

Study about Factors Affecting the Purchase Decision of Buying a Car

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Abstract - A product is something that has some utility, before spending money on concerned product a buyer considers multiple factors. These factors highly affect purchase decision and might vary from individual to individual. This paper is a study of those factors that affect buying decisions of consumers or customers while make a purchase of car.

Keywords: Product, Purchase decision, Car, Buying behaviour

I. INTRODUCTION

“A product is something that is manufactured in a factory, a brand is something that is bought by a customer. A product can be copied by its competitors, a brand is unique. It can be quickly outdated, a successful brand is timeless” (Quiston, 2004, p 345). This statement made researchers to find out the impact of a brand, especially brand name on customer’s purchase decision.

The history that a brand possess tells us how brand is used by people as a mark of identification. In the earlier times, the brand mark was used as a differentiating factor between the produce of different manufactures/producers. Today brand is not only used for differentiation but also as a justification of purchase decision. This paper tries to identify the influence of brand name on purchase decision. Brand combines name, symbol and design together.

Brands represent the customer’s perceptions and opinion about performance of the product. The brand is said to be powerful when it has ability to reside in the minds of the consumers. Different brands have different amount of power and the worth they hold in a market place. Many brands are known to the customers in the marketplace while on the other hand other brands show very low degree of awareness. Brand awareness impacts its acceptability among consumers. The brands with low awareness have a low level of acceptability and customers refuse to buy such brands as they have low brand performance. Some brands commend high level of brand loyalty.

Brands reflect a symbolic value that assists people in choosing the best among various products according to their need and satisfaction. Generally, people do not buy certain brands just for design and requirement, but also to enhance their self-esteem in the society (Leslie and Malcolm, 1992). Brand names tells many things about a product and give amount of information to the prospective customers and also presents them what a product would mean to them. It also represents customers’ convenient summary like their feelings, knowledge and experiences with the brand. More over customer do not spend much time to do find out about the product. When customer considers about the purchase, they evaluate the product immediately by reconstructed product from memory and cued by the brand name (Hansen and Christensen, 2003).

A brand’s value depends on the quality of its products in the market and the satisfaction or content it can provide to its customer via its products or services or both. This reflects the trust of the customers in a brand. When customers trust a brand’s quality they make a positive connection to the brand and they will have a reason to be loyal towards that brand. Loyalty and trust of the customers is very important for a company because it reduces the chance of attack from competitors (Aaker, 1996).

Brands play a very important role in the consumer decision making processes. It is really important for companies to find out customer's decision-making process and identify the conditions, which customers apply while making decision (Cravens and piercy, 2003). Marketers are highly concerned in know how brand names influence the customer purchase decision. Customers follow the sequence of steps in deciding which product to buy. They start realizing a requirement of product, gather information, identify & evaluate alternative products and finally make decision whether or not to buy a specific brand. When customers purchase particular brand frequently, he or she uses his or her past experience about that brand product regarding performance, quality and aesthetic appeal (Keller,2008).

II. LITERATURE REVIEW

Zhou, Arnold, Pereira, and Yu (2010) summed up, both theoretically and empirically, the similarities and changes in customer culture and in decision-making styles customers. Dealers should be known the changes and similarities in customer culture and buying styles. In the coastal bazaar, dealers should struggle to create a solid brand image, which seems to be central to coastal customers buying skill. The coastal customers are extra brand sensible and brand reliable show the importance of branding in this local bazaar .To build solid brand uniqueness in the mind of the customer. Dealers using novel, fashionable, recreational, and pleasure-seeking appeals are more respected in coastal customers than inside customer's .And there are no change among the two groups in customer's needs to have first-class goods. Companies struggle to achieve high class, and transfer this to the customer efficiently in both marketplaces.

According to Khasawneh and Hasouneh (2010), customers recognize the reputation of brand during their buying decision making process. Demographic features have no significant relation and influence on brand awareness. People favour the branded goods with high prices because they study that branded goods have more value than the local ones.

Nepalia (2011) in his study summed up that to accomplish the brand means to apply marketing tackles for particular goods. If brands are managed effectively, product value and brand loyalty are also enhanced in customer's mind. Dealers consider a brand as an assurance to customers that product features will be similar in coming times and due to this assurance sales increase.

Tam (2007) [4] said that brand are valuable asset and attractive trick to capture consumers for specific goods. Customer behavior can be inspected on the basis of brand consciousness, relationship and loyalty. Chinese persons have adverse behavior towards their own home made brands while in UK brand development is better than China. Female customers' purchasing behavior is extremely and clearly affects by branding position, behavior toward a brand, self-thoughts and with other ideas. People are now more aware and involved in branded fashion clothing. Many features have significant impact on female buying behavior.

According to Doostar1, Abadi, and Abadi (2012) brand fairness has a positive impact on buying decisions, customers Feel by heights of brand equity for the first time after use and then tend to make buying decisions, they use brands that is slightly aware with its name and express value that this worth has made for them. Dimensions of brand fairness have a positive impact on buying choices.

David w. Cravens in his book "Strategic Marketing" has narrated the following description of brand equity as: "Brand equity is a set of brand assets and liabilities linked to a brand, its name, and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" David W Cravens (2012).

According to Rossiter, (1987), Brand awareness comes before any other step in the buying process. The location of the trademark is applicable only if the consumer is aware of the trademark. In memory theory, brand awareness is embedded as a vital first step in creating a cluster of associations associated with a brand in memory.

Lin & Chang (2003) also found a positive link between loyalty and perceived quality. Perceived quality satisfies consumers and causes them to take back the product that leads to loyalty.

III. PROPOSED ALGORITHM

Objectives:

1. To gain knowledge about consumer decision making process, especially with high involvement products, and
2. To identify the impact of brand name on purchase decision.
3. To describe the reasons and intentions of purchasing decisions
4. To know about different issues related to brand and brand selection process.
5. To describe the extent to which brand aspects, affect consumer buying behavior.
6. To examine the relationship between brand name and consumer buying behavior

Conceptual framework:

This study focuses on the relationship between socio-demographic characteristics like price, quality, features, safety, customer experience, resale value etc. The socio-demographic characteristics will be



wareness will be the Dependent Variable.



RESEARCH METHODOLOGY

Type of Study

The Survey Method has been chosen to carry out the research. We divided the Complete work mainly into two parts- secondary research and primary research.

In the primary research we mainly used the survey method. To carry on the survey a questionnaire was been circulated to the people of different age. Basic data was collected through a systematic questionnaire that was distributed on various social media platforms such as Instagram, WhatsApp, and LinkedIn. The descriptive research design was used by a drawn sample to represent different peoples. Our sample size is 70 where we were able to get 68 answers, the response rate was 90%. The survey was conducted by distributing a list of questions to the respondent when they were required to complete their statistical information and questions related to their investments made in different investment options.

In the secondary research we have made use of the available literature, Internet, journals and other relevant publications to find out the framework and also to know what early research mentioned regarding the topic. The questionnaire included close ended questions, mainly of multiple-choice. Likert scales were used for scaling the questions

The analysis was performed using social science statistics (SPSS) packages. Data were analysed using descriptive statistics, ANOVA.

This research paper is divided into four sections: concept, literature review, research methodology, and finding, conclusion.

Sample Frame:

- 1) We are conducting our research upon the General public of all category.
- 2) On different Age group.
- 3) Sample Size: we are focusing upon a sample size of 70.

Time Frame: The data has been collected within the time frame of 2 weeks.

Measures

All scales were in Likert format and asked for respondents' agreement to the items on a five-point scale (where 1 – strongly disagree and 5 – strongly agree). Other basic demographic and usage questions were also included. Table I shows all the questions based on all the independent and dependent variables which were identified earlier during the literature review.

Variable 1	Do you think price of the car is an important attribute before buying the car?
Variable 2	Do you think quality of the car is an important attribute before buying the car?
Variable 3	Do you think features of the car is an important attribute before buying the car?
Variable 4	Do you think safety of the car is an important attribute before buying the car?
Variable 5	Do you think brand of the car is an important attribute before buying the car?
Variable 6	Do you think delivery time of the car is an important attribute before buying the car?
Variable 7	Do you think customer experience of the car is an important attribute before buying the car?
Variable 8	Do you think resale value of the car is an important attribute before buying the car?
Variable 9	Do you think fuel consumption and type of fuel used in the car is an important attribute before buying the car?
Variable 10	Do you think ground clearance in the car is an

	important attribute before buying the car?
Variable 11	Do you think seating capacity in the car is an important attribute before buying the car
Variable 12	Do you think reliability of the car is an important attribute before buying the car?
Variable 13	Do you believe that a well-known branded car is always better in quality than a lesser-known brand?

Table 1.

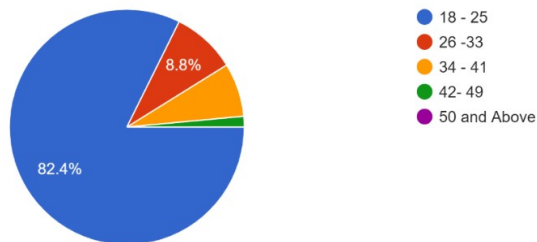
***Variable from 1 to 9 are independent and 10,11 are dependent.

IV. EXPERIMENTS AND RESULTS

Table 1:

Age Group	Number of Respondent	Percentage
18 – 25	56	82.4%
26 – 33	6	8.8%
34 - 41	5	7.4%
42 - 49	1	1.4%
50 and above	0	0

Age (Years)
68 responses



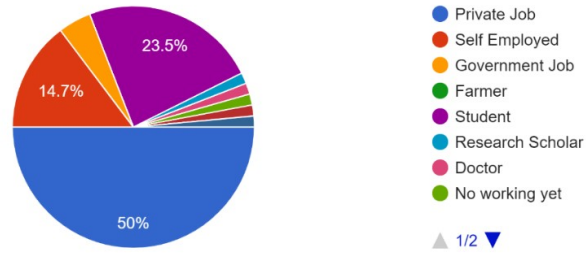
From the data given above we can see that majority of the data is from the age group of 18 – 25 with 82.4%, followed by 26 -33 age group with 8.8% followed by the age group of 34 - 41 with 5% of total data and with 1.4 % data of age group 42 – 49.

Table 2:

Occupation	Number of Respondent	Percentage
Private Job	36	52.94%
Self Employed	10	14.70%
Government Job	3	4.41%
Farmer	0	0
Other	19	27.94

What is your occupation ?

68 responses



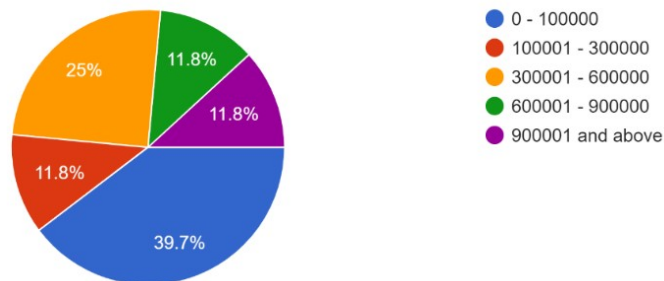
From the above table we can see that the data which we have gathered that 36 are from private jobs which is 52.94% of the total data, followed by 10 people with 14.70% data, followed by 3 person which comprising 4.14% and 19 person pursuing other occupation or are students making 27.94% of our total data set.

Table 3

Income (INR)	Number of Respondent	Percentage
0 - 100000	27	39.7%
100001 - 300000	8	11.8%
300001 - 600000	17	25%
600001 - 900000	8	11.8
900001 and above	8	11.8%

What is your income per annum ? (INR)

68 responses



From the data mentioned above 39.7% respondent which is 27 falling in the income group of 0 - 100,000, 11.8% which is 8 respondents falling in the income group of 100001 – 300000, 25 % respondent which is 17 falling in the income group of 300001 – 600000, followed by 11.8% respondent which is 8 falling in the income group of 600001 -900000, and 11.8 % respondent which is 8 falling in the income group of 900001 and above.

Regression for 1st Dependent Variable (Variable 10)**Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.465	.358	.723

a. Predictors: (Constant), Variable 12, Variable 2, Variable 1, Variable 8, Variable 6, Variable 11, Variable 10, Variable 7, Variable 4, Variable 9, Variable 3

b. Dependent Variable: Variable 5

***In the above model summary, our adjusted R square is decreased to .465 or 46.5% which means our independent variables can appreciably predict the movement of the dependent variable.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.995	11	2.272	4.344	.000 ^b
	Residual	28.766	55	.523		
	Total	53.761	66			

a. Dependent Variable: Variable 5

b. Predictors: (Constant), Variable 12, Variable 2, Variable 1, Variable 8, Variable 6, Variable 11, Variable 10, Variable 7, Variable 4, Variable 9, Variable 3

***We will check for the significance value and here it is less than 0.05 from which we can say our model is a good fit.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.496	.733		2.041	.046
	Variable 1	.306	.156	.287	1.954	.056
	Variable 2	-.234	.187	-.179	-1.246	.218
	Variable 3	.417	.206	.380	2.020	.048
	Variable 4	-.085	.199	-.066	-.427	.671
	Variable 6	.315	.097	.398	3.240	.002
	Variable 7	.129	.136	.136	.943	.350
	Variable 8	-.061	.104	-.072	-.588	.559

Variable 9	-.054	.132	-.066	-.408	.685
Variable 10	.188	.140	.213	1.340	.186
Variable 11	-.042	.130	-.050	-.324	.747
Variable 12	-.258	.167	-.262	-1.545	.128

a. Dependent Variable: Variable 5

V. CONCLUSION

The reason behind conducting this study was to create a deeper understanding of the influence of brand name on purchase decision especially the car purchase. To facilitate the study, a questionnaire was administered to collect the consumer's response. The responses revealed that brand name has a strong influence on purchase decision. The study made it clear that well known branded cars are very famous among people as consumers trust brand name. Also, people tend to purchase well-known brands as they have better brand performance or their past experience of that brands was good. This also results in making a consumer loyal towards the brand. Brands offer high quality of service which are up to the mark with consumer's expectations and satisfaction. Brands also tickles people to prefer them as they reflect status and better life style. The study summaries how automobile brands become successful by getting close to their customers and offering products according to their customers need.

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Questionnaire link

https://docs.google.com/forms/d/e/1FAIpQLSeUpvQDBOXGfKXmvmq5CJBieNlvA6woPFdeO-gp522o1wPCA/viewform?usp=sf_link