CUSTOMER BUYING BEHAVIOR TOWARDS CARS DURING THE PANDEMIC

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ABSTRACT

Automobiles have now become a necessity for most families. Both ends (Company and Customers) were expressing a shared interest in it. The growth of automobiles has been huge, and as a result, numerous new models have emerged. The study also seeks to determine whether COVID-19 influenced their decision to purchase an automobile. The study was carried out via an online survey. The study also reveals the criteria that buyers evaluate when purchasing a vehicle. Also, to determine customer knowledge of electric and CNG vehicles.

Keywords: Automobile, COVID-19, Buying, Decisions, Electric, and CNG.

INTRODUCTION

In 1897 the first car ran on the streets of India. In the 1930s cars were imported to India that too in small numbers. With the Establishment of Hindustan Motors in 1942, it started manufacturing cars here in India for the Indians. After the Independence in 1947, the Government wanted to boost this industry so they encouraged manufacturing. For a very long time, Hindustan Motors was ruling the market with their Ambassador model until Maruti came into the picture, they launched Maruti 800 which was a huge success. From then on, the Automobile Industry in India started growing. Companies from other nations started entering the Indian Market. By 2011 India became the 6th largest car manufacturing country in the World, Today India stands at 5th.

Cars have always been a luxury and a dream for many Indians. Buying a car would be there on the TO-DO list of many Indians. Owning a car is not a big deal for even middle-class people as banks offer car loans and we would be paying a monthly instalment of the money along with the interest at which it was borrowed. All you have to do to buy a car is to make yourself eligible for a loan which is not as easy as it sounds.

With this COVID period, the automobile industry has been hit very badly. Due to the lockdown in India, manufacturers were not able to manufacture cars. The pandemic created joblessness in the nation and many weren't receiving a proper salary for the work they were doing. This study is conducted to understand the mindset of the consumers towards buying a new car. This research would help car manufacturers to understand their consumer's buying behaviour better in this Pandemic situation. And this research would also help us understand the consumer's awareness of Electric-cars and CNG Cars.

REVIEW OF THE LITERATURE

Raghu (2013), the results show that the companies are playing on the peripheral cues to maintain their Total Relationship Management and connect to the customers both present and potential. It says that there is no doubt that Indian car market may be growing with a double-digit figure still the car companies have a long way to travel to convince their customers about the brand personality of their cars and how it suits the prospective buyers. Menaka & Ashath (2014),

The income changes and increasing petrol prices is driving demand of small cars in India. Small car sector offers huge potential as penetration and consumption of small cars is very less in India compared to its Population. For promoting the product consumption and creating awareness Manufactures have used advertising campaigns to promote higher consumption by influencing consumer preference of passenger cars. Thus, consumer preference plays an indispensable role in predicting market demand and consequent production by the manufacturers. Rajora (2021) The outbreak of COVID-19 has been destructive worldwide. Since the rise of the coronavirus outbreak, the question has escalated in recent weeks. While nearly the entire world is suffering through the outbreak, its epicenter is in Wuhan, China Buglear (2007). China has been struck hardest, and the country's economic development has slowed down considerably. For all the worries of the world about the Chinese commodity and increasing global protection controls, China's exports have deteriorated steeply, with no expected rebound. An immense amount of Indian imports depend on China. The availability of Indian cars relies heavily on our Chinese partners. And that's not something we mean lightly. In 2018-19, China manufactured an record USD 4.5 billion of vehicle parts. An incredible 27% of car parts are manufactured in China and, as we have reported, shipped to Indian companies worth 4.5 billion. Only a minor blow to this partnership will cause us to pay a very high price for the sector's growth. According to ET Auto.com (2021), Consumer optimism within the automotive industry has declined as the COVID-19 crisis has progressed. Many surveys indicated that while purchase are currently centered on the most basic needs, people are shopping more consciously, buying local and are embracing digital means. Studies on change in consumer behavior highlight that consumers will become more risk-averse and they will gravitate towards known brands that are safe buys. In a post-pandemic world, automotive organizations will have to respond to and leverage these shifting consumer trends to gain a competitive advantage Modi & Jhulka (2012).

Statement of the Problem

COVID has a great impact on the consumers buying behaviour towards automobiles. Especially passenger car segment has seen a great impact due to COVID. Because of the spread many people hesitation to travel in the public transports. Buying behaviour of the consumers differs from pre-COVID and during COVID. Consumers are more sceptic about buying a car in this pandemic. Hence this study is made and attempt to understand the consumer behavior towards automobiles during pandemic Table 1-5.

Table 1 GENDER		
Gender	**No.of Respondents**	**Percentage %**
Male	44	11.5
Female	340	88.5
Total	384	100.0

Source: Field Study

Table 2 AGE		
Age	**No. of Respondents**	**Percentage %**
18 - 30	103	26.8
31 - 50	202	52.6
51 above	79	20.6
Total	384	100.0

Source: Field Study

Table 3
EDUCATIONAL QUALIFICATION

Qualification	No.of Respondents	Percentage %
12th Passed	29	7.6
Under Graduated	227	59.1
Post Graduated	112	29.1
Doctorate	16	4.2
Total	384	100.0

Source: Field Study

Table 4
CHI-SQUARE TEST: OCCUPATION AND WILLINGNESS TO BUYING A CAR

Occupation	Participants	Willingness to buying a car		Chi-square	P value
		Yes	No		
Government employee	No. of respondents	132	87	5.234[a]	0.022
	Percentage	60.3%	39.7%		
Private employee	No. of respondents	118	47		
	Percentage	71.5%	28.5%		
Total	No. of respondents	250	134		
	Percentage	65.1%	34.9%		

Source: Field study

Table 5
T TEST FOR GENDER AND PREFERRING CONVENTIONAL FUEL

Factor	Gender	Mean	Standard Deviation	t value	P value
Preferring convectional fuel	Male	3.65	1.43	0.762	0.447
	Female	3.49	1.37		

Source: Field study

Objectives of the Study

1. To find the effective factors that influence the purchase of a car during COVID.
2. To understand the current factors that act as a barrier for consumers to purchase a car.
3. To find what type of car-body style consumers would prefer the most.
4. To find about the awareness towards Electric-Cars and CNG Cars amongst consumers.
5. To find consumers perception about electric cars for the Indian Market.

H_1: The influential factors to buy a car may defer based on the occupation of the consumer.
H_2.The various barriers for a consumer to purchase a car is based on the income level.
H_3: The car-body type is based on the subjective decision of each consumer.
H_4: Awareness of Electric-cars and CNG Cars is based on the educational level of the consumers.

Methodology of The Study

The research design followed for the study was descriptive and analytical in nature, as the study labels the current facts and statistics. A sample survey was conducted out to seek the opinion of customers' implications of buying and how it impacted them to buy. By this method, the data was collected from the 384. The data collection process involved the collection of both primary and secondary data using close-ended structured questionnaires.

Data Analysis and Discussion

This Analysis has helped in finding the Buying Behavior of the consumers towards four-wheelers. This data was collected after the wave of COVID-19 in India Kothari (2004).

The demographic profile was analysed using descriptive analysis, and the hypothesis testing were evaluated using statistical analysis utilising simple linear regressions analysis. The gender of the respondents was virtually evenly split among 384 people in India who were polled online, with 88.5 percent male and 11.5 percent female. In addition, 52 percent of all responders were between the ages of 31 and 50. With 26 percent, respondents between the ages of 18 and 30 were the second most likely. This is followed by 20.6% from the group of people aged 51 and above. 44 percent of respondents are single, and 54 percent are married, with 2 percent of respondents being divorced. Aside from that, occupation revealed that 57% of the respondents worked as government employees and 43% were private employees.

Majority of 40% respondent earn between Rs. 4 lakhs to 6 lakhs and 39% earn between Rs 6 lakhs to 10 lakhs, followed by 19.3 percent of respondents earn Rs 10 lakhs and above. There are 55.7% of the respondents don't have a car and 44.3% respondents already own a car. Preference of the car, 31.0% of the respondents prefer Hatchback cars, 27.1% of the respondents prefer Sedan cars, 39.8% of the respondents prefer SUV cars and 2.1% of the respondents prefer Coupe type cars. Only 30% of respondents were aware of electric and CNG vehicles Szmigin & Piacentini (2018). Another fascinating finding of this study is that there is a significant difference between respondents' occupation and their readiness to acquire a car. In addition, there is a considerable disparity in respondents' income levels and their willingness to purchase an automobile. A strong correlation exists between respondent age and design as a deciding factor in purchases of care. The hypothesis that women prefer convectional fuel is refuted since the p-value (0.447) is higher than 0.05. Thus, it is demonstrated that there is no discernible relationship between gender and a preference for convectional fuel Kotler et al. (2018).

Suggestions

Offers and Discounts can be a boosting factor for the customers to make a purchase decision. These can be given to consumers who are buying a car during this pandemic. More exchange offers can be provided to customers who already own a car, so that they could get their hands on a latest model of car. Most people prefer SUV type cars, Manufacturers can roll out some SUV cars which are budget friendly as well as low in maintenance cost, because most people prefer low-maintenance cost. An awareness on the advantages of owning a car especially during these pandemic situations can help consumers understand the need to have car. Consumers are aware of Electric and CNG cars, but they are not aware about their advantages. Most respondents seem to prefer conventional fuel and they disagree to that fact that Electric cars are cost-efficient than conventional fuels. So, the consumers must be made to understand the benefits

of electric car. Consumers who have financial reasons to not buy a car, can be offered loans that can be an advantage to them. For example, 1-year Interest free EMI. The companies can also reduce the Down-payment for the car so that it could attract more consumers.

CONCLUSION

It is inferred from the study that if these suggestions were implemented in the sales, there would be a significant growth in the sales figures. The study has satisfied all the objectives of the study. If the Car manufacturers focus on Promotions and Interesting offers by offering value to the consumers they could bring many new consumers into their brands. In India awareness about Electric cars is good but about their advantages still there is a lack of awareness. This study was helpful to have a better understanding on buying behavior of the automobile users.

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