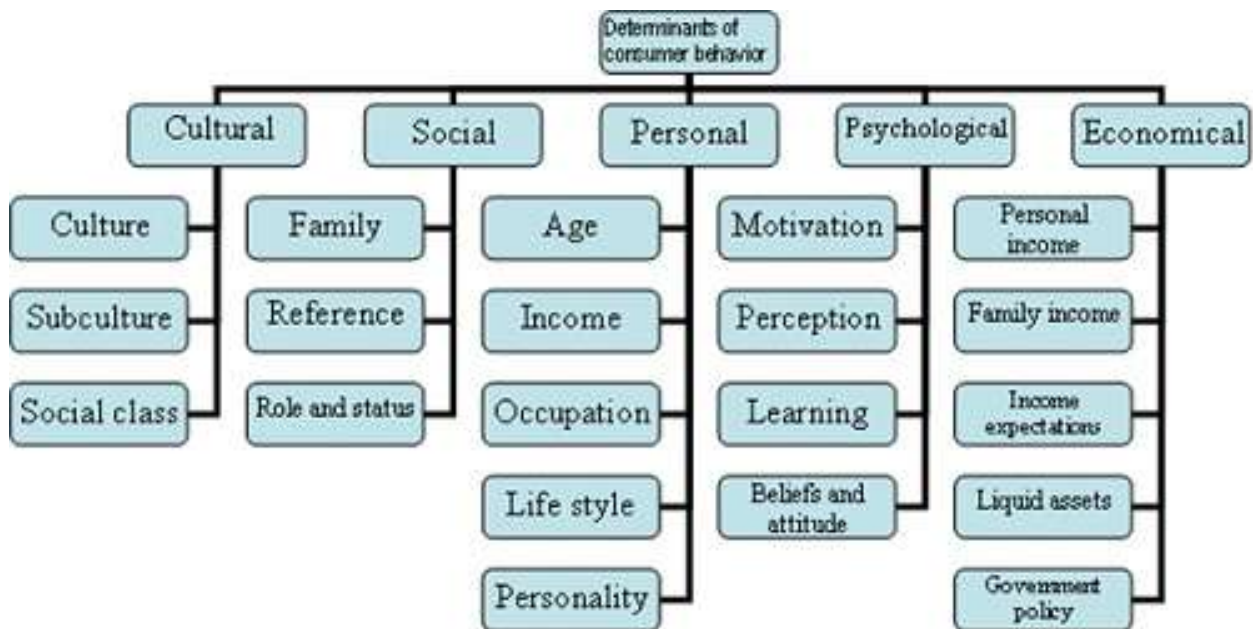
CONSUMER BEHAVIOR MODEL-



Factors affecting consumer behavior while purchasing an expensive luxury car-

- Elegance/ Exterior Design
- Luxury/Sporty Interior
- Brand image/Prestige/ Status
- Size
- Engine/ Performance
- Features
- Safety
- Fuel Economy
- Technology
- After sales Service
- Price
- Discounts
- Durability
- Environment friendly
- Maintenance cost
- Advertisements

DETERMINANTS OF CONSUMER BEHAVIOR-



RESEARCH METHODOLOGY-

The research paper investigates about the consumer behavior of customers while purchasing luxury car brands in Chhattisgarh which needs observation and understanding the psychology behind the actions of the consumer, so exploratory research is used.

RESEARCH FINDINGS-

To conclude consumer behavior while buying a luxury car-

- (1) Factors like Income, Occupation, Personality, Education and Lifestyle affect the preferences of consumers.
- (2) At the same time the car feature like Size, Safety, Performance, Durability and Prestige associated with a specific Brand also influences the consumer preferences. Also word of mouth publicity plays a crucial role.
- (3) Price has least impact when it comes to buying a Luxury car.
- (4) Foreign Brands are preferred over Indian brands.
- (5) Prestige/Status associated with a specific brand is a provoking factor.
- (6) Lifestyle is an important factor while buying a Luxury car.

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