

# A Study On Factors Influencing The Buyers Towards Selecting And Using Of Small Cars With Reference To Cuddalore District

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## Abstract

*As more and more international automakers conduct business in India, the options available to customers are growing quickly. The market is now a buyers' market instead of a sellers' market. Too many goods are being pursued by too few clients. Price is no longer regarded as the most crucial element because of the increasing quality of items; instead, other aspects are now thought to be more significant. This study investigated the elements that affected 600 respondents' intentions to purchase in Tamil Nadu's Cuddalore District. This study aims to identify the key factors that a buyer takes into account when making a new or used car purchase. The findings of the analytical study based on the factor analysis are presented in the paper, which also identifies the nine most crucial aspects that consumers take into account when purchasing a car. Five factors—safety and comfort, luxury, economy, reliability, fuel efficiency, ease of financing, variety, color and spaciousness, and brand image were identified by the linear regression analysis as having an impact on the buying and leasing behaviour of cars. Customers' decision-making process was influenced most by the automobile brand, which was the strongest contributor to their intention to buy and use the vehicle. The issues and possible advantages of the findings were examined in this article from the viewpoints of manufacturers, customers, and legislators.*

**Keywords:** *Factors Influencing Car brand, safety, performance, technology, purchasing and using intention.*

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## INTRODUCTION

The study of consumer behaviour is crucial to marketers because it helps them comprehend and forecast consumer purchasing patterns in the marketplace. CB looks at not only what consumers purchase, but also why, when, where, and how they purchase it, as well as how frequently they buy it and how they use and discard it. In order to forecast customers' purchasing behaviour, marketing heavily relies on their purchase intention. Frameworks for car buying intentions are no different. People purchase cars with the goal of using them for as long as possible because they are valuable items. The decision to buy a car is much more extensive and requires more careful thinking than ordinary shopping, such as buying detergents, thus people rarely have to make this kind of decision because they do not buy cars every year. Marketing strategies are used to generate and retain customers. Additionally, understanding, catering to, and influencing customers is a prerequisite for effective marketing techniques. To put it another way, a company's success depends on its ability to accomplish its goals, which can be accomplished via the two strategies mentioned above. This implies that customer knowledge and information are essential for creating effective marketing strategies since they force marketers to consider and evaluate the link between consumers and themselves as well as between consumer behaviour and marketing strategy. As a result, clients frequently carefully weigh several strategies to aid in this decision-making process, including consulting with qualified counselors, taking into account personal standards, and evaluating various possibilities according to various standards.

### Need of the Study

Small vehicle manufacturers have a lot of room to grow because both domestic and foreign manufacturers will soon face many possibilities and challenges. As people's spending power increases and their lifestyles shift toward luxury goods, this is generally understood. These days, even middle-class people consider luxury items like cars to be essential and a necessary part of their lives. These days, every marketer and advertiser is attempting to find out what and why people purchase products. Therefore, understanding the purchasing patterns of the various market groups aids a seller in choosing their target market and developing marketing plans to boost sales. Being able to discern the thoughts and opinions of potential

car purchasers is crucial for marketers to succeed. Therefore, automakers ought to conduct studies on consumer preferences, attitudes, behaviour, perceptions, and owner satisfaction.

### **Statement of the Problem**

Choosing to purchase a product or service entails a number of steps and issues, such as the inability of the customer to investigate the dealer's reputation and background or verify the dealer's legitimacy through the dealer's license. There are currently a lot of curbsiders in the auto industry who are illegal individuals, dealers, or retailers that purchase cars and then list them for sale with a markup rather than registering them under their own names. To make the car appear enticing, they could conceal serious problems or misrepresent the vehicle's actual state. The majority of manufacturers and sellers deceive consumers about a car's performance, quality, price, or make.

However, because of the inadequate road infrastructure in Tamilnadu's rural areas, the sales of small cars have fallen short of expectations. The car might not be suitable to explain to the seller and match the model shown in the demonstration and the descriptions. Before raising prices and releasing new models in January, automakers typically give significant discounts in December to clear their inventory. The deals entice purchasers to buy now, even though the car will be registered in December and will be the model from the previous year in a few days. The registration date will be important if purchasers intend to switch cars in three to four years. Insurance firms also cheat on car owners by not telling them that if they don't file a claim in a year, their premiums would be discounted the following year and that the no-claim bonus won't be able to be used to another vehicle to lower the cost of insurance for a new car.

Although credit insurance is not mandated by federal law, some lenders and dealers requested car buyers to purchase it in order to repay the debt in the event that the customer passed away or became incapacitated. Although it is part of the cost of credit, the dealer actually necessitates purchasing credit insurance in order to finance a car. The invoice Due to rebates, allowances, reductions, and incentive awards, the manufacturer's initial charge to the dealer is typically higher than the dealer's ultimate cost. In most cases, freight should be included in the invoice price. The majority of dealers sell cars for the invoice amount plus freight and their markup. Models and prices in advertisements and dealer showrooms differ from one another. Some dealers chit-chat with consumers without providing all of the warranties and after-sales support that manufacturers offer. Dealers can add thousands of rupees to the purchase price of cars by forcing customers to buy fuel and maintenance discount coupons they didn't want. Most purchasers sign the contract and send it to a superior "for approval." If the buyer accepts the adjustments, the seller can proceed. Due to the rapidly evolving dynamics of the digital world, there are a plethora of chances and a significant shift in customer preferences in the current modern day.

Additionally, after buying their cars, owners have been dealing with a lot of issues, especially related to after-sales service, maintenance, and spare parts issues. Other obstacles include the stringent guidelines that banks and financial institutions have put in place regarding auto loans for buyers who want to buy cars in installments. Although they were formerly thought of as a luxury, cars are today a necessity and a part of daily life. There have only been a few attempts to investigate how brand choice characteristics affect customer happiness. Based on these basic issues, the researcher has developed an interest to study the car buyers' behaviour and attitude towards buying small cars. To fulfill the aim and the purpose of the study, the research question has been formulated by relying on the background and the problem statement as following:

1. Which factors influencing the purchase of small cars among the consumers?
2. What are the reasons for consumer selecting the small car?
3. Are the consumers satisfied at the end? And to what extent the consumers are satisfied with use of small cars?

### **Objectives of the Study**

This study aims to understand how tiny car customers behave and think, as well as how satisfied they are with the features of the vehicle. Therefore, the following goals are the focus of the study.

To analyze the socio-economic profile of the sample respondents

To evaluate the factors influencing the consumers' preference and behaviour pertaining to the purchase of small cars

### **Hypotheses of the Study**

The following hypotheses are to be developed and investigated for this study in accordance with the previously mentioned goals.

H01: "Among respondents from various car brands, there is no discernible variation in the degree of influence by cost and price-related factors."

H02: "The respondents from various car brands do not significantly differ in the degree of influence by brand image-related factors."

H03: "The respondents from various car brands do not significantly differ in the degree of influence by factors relating to product features and technology."

H04: "The respondents from various car brands do not significantly differ in the degree of influence by factors related to sales promotion."

#### Scope of the Study

These days, middle-class people's lives revolve on their cars, which have become necessities. As a result, there is ample opportunity to investigate how consumers of tiny passenger cars perceive and behave while making purchases. The current study examines a number of elements that affect consumers' attitudes and preferences regarding tiny cars. The current study discusses a few key elements that affect behavioural features. The study's focus is restricted to the variables affecting the attitudes and purchasing patterns of small automobile owners in the Cuddalore district. People of different religions, languages, cultural backgrounds, and demographic and psychographic traits reside in this district, making it a potential location for all brands of automobiles and service facilities.

### RESEARCH METHODOLOGY

**Nature of the Study :** The present study is an empirical as well as analytical in nature and based on survey method.

**Sources of Data:** Given the study's many goals, information was gathered from primary and secondary sources. A questionnaire was used to gather the primary data. Journals, periodicals, dissertations, published and unpublished studies, the internet, and reports have all provided pertinent secondary data.

**Sampling Technique :** Sampling technique adopted in the present study was systematic simple random sampling.

**Sampling Design :** The researcher chose per cent of the respondents from among the vehicles registered by the top five automotive market leaders, which are Maruti Suzuki, Hyundai, Mahindra, Tata, and Toyota. As a result, there were 600 samples.

#### Tools Used for Analysis

The collected data are analyzed through descriptive statistical tools such as Percentage, Mean and Standard deviation have been used to describe the profiles of consumers, preferred product attributes and level of satisfaction. For testing the significance of hypothesis, analysis of variance (ANOVA), chi-square test and student's t test were used. The Chi-Square test has been used to test the association between the consumer demographic characteristics and the preferred product attributes. For analyzing the survey data SPSS 20 package was used.

### ANALYSIS OF FACTORS' LEVEL OF INFLUENCE AND SIGNIFICANT DIFFERENCE

The researcher attempted to determine the degree of influence of each of the parameters chosen on customers' opinions of tiny automobiles in this section of the study. To determine the most influential factor when consumers are choosing tiny automobiles, rank analysis has been employed. An independent sample t-test and an ANOVA test were used to determine whether there is a significant difference in the influence of factors based on a selection of tiny automobiles.

#### Level of Influence by Factors Relating to Cost and Price

The opinion of the respondents about the factors related to the cost and price, which are influencing consumers towards using small cars. The results are presented in the following Table 1.

TABLE 1  
LEVEL OF INFLUENCED BY COST AND PRICE RELATED FACTORS

Factors Relating to Social Circle	Minor Influence	Fair Influence	Occasionally Influence	More Influence	Major Influence	Total	Mean	Mean %	Rank

Range of prices	18 (3.00)	90 (15.00)	72 (12.00)	174 (39.00)	346 (41.00)	600 (100.00)	3.90	78	1
Price of Spares	18 (3.00)	126 (21.00)	78 (13.00)	150 (25.00)	228 (38.00)	600 (100.00)	3.74	74.8	3
Re-Sale Value	6 (1.00)	84 (14.00)	132 (22.00)	144 (34.00)	234 (39.00)	600 (100.00)	3.86	77.2	2
Cost of Maintenance	90 (15.00)	150 (25.00)	60 (10.00)	114 (19.00)	186 (31.00)	600 (100.00)	3.26	65.2	4
Financing Schemes	114 (19.00)	168 (38.00)	120 (20.00)	102 (17.00)	96 (16.00)	600 (100.00)	2.83	56.6	5
Cost of Insurance Facility	156 (26.00)	234 (39.00)	72 (12.00)	48 (8.00)	90 (15.00)	600 (100.00)	2.47	49.4	6

Source: Computed from collected primary data : Figures given in parenthesis are percentage to row total  
It has been observed from Table 1. 4.62 that the majority (78 per cent) of the respondents strongly agreed that the range of prices very highly influences consumers to be more materialistic. The average scores for this factor reach a maximum of 3.90 and rank in the first position of the cost and price characters. About 77.2 per cent of the respondents agreed that the re-sale value is considered one of the other important factors for choosing small cars. The average score for the factor is 3.86 and ranked two. 74.8 per cent of the respondents agreed that price of spares is considered as other important factors; their average score is 3.74 and ranked third. 65.20 per cent of respondents believe that the cost of maintenance with an average score for the factor is 3.26, ranked four. The average scores for financing schemes are 2.83, and they ranked those as fifth places. 49.4 per cent of respondents believe that the cost of insurance facility with an average score for the factor is 2.47, ranked sixth.

#### Level of Influence by Factors Relating to Brand Image

The researcher asked the opinion of the respondents about the factors related to brand image influencing consumers towards using small cars. The results are presented in the following Table 2.

**TABLE 2 LEVEL OF INFLUENCED BY BRAND IMAGE FACTORS**

Brand Image	Minor Influence	Fair Influence	Occasionally Influence	More Influence	Major Influence	Total	Mean	Mean %	Rank
Image of the Brand	240 (40.00)	204 (34.00)	60 (10.00)	48 (8.00)	48 (8.00)	600 (100.00)	3.90	78.0	1
Fashion and Look	198 (33.00)	333 (37.00)	66 (11.00)	78 (13.00)	36 (6.00)	600 (100.00)	3.80	76.0	2
Comfort and Luxury	198 (33.00)	216 (36.00)	72 (12.00)	84 (14.00)	30 (5.00)	600 (100.00)	3.78	75.6	3
Symbol of Status	132 (23.00)	268 (48.00)	60 (10.00)	96 (16.00)	24 (4.00)	600 (100.00)	3.77	75.4	4

Source: Computed from collected primary data : Figures given in parenthesis are percentage to row total

It has been observed from Table 2 that the majority (78 per cent) of the respondents strongly agreed that Image of the Brand is very highly influenced; its average score is 3.90 and ranked first. 76 per cent of the respondents agreed that the fashion and look is considered one of the other important factors for choosing small cars. The average score for the factor is 3.80 and ranked two. 75.6 per cent of the respondents agreed that the comfort and luxury were considered another important factor; their average score is 3.78 and ranked third. 75.40 per cent of respondents believe that the Symbol of Status with an average score for the factor is 3.77 and ranked four. 75.00 per cent of respondents believe that the design, style, and color of the vehicle have an average score of 3.75 and are ranked fifth.

#### **Level of Influence by Factors Relating to Product' Features and Technology**

The opinion of the respondents about the factors related to features and technology of products influencing consumers towards using small cars. The result is presented in the following table 3.

**TABLE 3 LEVEL OF INFLUENCED BY PRODUCT' FEATURES AND TECHNOLOGY FACTORS**

<b>Product' Features and Technology</b>	<b>Minor Influence</b>	<b>Fair Influence</b>	<b>Occasionally Influence</b>	<b>More Influence</b>	<b>Major Influence</b>	<b>Total</b>	<b>Mean</b>	<b>Mean %</b>	<b>Rank</b>
Innovative Technology	96 (16.00)	150 (35.00)	66 (11.00)	114 (19.00)	174 (39.00)	600 (100.00)	3.20	64	4
Fuel consumption	12 (2.00)	120 (20.00)	90 (15.00)	144 (24.00)	234 (39.00)	600 (100.00)	3.78	75.6	2
Seating and Internal Space	84 (14.00)	180 (30.00)	96 (16.00)	102 (17.00)	138 (23.00)	600 (100.00)	3.05	61	5
Spare Availability	42 (7.00)	126 (21.00)	78 (13.00)	132 (22.00)	222 (37.00)	600 (100.00)	3.61	72.2	3
Road Grip	136 (31.00)	198 (33.00)	73 (13.00)	78 (13.00)	136 (31.00)	600 (100.00)	3.80	56	7
Warranty	130 (30.00)	180 (30.00)	120 (20.00)	90 (15.00)	90 (15.00)	600 (100.00)	3.75	55	8
Safety Feature	12 (2.00)	84 (14.00)	114 (19.00)	168 (28.00)	222 (37.00)	600 (100.00)	3.84	76.8	1
Engine Power and Pick up	108 (18.00)	162 (27.00)	114 (19.00)	96 (16.00)	120 (20.00)	600 (100.00)	3.93	58.6	6
Parking Convenience	144 (24.00)	228 (28.00)	66 (11.00)	60 (10.00)	102 (17.00)	600 (100.00)	3.58	51.6	9

Source: Computed from collected primary data: Figures given in parenthesis are percentage to row total  
It has been observed from Table 3 that the majority (76.8 per cent) of the respondents strongly agreed that safety feature very highly influences consumers to be more materialistic. The average scores for this factor reach a maximum of 3.84 and are ranked in the first position. About 75.6 per cent of the respondents agreed that the Fuel consumption is considered as other important factors for the choice of small cars. The average score for the factor is 3.78 and ranked two. 72.2 per cent of the respondents agreed that the spare availability is considered as another important factors; its average score is 3.61 and ranked third. 64 per cent of respondents believe that the innovative technology with average score for the factor is 3.20 and ranked four. The average scores for seating and internal space factors were 3.05 and ranked those in fifth place. Engine power and pick up that reach a score of 3.93 and are ranked in the sixth position. Road grip reaches score of 3.80 and are ranked in the seventh position. 55 per cent of respondents believe that the warranty with average score for the factor is 3.75 and ranked eight. 51.6 per cent of respondents believe that the parking convenience with average score for the factor is 3.58 and ranked ninth place.

### Level of Influence by Factors Relating to Sales Promotion

The opinions of the respondents about the factors related to sales promotion, which are influencing consumers towards using small cars. The result is presented in the following table 4.

**TABLE 4 LEVEL OF INFLUENCED BY SALES PROMOTION FACTORS**

Sales Promotion Factors	Minor Influence	Fair Influence	Occasionally Influence	More Influence	Major Influence	Total	Mean	Mean %	Rank
Promotion on Social Media	30 (5.00)	120 (20.00)	96 (16.00)	144 (24.00)	210 (35.00)	600 (100.00)	3.64	72.8	2
Availability of Nearest Service Station	102 (17.00)	156 (26.00)	126 (21.00)	102 (17.00)	114 (19.00)	600 (100.00)	2.95	59.0	4
Reduced Prices, Free Gifts and Promotions	6 (1.00)	78 (13.00)	114 (19.00)	168 (28.00)	234 (39.00)	600 (100.00)	3.91	78.2	1
After Sales Service	48 (8.00)	156 (26.00)	84 (14.00)	120 (20.00)	192 (33.00)	600 (100.00)	3.42	68.4	3
Positive Feedback from Neighbours, Friends and Family members	138 (23.00)	222 (37.00)	78 (13.00)	60 (10.00)	102 (17.00)	600 (100.00)	2.61	52.2	5

Source: Computed from collected primary data: Figures given in parenthesis are percentage to row total. It has been observed from Table 4 that the majority (78.2 per cent) of the respondents strongly agreed that the reduced prices, free gifts and promotions is secured and highly influences score. The average scores for this factor reach a maximum of 3.91 and are ranked in the first position. 72.8 per cent of the respondents agreed that promotion on social media is considered as another important factor for the choice of small cars. The average score for the factor is 3.64 and ranked two. 68.4 per cent of respondents keeping after sales service with average score for the factor are 3.42 and ranked third. Similarly, 59 per cent of respondents have a strong belief in the availability of nearest service station. The average scores for these factors were 2.95 and ranked those in fourth place. 52.2 per cent of respondents keeping positive feedback from neighbours, with average score for the factor is 2.61 and ranked fifth place.

### CONCLUSION

The study employed a quantitative approach to identify the variables influencing Cuddalore District customers' intentions to buy cars. These results are in line with other earlier investigations. When making a purchase, buyer intention is influenced by a number of elements, including "brand," "quality," "technology," "performance," and "value-income." Specifically, "Brand" is perhaps the most important factor that consumers consider when selecting a car. When purchasing a car from a well-known brand in the same market, they are prepared to pay significantly more. "Brand" has a role in identifying the products that a buyer is considering purchasing for mass-market automobiles. For this reason, businesses must understand the advantages of establishing their brand in the marketplace. Therefore, developing a brand image should be a major priority for both domestic and foreign automakers. As a result, automakers must have a long-term plan that prioritizes customer service, quality enhancement, and other areas. The survey's

findings also indicate that "technology," "performance," and "value-income" are characteristics that automobile consumers are interested in. In order to meet the ever-increasing needs of their customers and become more competitive in the market, automakers must continuously develop their technology (such as electric seat adjustment, mirror adjustment, windshield technology, etc.). Additionally, because families in Vietnam have a strong desire to own a car, businesses should help and encourage customers by offering sales policies like promotions, discounts, and linked banks for installments. Additionally, manufacturers should provide buyers with high-quality cars at competitive prices. In conclusion, although this study has shown encouraging results, many limitations remain.

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