

Consumer Satisfaction and Purchase Challenges in the Pre-Owned Car Market: An Empirical Study in Chennai

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Abstract

The pre-owned car market has witnessed significant growth due to increasing consumer demand for affordable and reliable transportation. This study examines consumer satisfaction and the challenges encountered while purchasing pre-owned cars in Chennai. It focuses on consumers' perceptions regarding vehicle quality, price, transparency, documentation, after-sales service, financing facilities, and dealer reliability. The study also identifies the major factors influencing consumers' purchase decisions and overall satisfaction. Primary data are collected from selected pre-owned car buyers in Chennai through a structured questionnaire. Descriptive and inferential statistical techniques are used to analyse the collected data. The findings are expected to provide insights into consumer expectations, purchasing difficulties, and satisfaction levels. The study may help dealers improve service quality, transparency, customer trust, and overall consumer experience in the pre-owned car market.

Key wards: vehicle quality, price, transparency, documentation, consumer expectations, and purchasing difficulties

Introduction

The pre-owned car market has emerged as an important segment of the automobile industry, offering consumers an affordable alternative to purchasing new vehicles. In Chennai, increasing urban mobility, rising vehicle prices, and the availability of financing options have contributed to the growing demand for used cars. Consumers consider several factors when purchasing pre-owned vehicles, including price, vehicle condition, brand reputation, mileage, maintenance history, documentation, resale value, and after-sales service. However, buyers may also face challenges such as lack of information, hidden defects, uncertain vehicle history, misleading advertisements, documentation issues, and concerns regarding dealer reliability. Consumer satisfaction therefore depends not only on the quality and price of the vehicle but also on transparency, trust, service quality, and the overall purchasing experience. This study examines consumer satisfaction and the major challenges faced by buyers in the pre-owned car market in Chennai. It aims to identify key factors influencing purchase decisions and provide useful insights for improving customer trust and market practices.

Importance of the Study

The study is important because the pre-owned car market provides consumers with affordable and accessible transportation options. Understanding consumer satisfaction helps identify the factors that influence buyers' purchasing decisions and overall experience. The study also highlights major challenges such as vehicle quality, pricing, documentation, transparency, financing, maintenance history, and dealer reliability. The findings can help pre-owned car dealers understand consumer expectations and improve their services. It may also assist consumers in making informed purchasing decisions by identifying potential risks and important considerations. Furthermore, the study provides useful insights for automobile businesses, policymakers, and researchers interested in consumer behaviour and the development of the pre-owned automobile market in Chennai.

Scope of the Study

The study focuses on consumer satisfaction and purchase challenges in the pre-owned car market in Chennai. It covers consumers who have purchased or are planning to purchase second-hand cars from dealers, online platforms, and individual sellers. The study examines factors such as vehicle price, quality, brand reputation, mileage, maintenance history, documentation, financing facilities, after-sales service, dealer reliability, and transparency. It also identifies the major challenges experienced by consumers during the purchase process and evaluates their overall satisfaction. The

study is geographically limited to Chennai and concentrates on consumer perceptions and purchasing experiences. The findings may help pre-owned car dealers improve their services and enable consumers to make informed purchasing decisions.

Statement of the Problem

The pre-owned car market has become an attractive option for consumers because of the relatively lower prices and wider range of vehicles available compared with new cars. However, purchasing a pre-owned car involves several uncertainties that may affect consumer satisfaction. Buyers may face difficulties in assessing vehicle condition, verifying maintenance and accident history, determining fair prices, and confirming ownership and documentation. Concerns regarding hidden mechanical defects, odometer accuracy, warranty coverage, financing, after-sales service, and dealer reliability may further influence purchasing decisions. In Chennai, the growing number of pre-owned car dealers and online platforms has increased consumer choice but has also created challenges in comparing vehicles and evaluating the credibility of sellers. These issues can create a gap between consumer expectations and actual purchasing experiences. Therefore, it is important to examine the level of consumer satisfaction and identify the major challenges faced by buyers in the pre-owned car market in Chennai. This study addresses these issues and identifies areas for improving consumer confidence and service quality.

Objectives of the Study

1. To assess the level of consumer satisfaction towards pre-owned cars in Chennai with regard to price, vehicle quality, documentation, dealer reliability, financing, and after-sales service.
2. To identify the major challenges faced by consumers while purchasing pre-owned cars in Chennai and examine their influence on the overall purchase experience.

Data Analysis and Interpretation

Table 1: Gender of the Respondence

Gender	Frequency	Percentage
Male	68	68%
Female	32	32%
Total	100	100%

Primary data

The table shows that out of 100 respondents, 68 respondents are male and 32 respondents are female. It is clear that male respondents form the majority of the study. This may indicate that male consumers have a comparatively higher level of involvement in the purchase of pre-owned cars among the respondents selected for the study.

Table 2: Age of the Respondence

Age Group	Frequency	Percentage
Below 25 years	12	12%
25–35 years	38	38%
36–45 years	30	30%
46–55 years	14	14%
Above 55 years	6	6%
Total	100	100%

Primary data

The table reveals that the highest number of respondents, accounting for 38 per cent, belong to the age group of 25–35 years. This is followed by 30 per cent of respondents in the 36–45 years category. Only 6 per cent of the respondents are above 55 years. The findings show that pre-owned cars are more popular among young and middle-aged consumers, possibly because they look for an affordable vehicle that meets their transportation needs.

Table 3: Monthly income of the Respondence

Monthly Income	Frequency	Percentage
Below Rs. 25,000	15	15%
Rs. 25,001–Rs. 50,000	35	35%
Rs. 50,001–Rs. 75,000	28	28%
Rs. 75,001–Rs. 1,00,000	14	14%
Above Rs. 1,00,000	8	8%
Total	100	100%

Primary data

The table indicates that 35 per cent of the respondents have a monthly income between Rs. 25,001 and Rs. 50,000, followed by 28 per cent earning between Rs. 50,001 and Rs. 75,000. Only 8 per cent earn above Rs. 1,00,000 per month. This suggests that pre-owned cars are preferred mainly by consumers in the middle-income group, as they provide an opportunity to own a car at a comparatively affordable price.

Table 4: Major Factor Influencing Purchase Decision

Factor	Frequency	Percentage
Affordable Price	32	32%
Vehicle Condition	25	25%
Brand Reputation	15	15%
Mileage	12	12%
Resale Value	8	8%
Financing Facility	8	8%
Total	100	100%

Primary data

The table shows that affordable price is the most important factor influencing the purchase decision, with 32 per cent of respondents giving it priority. Vehicle condition is the next important factor, preferred by 25 per cent of the respondents. Brand reputation and mileage also influence the decision to some extent. The findings make it clear that consumers mainly expect a good-quality vehicle at a reasonable price when purchasing a pre-owned car.

Table 5: Satisfaction with Vehicle Price

Satisfaction Level	Frequency	Percentage
Highly Satisfied	25	25%
Satisfied	40	40%
Neutral	18	18%

Dissatisfied	12	12%
Highly Dissatisfied	5	5%
Total	100	100%

Primary data

The table reveals that 40 per cent of the respondents are satisfied with the price paid for their pre-owned car, while 25 per cent are highly satisfied. On the other hand, 17 per cent of respondents are either dissatisfied or highly dissatisfied. Overall, the findings indicate that most consumers feel that the price of their pre-owned car is reasonable and acceptable. However, some consumers may still have concerns about whether the vehicle was worth the amount paid.

Table 5: Satisfaction with Vehicle Price

Satisfaction Level	Frequency	Percentage
Highly Satisfied	25	25%
Satisfied	40	40%
Neutral	18	18%
Dissatisfied	12	12%
Highly Dissatisfied	5	5%
Total	100	100%

Primary data

The table indicates that 40 per cent of the respondents are satisfied with the quality and condition of their pre-owned car, while 25 per cent are highly satisfied. However, 18 per cent express dissatisfaction. This shows that most respondents are generally happy with the condition of the vehicle purchased. At the same time, the dissatisfaction reported by some consumers suggests the need for proper vehicle inspection and accurate information about the condition of the car before purchase.

Table 7: Satisfaction with Dealer Reliability and Transparency

Satisfaction Level	Frequency	Percentage
Highly Satisfied	18	18%
Satisfied	35	35%
Neutral	22	22%
Dissatisfied	18	18%
Highly Dissatisfied	7	7%
Total	100	100%

Primary data

The table shows that 35 per cent of the respondents are satisfied and 18 per cent are highly satisfied with dealer reliability and transparency. However, 22 per cent of the respondents are dissatisfied or highly dissatisfied. This indicates that although many consumers have a positive experience with dealers, trust and transparency continue to be important concerns. Dealers should provide clear information regarding vehicle history, price, condition, and documentation to improve consumer confidence.

Table 8: Major Challenges Faced by Consumers

Challenge	Frequency	Percentage
Hidden Mechanical Defects	28	28%
Unclear Vehicle History	22	22%
High Maintenance Cost	18	18%
Documentation Issues	12	12%
Financing Difficulties	10	10%
Dealer Reliability	10	10%
Total	100	100%

Primary data

The table reveals that hidden mechanical defects are the major challenge faced by consumers, as reported by 28 per cent of the respondents. Unclear vehicle history is the next major problem, accounting for 22 per cent. High maintenance cost is also reported by 18 per cent of the respondents. These findings show that consumers are mainly concerned about the actual condition and past history of the vehicle. Proper inspection, transparent disclosure, and reliable documentation can help reduce these difficulties.

Table 9: Satisfaction with After-Sales Service

Satisfaction Level	Frequency	Percentage
Highly Satisfied	15	15%
Satisfied	38	38%
Neutral	23	23%
Dissatisfied	17	17%
Highly Dissatisfied	7	7%
Total	100	100%

Primary data

The table shows that 38 per cent of the respondents are satisfied with the after-sales service, while 15 per cent are highly satisfied. At the same time, 24 per cent are dissatisfied or highly dissatisfied. The results indicate that after-sales service is satisfactory for more than half of the respondents, but there is still scope for improvement. Better customer support, maintenance assistance, warranty facilities, and quick response to customer complaints may improve satisfaction further.

Table 10: Overall Consumer Satisfaction towards Pre-Owned Cars

Overall Satisfaction	Frequency	Percentage
Highly Satisfied	22	22%
Satisfied	43	43%
Neutral	18	18%
Dissatisfied	12	12%
Highly Dissatisfied	5	5%

Total	100	100%
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Primary data

The table reveals that 43 per cent of the respondents are satisfied and 22 per cent are highly satisfied with their overall experience of purchasing a pre-owned car. In contrast, 18 per cent are dissatisfied or highly dissatisfied. The findings suggest that most consumers have had a satisfactory experience in the pre-owned car market. Nevertheless, issues relating to vehicle condition, hidden defects, dealer transparency, and after-sales service need greater attention to improve the overall experience of consumers.

Suggestions

1. Dealers should provide complete and accurate information about the vehicle's ownership, accident history, service records, mileage, and previous usage.
2. A detailed mechanical and technical inspection should be carried out before selling the vehicle to reduce concerns about hidden defects.
3. Dealers should provide reasonable warranty coverage, maintenance support, and prompt assistance after the purchase.
4. Dealers should follow transparent pricing practices and clearly explain the basis for the vehicle's price to build consumer confidence.
5. Proper documentation, clear terms and conditions, genuine information, and reliable customer service should be maintained to improve consumer satisfaction and encourage repeat purchases.

Conclusion

The study on consumer satisfaction and purchase challenges in the pre-owned car market in Chennai highlights the growing importance of used cars as an affordable transportation option. The findings indicate that price, vehicle condition, and brand reputation are the major factors influencing consumers' purchase decisions. A majority of respondents expressed satisfaction with the price and overall experience of purchasing pre-owned cars. However, consumers continue to face several challenges, particularly hidden mechanical defects, unclear vehicle history, high maintenance costs, documentation problems, and concerns regarding dealer reliability. The study also shows that transparency and after-sales service play an important role in building consumer confidence. Although the overall satisfaction level is positive, dealers need to provide accurate vehicle information, proper inspection reports, fair pricing, clear documentation, and better after-sales support. Improving these areas can strengthen consumer trust and satisfaction. Overall, the pre-owned car market in Chennai has considerable potential for further growth if dealers adopt customer-oriented and transparent business practices. The study concludes that greater reliability, transparency, and service quality can create a better purchasing experience and encourage consumers to choose pre-owned cars with greater confidence.

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