



IMPACT OF SOCIO-ECONOMIC FACTORS ON CONSUMER BEHAVIOR AND PURCHASE CAPACITY OF FOUR-WHEEL VEHICLES IN TELANGANA

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ABSTRACT

The Marketing Scenario express that the Study of Consumer Behavior is always essential and inevitable. Consumers are the kings of markets. Without consumers, no business organization can run. Vehicle financing has become an important aspect of the Indian automotive industry, providing consumers with the ability to purchase a vehicle without paying the full amount upfront. Consumer behavior towards vehicle financing is influenced by various factors such as income, age, employment status, and socio-economic status. All the activities of the business concern end with consumers and consumer satisfaction. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. To better serve the needs of customers, the vehicle financing industry needs to understand the drivers of customer behavior. The impact of socio-economic factors on vehicle financing and consumer behavior can be evaluated through various data sources such as surveys and financial records. Consumer buying behaviour has become an integral part of strategic market planning. In order to develop a framework for the study of consumer behaviour it is helpful to begin by considering the factors which impact consumer buying behaviour as well as the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline.

Keywords: Marketing Scenario express, Consumer Behavior, Vehicle financing, strategic market planning, data sources.

INTRODUCTION

People with background in the automobile industry are now in high demand. The skyrocketing increase in sales of passenger cars has many explanations. Increasing disposable incomes in both urban and rural areas, a younger and more politically engaged populace, easier access to finance, and growing wages for the middle class are all factors. If all goes according to plan, by 2016 India would have established itself as one of the top five automakers globally. The central focus of marketing is consumer. In order to develop successful marketing plans, it is necessary to examine target market characteristics and needs life-style and purchase processes and structure, product distribution, promotion and price decision accordingly. Consumer means "One who or that which consumes; one who uses a commodity or service". Behaviour means, "manner of behaving or acting; the action or reaction of any material under given circumstances". Consumer Behaviour is simply a subsection of the longer field of human behaviour. "Human behaviour refers to the total

process by which individuals interact with the environment". Engle, Blackwell and Kollat have defined consumer behaviour as "The act of individuals directly involved in obtaining and using economic goods and services, including the decision process, that precede and determined these acts". Schiffman and Kanuk stated that "consumer behaviour is the behaviour that consumers display in searching for, purchasing, using, and evaluating products and services and ideas which they expect will satisfy their needs." Consumer behaviour is influenced by the individuals, socio-cultural factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely age, marital status, education, occupation, income and psychological factors namely the motivation, perception, learning, personality, attitude, lifestyles. These factors highly influence the individuals in arriving at making decisions regarding the products and services

LITERATURE REVIEW

A. Jaganathan (2021) The Indian car industry could not start opening up until 1991, when all economic changes had been fully implemented. This happened sometime in the middle of the nineties. To enter the Indian market, foreign automakers started forming joint ventures in the mid-1990s. Up to the 1990s, Maruti Suzuki, Tata Motors, Hindustan Motors, and Premier Padmini were the undisputed leaders in the Indian passenger car industry. While Ashok Leyland, Mahindra & Mahindra, and Tata Motors ruled the commercial vehicle industry, Bajaj Auto ruled the two-wheeler sector. With the opening of the Indian market, foreign manufacturers were allowed to set up shop in the country's automotive industry. Some of the brands were Toyota, Suzuki, and Hyundai from Japan, as well as South Korea. Also, several MNCs teamed up with Indian firms. This research covers the Indian vehicle industry in great depth, including data and trends.

R. Praveen Kumar (2020) Marketing hinges on understanding and creating a customer. What consumer would buy it – is no easy task. This would be evident from the fact that though several marketing scholars have spent enormous time and effort on this subject and analyzed it from different angles and under different premises, there is no unified, tested and universally established theory of buyer behaviour. What we have is only collection of ideas that have taken from economics, psychology and sociology. There are several factors contributing to the consumer behavior, one among them is social factors which include Reference Groups, Family, Status /Prestige, Necessity, Luxury, ownership respectively. ANOVA test and Multiple Comparisons used to test the hypotheses of this study. Findings of the research show that social factors affect buying behaviour.

B. Srikanth (2020) intends to Consumer behaviour analysis is becoming increasingly important due to the increased worldwide competition. Predicting and responding to consumer actions is a growing competency for companies of all sizes and in all sectors. At the moment, the automotive industry is the most profitable part of India's economy. The automobile industry in India has recently risen like a rocket due to a conglomeration of factors, including increasing disposable income, changing consumer preferences, and EMI alternatives and loan offers. A crucial component in the growth of any given sector is the appearance of new, fiercely competing enterprises operating inside it. Both well-known and



recently-formed Indian automakers might get valuable insight into their target market's desires and requirements from this research. Companies large and small may easily take advantage of the gullibility of Indian customers. A primary goal of this consumer behaviour study is to identify the factors (brand, service, price, etc.) that influence people's choices to buy cars.

Baddam Harish Reddy (2019) In this competitive world automobiles have become an important part of daily transportation and the competition between different automobile industries lead to the high level innovations in automobiles in order to reach the needs of people. This research attempts to answer some of the questions regarding brand personality of selected cars by conducting the survey. This research will help in knowing what a customer thinks about a given brand of car and what are the possible factors guiding a possible purchase. The main aim of this research is to analyse sales of a particular automobile company and to identify the advertisements and sales promotion activities adopted by the automobile companies. The present study is an attempt to evaluate the consumer purchase behaviour of automobiles. This research highlights the various factors which influence the consumer behaviour towards four wheeler, small sedan cars purchase decision and their behaviour and level of satisfaction.

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Retail Revolution in India

Unofficial kiranas, who get their wares from nearby wholesalers and vendors, make up the vast majority of India's market. People selling clothes, wares, and other street-level wares fall under this category. Modern shopping malls were scarce even in major cities and smaller villages over a decade ago. Those are a must-have in today's market. India has nearly 12 million stores, making it the world leader in retail. Only little more than 5% of America's twelve million retail locations only sell food and drink. Organized retail only represents 4% of the market. The retail sector is the fastest-growing in India, accounting for almost 15% of GDP. Second only to agriculture in terms of employment in India, it employs more than 8% of the country's entire workforce. The EY-RAI Retail CFO Survey (September 2013) predicted that the Indian retail industry will reach 950 billion US dollars by 2020, up from 520 billion US dollars in 2012-13, assuming an annual growth rate of 13%.

Key Drivers of Retail Change in India

Economic growth: India has long been a desirable market due to its massive population. Investment in manufacturing remained modest until the 1990s because Indian customers had little buying power. Transitioning from a "State led" to a "market friendly" economy was made possible by the government's LPG strategy and major economic reforms implemented in the early 1990s. There was a 7% increase in India's GDP in 2016. The Indian economy is expected to expand at a rate of 7.2% in 2018 and 7.7% in 2019, according to the International Monetary Fund. There has been rapid growth in India's economy during the last decade. Rising spending was the driving force behind a 10.4 percent growth in per capita gross domestic product, which jumped from 71607 rupees in the 2012 fiscal year to 117406 rupees in the 2017 fiscal year.

Changing the use of money: The middle class and the affluent middle class in particular, is expanding as a result of rising incomes. Spending in India rises as a result. In 2016–27, there were 267 million middle-class families in India. By 2025–26, the National Council of Applied Economic Research (NCAER) projects that number to rise to 547 million. As the number of Indians with middle-class or higher incomes continues to rise, the demand for branded and specialized items is going through the roof.

Changing family structure and growing female working population:

Contributions to GDP from women of working age have increased dramatically. The increasing economic independence of women has led to a reevaluation of long-established societal mores. Individuals' tastes in goods and services tend to shift as their disposable income increases. There is a noticeable difference in the shopping habits of working women and stay-at-home mothers. Since working women sometimes have less time to devote to housekeeping, it is typical for them to buy at convenience stores for all of their requirements. Spending is higher among working women compared to stay-at-home mothers.

Socioeconomic Factors

Socioeconomic status refers to the absolute or relative levels of economic resources, power, and prestige closely associated with wealth of an individual, community, or country. Socio-economic status is a multidimensional construct comprising multiple factors, such as income, education, employment status, and other factors. Low socioeconomic status is associated with higher risk of developing and dying from cardiovascular disease (CVD). Specifically, the American Heart Association notes that income level, educational attainment, and employment status at the individual and neighborhood level are consistently associated with CVD in high-income countries. Socioeconomic factors can affect health status directly at the individual level and can also influence broader household, neighborhood, or community-level characteristics, which can then affect health. Socioeconomic factors affect one's ability to engage in health activities, afford medical care and housing, and manage stress. For example, employment provides income, which enables access to housing, education, childcare, food, medical care, and other needs. At the community level, lower-income neighborhoods are less likely to have access to high quality health care.

RESEARCH METHODOLOGY

The study is based on the primary data collected through sample of 50 people who have cars. Questionnaires have been constructed to understand the contribution of various components

towards consumer behaviour in automobile industry. The data has been collected through online survey along with demographic details of employees. Secondary data has been gathered from various sources such as books, journals and online resources. The area of this study is consumer purchasing behaviour of automobiles in Kukatpally, Hyderabad. This questionnaire is distributed to 100 people. However, 50 people out of 100 responded by completing the questionnaire. So the final sample size is 50. The questionnaire was sent by email and Whatsapp contacts in the form of google forms. Completed questionnaire were sent back through email and responses were updated in Google forms. Follow-up enquiries were made to enhance timely response by the employees. The data collected was analysed using tables, bar chart and pie chart. Simple arithmetical percentages were used as a measure of proportion of responses. Hyderabad is a place where we can get a lot of different people. Since Hyderabad is technically a developed a lot, these days a lot of Hyderabadians depends on e-commerce, so the respondents residing in Kukatpally, Hyderabad were taken for the study. The Respondents were Students, Employee and Businessman.

RESULTS AND DISCUSSIONS

Response from Consumers

The final study was based on genuine replies from 200 surveys that were sent to automobile owners.

Table 1: Number of Cars Owned by the Respondents in the Family

S. No	Number of cars owned by the respondents in the family	N= 200	Percentage
1)	1	180	90
2)	2	12	6
3)	3	6	3
4)	More than 3	2	1

Ninety percent of those who took the survey had at least one automobile in the household, and six percent had two. Among all families, only 1% possessed more than three vehicles.

Table 2: Price value of the Cars Owned by the Respondents in Rupees

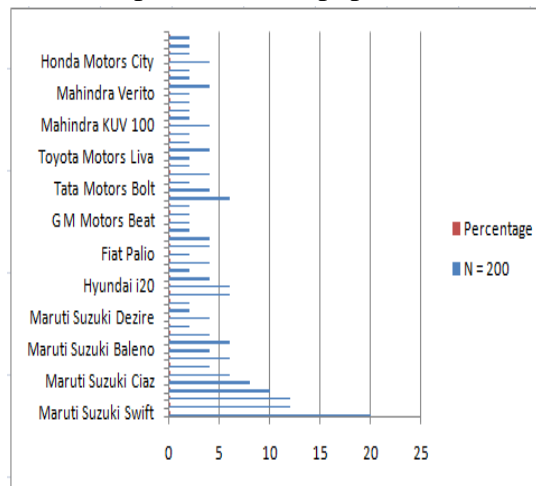
S. No	Price of the cars owned by the respondents in Rupees	N= 200	Percentage
1)	Less than 2, 00,000	6	3
2)	2,00,000to5,00,000	34	17
3)	5,00,000to7,00,000	126	63
4)	7,00,000 to10,00,000	34	17

Actually, 63 percent of those who took the survey had a car that was worth 5–7 million Rupees. Twenty percent of the people had a vehicle priced between two and five million Rupees, while another twenty percent owned a vehicle valued between seven and ten million. Approximately 3% of the population had a vehicle with a value below 2,000,000 Rupees.

Table 3: Brand of Cars Owned by the Respondents

S. No	Brand of cars owned by the respondents	N= 200	Percent age
1)	MarutiSuzuki	88	44
2)	Hyundai	28	14
3)	Fiat	8	4
4)	Nissan	2	1
5)	Ford	10	5
6)	G.M.Motors	6	3
7)	TataMotors	12	6
8)	ToyotaMotors	10	5
9)	Renault	10	5
10)	Mahindra	10	5
11)	Volkswagen	8	4
12)	HondaMotors	8	4

Nearly half of those who took the survey have a Maruti Suzuki in their garage. One in ten people had a Hyundai vehicle. One percent of the population drove a Nissan.



Graph 1: Brand and Model of Cars Owned by the Respondents

A Maruti Suzuki Swift was the favoured vehicle of 10% of the survey takers. One study found that as much as 6% of Indians drive a Maruti Suzuki Alto. Very few people had even a single Maruti Suzuki Versa or Esteem. The Hyundai i10 came in at number two, with three percent of the total, among the many vehicle types and manufactures mentioned by respondents. Third place went to the Hyundai i20. The real number of people driving Hyundai Grand i10s was less than 1%. The percentage of Punto drivers was 1%, whereas the percentage of Fiat Palio drivers was 2%. Two percent of those who took the survey said they were Figos, whereas two percent said they were Fiestas. A Ford Eco Sport is driven by a mere 1% of the population.

CONCLUSION

In India, the car industry is quite competitive. Car firms need to know what their consumers value most if they want to survive in today's competitive market. As a result, the purpose of this study was to investigate consumer preferences in the automotive industry. Customers



place a premium on things that are aesthetically pleasing, functional, interchangeable, and fuel efficient. There is no industry more profitable than the automotive business right now. The key factors propelling high-volume vehicle categories are the availability of easy financing and the increasing disposable incomes in both urban and rural regions. Consumers have considerable influence in the industry, making it essential for marketing professionals to comprehend client behaviour. Car dealerships are continually running commercials to attract new clients and keep the ones they already have. The automotive sector is engaging in extensive advertising across several channels, including television, radio, print, outdoor, and word of mouth, in order to gain a competitive advantage. Converting one-time buyers into loyal patrons is a challenging but worthwhile endeavour. It is simple to make money off of such devoted customers. Auto sales have skyrocketed in Covid-19 due to the decline in the number of people able to use public transportation. In this study, we looked at consumer behaviour as it relates to the purchase of four-wheelers. Understanding consumer buying patterns is crucial for successful marketing.

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