

# Buying behaviour of indian and uk consumers marketing essay



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Today, all the firms whether local or global are striving for customer satisfaction. They want to satisfy their customers as best as possible to retain them for a longer period and this practise is prevailing in almost every industry and every firm of the industry. Thus, knowing customer behaviour towards buying any product becomes the main challenge for the dealers and the producers. Marketers are modifying their 7P's in such a way to gain competitive advantage. This proposal is for the research to be conducted to articulate the consumer buying behaviour in automobile industry, what are the salient features do they buy in the automobile (cars). How do they buy the products, their psychological process while taking any decision and the influences on their buying behaviour? What are their buying motives and buying habits? Will be discussed and researched to provide a new insight of the changing buying behaviour of the customers with the fashion, trends and introduction of new products. This report is about the automobile industry which constitutes the major share in the economy; the dealers are also well known with the customers and can predict their behaviour from their experience of working in the industry. These dealers will also be interrogated <https://assignbuster.com/buying-behaviour-of-indian-and-uk-consumers-marketing-essay/>

to provide information and the statistics about the cars sold by them and the preferences and tastes of their customers. Nowadays, fuel efficiency and environmental protection is the main issue for all the people in the world, so automobiles are also produced keeping in mind the fuel efficiency and less carbon emissions, even bio-diesels and green vehicles are also in trend to keep the environment green and clean. So, these issues will also be kept in mind while undertaking the research. The research is of exploratory nature finding the differences between the buying behaviour of Indian and UK consumers while they buy any automobile say car. This will help the reader to develop criteria about the decision making process of various Indian and British customers. Since buying behaviour of consumers in automobiles relies on their past experiences and the image of the product made in their mind, this image could be of the standard of the product, company or country or origin. Questionnaires shall be given to the respondents to fill it up. The data will then be collected and observed to find out issues associated with consumer experiences and assessment of consumer buying. The literature review will provide the deep knowledge about the topic and the work done by the previous researcher, which helps in being critical and find the topic needs new and fresh insights. The topics which need to be further discussed can be chosen and research work will be carried on.

**Objective and significance of the study:** The main objective to conduct the study is:

To identify the consumer behaviour when buying a car.

To assist the dealers and manufacturers in gaining insights of the changing behaviour of the customers.

To identify how they take decisions for buying an automobile, do they need purchase pals?

To identify their preferences, tastes and the salient features they buy in an automobile.

To identify their views towards conservation of fuels and protecting the environment.

### **Research Questions:**

The research questions to be investigated are as follows:

Why consumers buy an automobile? Consumers are born to buy and they buy to satisfy their needs. The buying behaviour of consumers can be understood by Maslow's need hierarchy model (Appendix 1). This model shows that consumers are having different needs in sequential order. After satisfying his basic and safety needs, he may strive for his social status and his esteem building, for this he may purchase a car otherwise he can use a public transportation. Car buying behaviour also differs with the changes in the life stages, as he moves on and has a family, the necessity for car also rises and the size of the car also differs. Being single or a student, he may want small car or a sports car but for satisfying his self actualisation needs and recognition, he may purchase a luxurious and expensive car than needed.

How the buying behaviour of consumer differs: Buying behaviour of the consumers differs a lot as it is the mixture of their beliefs, tastes, attitudes and the lifestyles. So, probably behaviour will differ of the different customers even in India and UK. But culture, economic and demographic factors also affect the choice of the consumers, so it is assumed that Indian customers will have quite similar choices regarding brands and performance of the product as compare to UK consumers. This hypothesis will be tested in the research and found out the difference between UK and the Indian customers.

What are the preferences for buying an automobile: Automobile industry deals in different products like cars and wagons, all these products also have distinct features like size, colour, looks, engine life, fuel efficiency and similar related features. So, what features or attributes are desired and preferred by the consumers will remain a unveiled question for even marketers and dealers until they interact with the customers. Even difference in opinions and understanding creates a problem as the way customer will express himself and the marketer interpret out of it can differ. So, it is necessary for the marketer to know the preferences and the salient features consumer will buy in an automobile.

### **Limitations of the study:**

The main limitation of the study is the vast population of both the countries. The sampling method will be non probability purposive sampling and the sample collected may not be adequate for generalisation of the outcomes, though care must be taken to get diverse respondents from different states and parts of both the countries. Time is also limited for the research and the <https://assignbuster.com/buying-behaviour-of-indian-and-uk-consumers-marketing-essay/>

topic chosen is the buying behaviour which keeps on changing with the dynamic business environment.

### **Methodology of the study:**

**Research Approach:** The approach for conducting the research is deductive as car buyers of India and UK are chosen for the research from the automobile industry. Consumer's motives, preferences and factors affecting their decision will be discussed.

**Research strategy:** An appropriate design will be drawn to conduct the research. The adequate sample will be chosen out of the population of the Indian and UK car owners. The respondents will be provided with the questionnaires to fill and interview will also be taken from some respondents. The ethical issues will be definitely kept in mind, so that respondents would willingly want to be the part of the survey. Respondents will be regularly reminded to complete the questionnaires. The responses drawn will be properly and keenly recorded and then analysed to get a meaningful outcome.

**Sampling technique and the sample size:** The sampling method use to draw the sample will be non probability purposive sampling and 200 car owners, from UK and India will be asked to provide their precious time to help in the research.

**Data collection technique:** The data collected will be of both qualitative and quantitative in nature as, research is about the consumer buying behaviour.

Primary data will be collected through questionnaires and interviews with the respondents and secondary data will be collected through the internet <https://assignbuster.com/buying-behaviour-of-indian-and-uk-consumers-marketing-essay/>

sources or interviews held with some of the reputed car dealers of both the countries, who are in the industry since a long time.

Pilot testing: Before administering questionnaires to the respondents, the questions included in it will be evaluated by the experts in that field (tutor or module leader assigned to help in dissertation) to assess the validity and reliability of the test whether it represents all the contents of the particular construct and the necessary suggestions will be adopted based on their feedback.

Data Analysis: The data collected will be analysed in the graphical form, graphs pie-charts and histograms will be developed from the data collected, which could be easily understood by the viewer and also helps in making comparisons easily.

Ethical issues: The first step in the evolution of the ethics is the solidarity with the other human beings.(Albert Schweitzer). While getting respondents and their responses, due ethical and moral values will be taken into account. It should be seen that previous consent shall be taken from the respondents for their help and also their personal interest will be protected against any unwanted issues. Their voluntary participation will be welcomed and no forced shall be put to provide their responses; respondents will be given enough time to provide accurate and authentic information without any bias.

## **Proposed chapters and heading for the dissertation:**

Chapter one: Introduction

Background

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Objectives

Summary

Chapter Two: Research questions

Chapter three: Literature review

Chapter four: research methodology

4. 1 Introduction

4. 2 Research design

4. 3 research approach

4. 4 Research Strategy

4. 5 Sampling

4. 6 Data collection methods

4. 7 ethical issues

4. 8 Data Analysis

Chapter Five: Findings of the research

Chapter Six: Limitations of the research

Chapter Seven: Discussion and recommendations

Chapter Eight: Suggestions for further research



## Chapter Nine: References

## Chapter Ten: Appendices

Work schedule: The work schedule for the accomplishment of the dissertation is as follows. The work will be started in the month of May after completion of the main course and the examination. But the literature will be continuously reviewed to get more detailed knowledge about the topic.

### Month

Activities February March April May June July August Sept

Proposal submit

Literature review exams

Dissertation work

### **Literature review:**

Quite a number of literatures have been reviewed to the date, many related research has been done in the field about the auto industries trends and customer's satisfaction or buying behaviour. The dissertation project of previous researcher Mr. Kumar Sachin has been done in this field, but the sample size was small, so the research has been followed up by taking a larger sample size to generalize the results. Customer's perception and buying behaviour is very unpredictable, to get these some business models like

Engel, Kollat and Blackwell's model of comparison, and Kotler model of decision making process have been reviewed to gain information about how consumers buy any product or take decision about it. (appendix 2 & 3). Consumers not only buy the product, they also buy the related attributes like Brand (Keller, 1993), they strive for functional, tangible and visible characteristics of the product.(Kapferer, 1997). As the automobile is a complex product, consumer will be highly involved in the purchase, his beliefs, attitudes, choices and influences play a vital role in the purchase. (Fishbein and Ajzen, 1975). While buying an automobile, consumer rationally assess its benefits and then takes his decision with some logic (Zaltman, 2003) say the need of transportation, the cost of satisfaction and the prices of gasoline ( Carlson and Umble, 1980 and Harris, 1986) also affects the purchase decision. Lot of information is searched and related products are also evaluated to make comparisons and take right decisions. Emotions also assess in the purchase decision, such as guilt of previous purchase will motivate or serve as a base for taking right decision.( Burnett and Lunsford). Likewise, self-confidence of a person when he is well known about automobiles and has experience of buying cars would be more confident and less influenced by the salesperson tricks (Bell). Correspondingly, Hochbaum has showed that less confident person will be more dependent on the social referents like family and social groups (Robert Day). While buying a car customer's choices are more elaborated, he needs advance information about the product and the firm etc.(Engel et al 1990 and Howard & Sheth, 1969). Brand image and country of origin influence the consumer behaviour, if he is well known with the brand and quite satisfied with it then he won't need to search more information (Han 1989 & Johansson 1989). A study <https://assignbuster.com/buying-behaviour-of-indian-and-uk-consumers-marketing-essay/>

conducted by Gupta & Ratchford(1992), provides that if similar or high quality brand is present in the market with the lower prices, then the previous one will be considered inefficient by the customers. After sales services are used as a customer retention tools by the companies and the auto firms, the quality of service provided influences customer satisfaction and builds an image for the product (Muller), better the services provided better the relations with the customers. The customer retention will help in generating more profits, so firms try to maintain customer relationships by regularly assessing information about the customer's perception, the attributes they value whether in services or in products and add these features to their offerings to attract the customers. ( Brayman 1966 & Gale 1994). This helps in gaining competitive advantages as strong bonding with the customer by focusing on customer value building will retain the customers. (Butz & Goodstein, 1996: 63) and customers would also respond by purchasing products more of the particular brand or a company. The current issues like global warming, protecting the ozone layer and the natural resources are also gaining importance in the consumer's mind. Legislations has been passed to reduce carbon emissions and increase fuel efficiency worldwide for the automobile industries, so MNC's are trying to keep the minimum standards of the environmental performance in their contracts with the suppliers.(Bowen et al 2001, Zhu & Sarkis 2004). Cars online research found that European consumers are more likely to consider the environmental issues, whereas Chinese and US consumers are more focused on fuel economy.(Dixit, Aditya, Kumar).

Auto industry in India: In India, there are 100 persons per vehicles and in China there are 82 persons so it is estimated that by 2014, Indian Automobile will achieve mass motorization. (surf india). The automobile industry in India is the ninth largest in the world with the production of 2 million units following Japan, Thailand and South Korea and the fourth largest exporter in the world.( maps of India). The liberalisation policy and tax reliefs by the Indian Govt has enabled the industry to grow and become the favourable and desirable destination of the world auto players such as Volvo, Ford, General Motors, Honda and Hyundai etc.(surf India). Passenger's vehicles, Commercial vehicles, Two- wheelers and Three- wheelers are produced in India out of which cars dominantly share 79% of the automobile market in India (Auto Expo). The major players in car manufacturing in India are Tata Motors, Hindustan Motors, Maruti Udyog Ltd and Mahindra & Mahindra, and the foreign players are Hyundai Motors, General Motors and Honda Siel etc. Maruti Suzuki holds 52% share in passenger cars and it is the largest car manufacturer in India. Tata Nano, The People's car produced by Tata Motors is the world's cheapest and the smallest car costs about 2500\$ after taxes has entered the market when auto industry was dealing with the worldwide recession. Jagdish Kattar, managing director of Maruti Suzuki, India said that out 1 million people in India, 99 % wants to own a car but can't afford it (Heather Timmons). Nano is the dream car for every Indian and is affordable, this has provided a new platform for many companies like Ford, Toyota Nissan, Baja auto Honda and Fiat, to enter the market and respond to Indians' need of small and cheap cars, but they are in pressure to produce affordable yet a distinct and appealing car. Not only the small cars, India has a good market for luxury cars also. Luxury cars available at finance <https://assignbuster.com/buying-behaviour-of-indian-and-uk-consumers-marketing-essay/>

are the dream of many professionals in India. More than 5000, luxury cars pricing above 2 million were sold in 2006( Carazoo) demanded by nearly 80,000 millionaires in India. Audi, Volvo, Mercedes Benz and BMW are the desired brands in India.

UK Automobile industry: British Motor industry is export oriented. The 75% of cars produced in UK is exported and 80% of cars purchased in UK are imported. (Richard Northedge). It is the 13th largest car manufacturer in the world with the production of 1.65 million vehicles in 2008 and having top five car producers like Honda, Nissan, Toyota, Mini and Land Rover. UK has the second largest premium car industry in the world after Germany.(Smith D.) UK car industry was once the robust, dominating its home market and supporting European economy with many prestigious brands like Jaguar, Rolls Royce, Bentley and BMW. But the labour disputes and failure of carmakers to respond to the changes in world Auto markets has turned the industry to unprofitable and unproductive. The prestige brands such as Rolls Royce, Leyland and Bentley were nationalized in 1970-75. Jaguar was taken over by Tata of India. The worldwide recession has also adversely affected the industry and production is being reduced by many carmakers like Honda, Nissan etc. But still UK auto industry is the fifth largest automotive manufacturing company in Europe, with 5000 companies active in the sector, it is the home for 2000 motor parts makers among which 19 are the world's top firms and seven out of top ten car makers(UK Trade invest). UK auto industry is taking necessary measures to increase the productions and also planning to introduce tax benefits for the persons who sell their old cars. (economy watch) European customers are more focused towards

environmental protection so UK auto industry is moving on with producing green vehicles with less carbon emission. The Environmental Transport Association has examined 1300 vehicles sold in Britain on the basis of their power, fuel efficiency, noise and emission to evaluate the greenest vehicle and has proudly announced Honda Insight as the greenest car of the year 2009.(car buyers guide).

Above were the details for Indian and British automobile industry, reviewed till now and the literature related to the consumer buying behaviour. These articles have provided relevant information about the topic and helped to gain sufficient knowledge about the customer behaviour. The auto industry in India is increasing with a fast pace and the purchase of the cars is also improving but in UK car buyers are more but the industry is facing the problem of less production and profit. More literature will be reviewed for the dissertation purpose after this also to get more insights about the consumer behaviour and the automobile industry of India and UK.