



A Study on Consumer behaviour towards Used Cars (with in the Special Reference to Coimbatore City)

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ABSTRACT

The automobile industry today is the most lucrative industry. Due to increase in disposable income in both rural and urban sector and availability of easy finance are the main drivers of high volume car segments. Second hand car business is influenced by the presence of many factors like reliability, cost etc. Studying these factors will enable a clear understanding of customers. This paper presents analysis of research in the area of consumer buying behavior of used cars in Coimbatore. Proper understanding of consumer buying behavior will help the marketer to succeed in the market. This research studies the buying behavior of different customers with different tastes and preference. This research also attempts to consolidated findings & suggestions to overcome presents scenario of stagnancy in sales and cultivate future demand for used car market.

INTRODUCTION

The study of the people make-decisions about what they buy, want, need, or act in regards to a product and service. There we study the reason behind the increase of pre-owned car and why people buy pre-owned cars rather than preferring a brand-new car. The study analysis the factor which influence the people to buy a second-handed car. The respondent for the study is above the age of 18, who are eligible to drive a car. The study limit is within the Coimbatore city.

SCOPE OF THE STUDY

This is an attempt to analyse the consumer buying behaviour and preference towards the usage of used cars and the consumer search things for their need satisfaction. And it also evaluation of the used car market organised and unorganised, how consumers react and respond towards used car markets. So, the scope of this study is to cover the full view of the customer and their preference pattern and used car market.

OBJECTIVES OF THE STUDY

- To study the behaviour of customer towards the purchase of pre-owned car.
- To explore the factors influencing the purchase behaviour of customer towards the purchase of pre-owned cars.
- To understand the before and after sale services provided by pre-owned car dealers.
- To study the reason behind boom in the used car business.

RESULT AND DISCUSSION

4.1 PERCENTAGE ANALYSIS

The percentage analysis is used, mainly to find the distribution of the customers in each category as the values are expressed in percentage, it facilitates comparison. It is the method to represent raw streams of data as a percentage (a part in 100-percent) for better understanding of collected data.

Formula:

$$\text{Percentage} = \frac{\text{No. of respondents}}{\text{Total respondents}} * 100$$

TABLE 4.1.1

TABLE SHOWING THE DISTRIBUTION OF GENTER OF THE RESPONDENTS

S.NO	Gender	No. of respondents	Percentage
1	Female	28	23.3
2	Male	96	80
	Total	120	100

Interpretation

Table 4.1 depicts that 80% of the respondents are male and 23.3% of the respondents are female.

Inference

In this study, majority (80%) are male response.

TABLE 4.1.3

TABLE SHOWING DISTRIBUTION OF EDUCATION QUALIFICATION OF RESPONDENTS

S.NO	Education qualification	No. of respondents	Percentage (%)
1	School level	36	30.3
2	Diploma	14	11.8
3	Under graduate	35	29.4
4	Post graduate	13	10.9
5	Professional	21	17.6
	Total	120	100

Interpretation

The table 4.1.3 depicts that 30.3% of the respondents are school level, 11.8% of the respondents are diploma, 29.4% of the respondents are under graduate, 10.9% of the respondents are post graduate, 17.6% of the respondents are professional.

Inference

Majority (30.3%) of the respondents are school level.

CHART 4.2

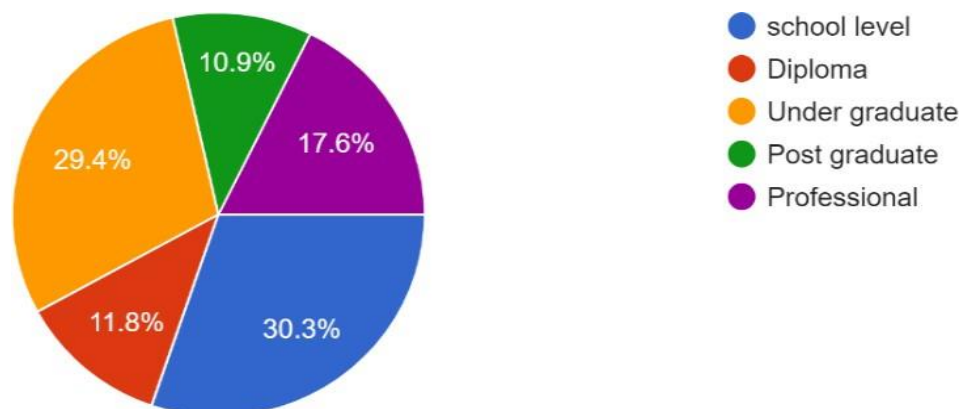


TABLE 4.2A

TABLE SHOWING DISTRIBUTION OF SATISFACTORY LEVEL OF CONSUMERS TOWARDS FUEL CAPACITY & ECONOMY

S. No	Factors	Likert scale value(x)	No. of respondents(f)	fx
1	Highly satisfied	5	34	170
2	Satisfied	4	47	188
3	Neutral	3	26	78
4	Dissatisfied	2	7	14
5	Highly dissatisfied	1	5	5
	Total		120	455

Likert scale = $\frac{\sum fx}{\sum f}$

Total no of respondents

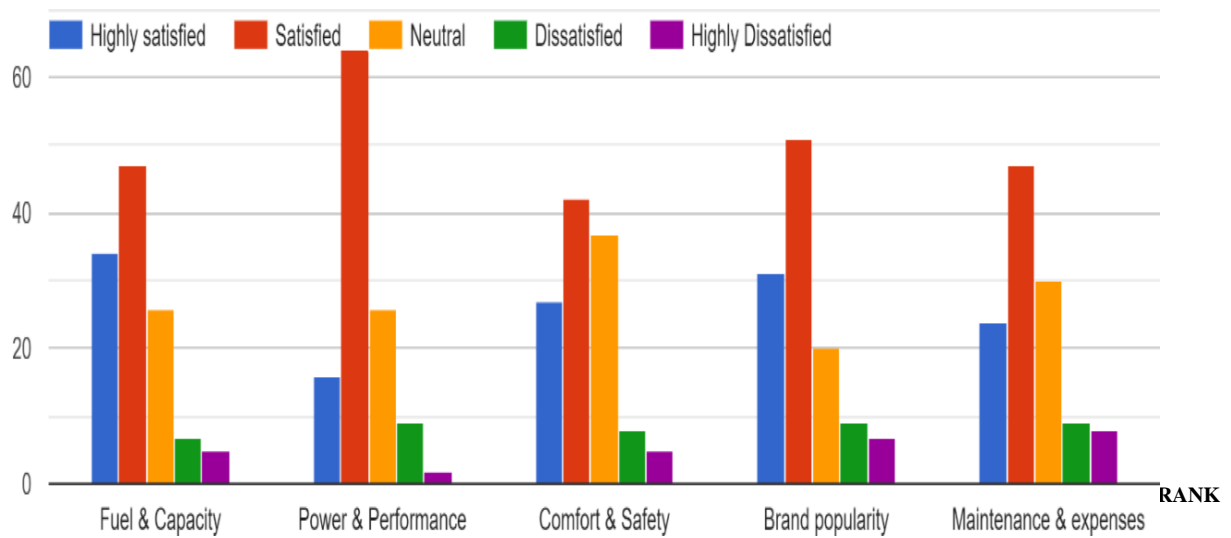
=455/120

=3.79

Inference:

Likert scale value 3.79 is greater than the mid value (3), thus respondents are satisfied with fuel capacity & economy of used cars.

CHART4.14



CORRELATION

The Kari Pearson’s method is based on the assumption that population being studied is normal or when the shape of the destruction is not known, there is need for a measure of correlation i.e. need for correlation that involves no assumption above the parameter of population. It does not matter which way the items are ranked; item number one may be the largest or it be smallest using ranks rather than actual observation gives the coefficient rank correlation

Formula:

$$R=1-\frac{6\sum D^2}{N(N^2-1)}$$

PARTICULARS	1	2	3	4	5	TOTAL	RANK
Desire	43(5)	28(4)	27(3)	10(2)	10(1)	438	1
Cheaper	22(5)	40(4)	24(3)	26(2)	5(1)	425	2
Company/ brand	25(5)	30(4)	24(3)	25(2)	12(1)	379	3
Budget	29(5)	26(4)	16(3)	30(2)	16(1)	375	4
After sale service	13(5)	27(4)	19(3)	19(2)	37(1)	305	5

TABLE 4.3.1

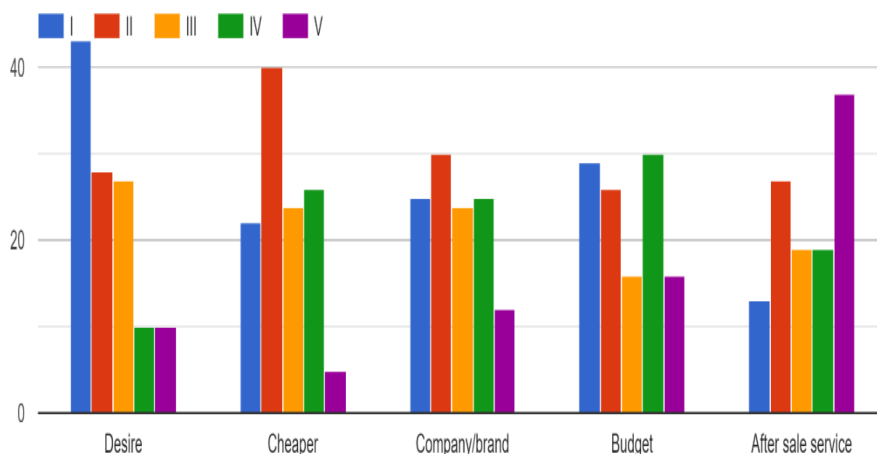
TABLE SHOWING DISTRIBUTION OF RANKING FOR PURCHASING BEHAVIOUR OF USED CARS BY THE RESPONDENTS

Interpretation:

In the table 4.3.1, it is understood that desire is ranked 1, cheaper is ranked 2, company/brand is ranked 3, budget is ranked 4 and after sale service is ranked 5.

Inference:

The respondents of this study ranked 1 for desire.

CHART4.14**CONCLUSION**

This study concerned with analysis of “Customer Behaviour towards used car (with special reference to Coimbatore city)”. It can be concluded that in this modern world cars are become necessary to everyone for fulfil their needs and shows their status. But everyone cannot buy a new car because of their budget according to their income. So, they prefer used cars to buy at lower price. There is also demand for using luxurious car but they can’t able to buy a new luxurious car to buy. This creates more market growth for the used cars industry. If the necessary step has taken to satisfy the customer, it will take the industry to the next level and helps to increase in the sales of used cars.

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