

Research – factors influence public's choice of car



**ASSIGN
BUSTER**

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An investigation into the factors that influence the Glaswegian public's choice of car. Rationale The number of automobiles had risen to over 1 billion vehicles all the world in 2010, which is 20 times more than this number in 1986(Sousanis, John, 2011).

Car plays a indispensable role in today's society, according to a survey from World Bank(2011), the number of ownership of motor vehicles per 1, 000 people is more than 500 in most of developing countries, especially for Monaco, the number was 908(World Bank Data, 2009). Although cars have become more and more commonplace, but the cars are still expensive commodity, also there is no doubt that the final decisions are usually made after careful consideration when people purchasing a car(Kathuria, Singla, 2012). At the same time, as the vehicle types supplied to be chosen by consumers have become more and more various.

When consumer facing with abundant of choices, they become more and more confused and irresolute. With the segmentation of automobile market, the factors that affect the public' car choices are more and more diversified. According to Couton et al. (2006), various studies have applied hedonic price modeling to show that price variation among new cars can be explained by differences in key product characteristics such as horsepower, engine capacity, speed, and safety features. However, these measurable variables

may not be the main explanatory factors which will influence the choice of consumers.

Based on the above mentioned content, this research will focus on the decisive factors which will impact the public's final choice of car, especially in the Glasgow area due to investigations and studies in the field will be carried out and conducted in this city. Its results would probably benefit to car dealers and consumers. Especially for car manufacturers, they can according to consumer preferences to redesign and improve vehicles to gain better market performance. 1. What are the choices the public have when buying a car? 2. What are the main factors influencing public's choices? . What variables affect these factors? Annotate Bibliography Banerjee, S. (2010) , Study on Consumer Buying Behavior During Purchase of a Second Car , Journal of Marketing & Communication, 6 (2), 4-13. This essay describes that for different types of automobiles, the main factors affect consumer's purchase is slightly different in choosing a particular brand is always based on the different set of consumers towards various preference parameter. For different market segments of vehicle, dimensions are different. A successful car brand has had to accept and adopt these dimensions.

In addition, the author also pointed out that there are many common factors influence the public's choice between consumers to buying a second car and purchasing the first one, but there are some obvious differences between them. For example, functional level factor such as car efficacy and usefulness are main concerns for second car buyers. Moreover, this article also mentioned that a high level of investment in advertising and promotional activities may not be able to guarantee a high percentage of

repeat purchase. However, a long-term stable customer relationship will probably increase the probability of second time purchase.

This journal is effectively to analysis interrelationship between consumer's first car and second car, and common facts which seem to influence the public's purchase behavior. The survey uses a probability sampling approach conducted with the passenger car owners in India with 525 samples. However, in this article, the author does not mention the relationship and importance between satisfaction of customers on the second-hand value of the first car and loyalty for choosing the second-hand car, because a high level of satisfaction, may bring referral and repeat purchase.

Randol E. Bucklin, S. Siddarth, Jorge M. Silva-Risso,(2008), " Distribution Intensity and New Car Choice", JOURNAL OF MARKETING RESEARCH, Vol. XLV, 473-496. This journal demonstrate that the relationship between 4S shops distribution intensity of cars and brand new car buyers' choices in the U. S. automobile market. Different from price, effect of advertising, promotional activities and other factors, distribution intensity changes relatively slow, but the distribution intensity will be affected some variables, thereby might affect decisions of consumers buying cars.

Additionally, this article used information on the U. S car sales transactions gave by the Power Information Network, which included the accurate geographic locations of consumers and dealers. Non-probability sampling method was used in 55 4S shops as a samples. Dealer accessibility, dealer concentration and dealer spread would determine distribution intensity and then will largely affect the choice of the people for the car brands.

This journal is relevant to the topic of this research, firstly it provides information about what factors will influence the public's choice of car, secondly it shows how the three main variables influence the distribution intensity of each brand, so that influence the public's choice of car. However, this study focuses on only the distribution intensity about car dealers, makes no attempt to differentiate between various different types of car, and the conclusion might not be suitable for the niche car brands. Besides this, the author might overlook the fact that distribution intensity contributes to high-end car brands. Dharmaraj, C. , Clement, S. J. ,(2010). Brand Preference Factors of Passenger Cars: An Empirical Assessment, Indiana University Press, *The IUP Journal of Brand Management*, 7(3), 19-33. This article mainly analyzes the factors which will influence consumer's automotive brand preference. According to the author's study, performance of passenger cars are considered as the most important factor which might dominate consumer's preference, especially for male consumers, but economic abilities are the bases of the preference.

In addition, the marketing communication strategy of a car will also largely affect the overall decisions of consumers. In conclusion, the comprehensive strength of a car, such as safety factor, industrial design, stability, scientific and technological content, durability, daily use cost, re-sale value , fuel consumption, comforts and so on, each of them is a factor that influences people's preference and choice of car. This study is highly relevant to the topic of this research and demonstrates most of the factors that will influence consumer purchase preference comprehensively and systematically.

Although this survey collected data using questionnaires from 712 car buyers/owners by simple random sampling, there is not any variables about the respondents are addressed. In addition, the author offers no explanation for the distinction between Indian car market and developed countries' market, the simple random sampling method was conducted in a midsize Indian city. Therefore, it is slightly possible that the survey result might not apply for city of Glasgow. Baltas, G. , Saridakis, G. 2009)," Brand-name effects, segment differences, and product characteristics: an integrated model of the car market", *Journal of Product & Brand Management*, 18(2), 143 --151. This article discusses that price of car is a main factor influence the public's choice, and the price structure of new car market is determined by automobile characteristics, brand effects, and segment differences. A hedonic price experimental model is designed and implemented that includes brand-name heterogeneity and functional characteristics.

In addition, another extensive dataset model is applied to support the brand effects and hypotheses of segment differences. According to these two models, in mainstream car market, the functional characteristics determines automobile prices largely , however in high-end car market, incremental value is added to a car because its brand value , so the connotation of the brand value decide the price of prestige brands cars in large extent. The findings of this article include relevant information to this research. Firstly, it is a great probability that price of car is one of key facts which influence the public's choice.

This article demonstrates that there are at least three reasons determine the structure of automobile prices, and analyzes the variables and decisive

factors of prices in mainstream segments and high-end segments respectively. However, the research focuses on many of the variables affecting the price of car and does not take into account other factors such as the industrial design of a car and the impact of marketing strategies. At the same time, mentioned in the text, the implicit brand value will affect car prices, thereby affecting consumer's choice, but it is possible that the brand price is difficult to be quantified accurately.

Kathuria, L. M. , Singla, V. ,(2012) Purchase of Pre-Owned Small Cars in India: An Exploratory Study, *The IUP Journal of Marketing Management*, 11(2), 63-75. This study highlights that the main factors impacting the buying choice of second hand small vehicle were purchasing power constraint, high cost-effective, improve driving skills, desire for car , high resale price, good quality of after-sales service, brand public praise and easy to maintenance. Additionally, families who want to buy new four-wheelers to replace old two-wheelers should be seen as a new market segment might be targeted for selling cars.

This article contributes to understand different and similar factors between people buying a new small car and pre-owned car. Nevertheless, the article was just focus on small vehicle with a specification requirements of length? 4 meters and with an engine displacement? 1, 500 cubic centimeters (cc) for diesel and petrol, therefore, the universality of the research results might have certain limitations. Methodology As can be seen from previous studies and related sources, the factors affecting people's choice can be divided into two parts to analysis respectively.

The one part is factors that influence people to buy a new car and the other is factors that influence people to choose a used car. Moreover, the new car dealers and used car markets are also often separated. Therefore, an explanatory study to illustrate the relationship between the consumer preferences and purchase factors by using a quantitative method is essential. In addition, the relationship between these two parts, as well as the positive and negative effects of factors of two parts would be explored with exploratory study concluded by a qualitative method.

In modern societies, the number of car owners is very numerous, so within a short period of time to collect the data information from a large population base which is very important and not very easy. Although a case study strategy could be used to explore a contemporary phenomenon in its real life context, but it may take more time and lack breadth which makes it hard to generalize results (Saunders et al. 2009: 141-154). Besides this, survey data usually comes from standardizing academic investigating behaviors and tools, so that might make results more authoritative and reliable.

Therefore, survey is a suitable research strategy for this research. According to Bryman (2012) points out that "quantitative research may sometimes be untrusted because the data can be artificial and spurious". Because of there is a very numerous number of car owners, so a non-probability sampling would be used in this research. As there are almost 700,000 people who lived in the city of Glasgow, that means the sample size might be bigger, a questionnaire is a data collection technique in which each person responds

to the same set of questions, so questionnaire is more suitable for this research.

Although the non-standardised interviews as a method is good for demonstrating the reasons for the decisions and attitudes of research participants (Saunders et al. 2009, 361), it would take too much time, also human and material resources. Ethic issues are defined as a situation or problem that needs people or organization to make a choice between options that must be evaluated as wrong (unethical) or right (ethical) (Business Dictionary, 2012).

According to the British Sociological Association(2004: 2), the social research projects are designed and conducted, ethical issues are necessary to be taken into consideration. In this research, the non-maleficence which contains physical and indirect harm is the cornerstone of all the ethical issues in the research (Saunders, et al. 2007: 181). In addition, the violation personal privacy and the protection of confidentiality may be the potential ethical issues.

Maximum extent to avoid the occurrence of these ethical concerns, before the implementation of the access section of research, questionnaire participants will be informed: firstly, the purpose of this research, their participation is valuable, the results of the research may contribute to R & D and sales of new cars so that they can have a more suitable vehicle and a better car user experience; Secondly, respondents participate in this research follow the principles of voluntary and informed consent, whenever and wherever they can withdraw(Saunders et al, 2009: 193); Thirdly,

participants do not have to worry about their personal information will be faced with risk of leakage, because the questionnaire are anonymous.

In addition, as car is a expensive commodity, questions on questionnaire about personal income and household economic situation of participants should be avoided, so as not to violate their privacy. Beside this, most of purchase of cars are family behavior, taking into account the special circumstances of some families, such as divorce, therefore the marriage status should avoid being asked, so as not to cause discomfort of participants. As Golafshani(2003: 598) points out that the reliability is to ensure the consistency of research data collection and analysis. The risk of collecting data may do harmful to research reliability mainly relies on participants.

According to Bell(2010: 151), participants may finish the questionnaires inaccurately because of many reasons such as bad mood or time limited. If the participants are too excited or in a hurry, there is a small possibility that they fill the questionnaire impatiently that would result in the data lacking of reliability, thereby affecting the consistency of collecting data. To solve this problem, use of internet-mediated questionnaires may be more effective, because of the respondents could complete the online questionnaire whenever and wherever they would like. The length of the questionnaire and the use of professional vocabulary may also are potential factors which may influence the research reliability.

Advice from Bellk(2006: 325), questionnaire is designed no more than two pages may contribute to increasing the quality and completeness. In addition, there are many specialized vocabulary in automotive sector, such

as turbocharged and dual-rotor engine, that would confused participants. Therefore, common and usual words should be used as far as possible. According to cook and campbell(1979), the validity is defined as " best available approximation to the truth or falsity of a given inference, proposition or conclusion". Firstly, The non-probability sampling will be applied in this research, due to the characteristics of this method, the non-probability sampling will cause a certain threat to validity.

Moreover, in the process of collecting data, there is possibility that the instrumentation may change so that influencing the results of this research.

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