

FACTORS AFFECTING AUTO BUYERS DECISIONS AFTER COVID-19

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ABSTRACT:

Purchases of vehicles have been rising quickly, and India's automotive industry has been expanding at a double-digit rate throughout the last decade. When buying a car, a person takes a number of factors into account. Safety has been an important aspect that contributes to the changing trend and the pandemic situation. In this essay, we attempt to look at the variables influencing our purchasing decisions. The primary goal of the literature review is to identify the important factors that influence the decision to buy a car. The study then groups all the individual variables into a single factor using the statistical method known as exploratory factor analysis (EFA). It was discovered that 21 variables fell under 6 components, including Brand trust, Socio-demographic factor, Economic factor, Product and tech factor.

KEYWORDS:

Covid-19, consumer behaviour, personal mobility, used cars, and purchase behaviour are some related terms.

INTRODUCTION:

Something unusual started occurring in Wuhan, China, towards the end of December 2019. People started becoming sick, and cases of the flu and pneumonia started to appear. The virus was discovered in January 2020, and it has been dubbed Covid-19, the novel Corona virus of 2019. And then this horrible illness began to spread to every part of the globe.

The number of confirmed cases also began to rise sharply and consistently in India. And the government immediately acted to stop it. In India, the first major lockdown for the following 21 days was declared on March 24. By that time, there had already been 560 or so verified cases. Everything came to a complete stop. The streets were deserted, and the commotion of daily activities abruptly gave way to silence. Despite restrictions on entry and movement, the number of cases sharply increased.

The government began removing the lockdown phase-by-phase with tight social segregation and other standards that were put in place for the residents to obey out of concern for the far-reaching negative impacts of lockdown on the economy.

The government made it very plain that unless there is a significant advancement in vaccine, people should learn to live with virus. Everyone was told to be cautious.

In India, hardly every person has a personal car. India has 22 automobiles per 1000 inhabitants, according to NITI Ayog, compared to 980 and 850 in the US and UK, respectively. For personal transportation, many people use two wheelers. However, two-wheelers are usually better for shorter distances. As a result, there is a heavy reliance on public transport because it may be both convenient and affordable.

COVID 19:

A new coronavirus called SARS-CoV-2 that was initially discovered in Wuhan, China in December 2019 is known as COVID-19 (short for coronavirus disease 2019). When an infected person coughs, sneezes, or talks, respiratory droplets are the main way that the virus spreads. A surface that has the virus on it can also be touched before being touched on the face.

Since then, COVID-19 has spread globally, with over 200 million cases reported and over 4 million fatalities as of September 2021. The severity of the illness can range from moderate to severe; some individuals may show no symptoms at all while others may experience severe respiratory illness and need to be hospitalised

OBJECTIVES:

- 1) To study the impact of COVID-19 on the automobile sector.
- 2) To study the impact of covid-19 on the purchase decisions of customers from automobile companies.

Measures taken by Indian Automobile industries to tackle the effect of COVID-19:

Tata:

For those who are coronavirus-affected, Tata Trusts contributed Rs. 500 crore. The money would help in supplying medical kits, respiratory systems, and other medical equipment for the patients, according to chairman Ratan Tata. The Tata Group has promised to donate an additional Rs. 1000 crores.

Maruti Suzuki

Together, Maruti Suzuki India Limited and Agva Health Care are producing 10,000 ventilators each month. Maruti Suzuki will also contribute financially and offer their services gratis. Additionally, approximately 20 lakh masks and safety gear would be produced by Bharat Seats, Krishna Limited, and Maruti Suzuki. The Maruti Suzuki supplied more than 1,20,000 food packages for the needy. Additionally, Maruti Suzuki has given the villages 10,000 dry ration packages.

Mahindra:

In comparison to N95 respirators, face shields are more effective for medical workers, and Mahindra & Mahindra is producing them at their plants in Pithampur, Madhya Pradesh, and Nagpur, Maharashtra. They will provide these face shields to local police in Telangana and other organisations. Additionally, Mahindra & Mahindra produces hand sanitizers to combat the Novel Coronavirus.

In Mumbai, Mahindra & Mahindra has also introduced emergency taxi services that single mothers and senior citizens can use to get to banks, hospitals, and other important locations.

Findings:

- Prior to the Coronavirus outbreak, 68% of the respondents planned to buy a four-wheeler, either a new one to replace the old one or a new one to replace the old one.
- 34 out of the 68 percent of respondents, or those who were going to buy a car before the Corona virus outbreak, decided against it during the lockdown owing to financial hardship, a longer wait period, or other factors.
- Out of the 34 respondents who are expecting to buy a car following the lockdown, 5 will buy a lower-value vehicle than they had anticipated.

LITERATURE REVIEW:

Being one of the most populous nations in the world and experiencing rapid economic growth, India's citizens now have significantly more purchasing power, which has made motor vehicles like 2 wheelers, 3 wheelers, and 4 wheelers more and more accessible because a sizable portion of the population can afford them and the Indian market is price sensitive. Since 2009, there have been 250 million registered vehicles, an increase from 115 million. [moRTH,2019] The author [Shirgaokar (2012)] studied the socioeconomic and demographic factors, as well as other factors like locations of homes, distances to workplaces, travel characteristics, etc. that influenced families from the lower and middle classes to opt out.

There is currently no study in the literature that examines how Covid-19 affects people's mobility decisions and whether they are likely to purchase a used car because they believe it will benefit them.

The influence of Covid-19 on personal mobility decisions and whether people are prepared to purchase used vehicles in the perceived interest of safety are not studied in the body of existing literature, which is surprising given the enormous difference between demand and supply for new cars. The study only considered Chinese citizens' perspectives. Therefore, it's crucial to consider the impact from India's perspective.

RESEARCH METHODOLOGY:

A thorough literature study was used as the methodology for this research report in order to understand the elements that influence purchasing decisions. Then, with the aforementioned influencing factors in mind, a survey form was created. The survey form was made in Google Forms and distributed to respondents using a variety of digital and social media channels, email, and hard copy forms. The responses were noted, and the factors that would affect the purchase were examined using the statistical grouping approach known as exploratory factor analysis (EFA). This statistical approach was adopted in order to assess a large pool of data, separate it into distinct factor structures, and present the findings in the paper.

LIMITATIONS:

This study's limitations include the inclusion of 21 factors as used car purchase criteria. Numerous additional criteria may be added and researched. The second drawback is that the majority of respondents were from the Karnataka state's Dakshina Kannada area.

There were only 300 participants in the sample for this particular study. The sample size can be increased, and responders from various regions of the nation can also be analysed.

MOBILITY EXCHANGE:

According to Kavan Mukhtyar, Partner & Chief, Automotive, PwC India, consumers who previously chose shared mobility should think about purchasing automobiles, whether they are used or brand new. According to experts, the idea of social exclusion will persist for a while until it vanishes from consumers' perceptions. Even though a new trend is promoting a continuous increase in "connected kilometres," it will be crucial to observe changes in consumer behaviour in the upcoming months due to the persistence of social distance.

FINANCIAL MOOD:

The Confederation of Indian Industry reported on the CEO's snap poll "Lock-down Effect of Covid-19 Pandemic" on April 3rd, stating that around 52% of businesses anticipate employment losses for each industry as a result of the Covid-19 outbreak and the ensuing lock-down and/or reductions in pay. In reality, CARE Ratings has stated that the implementation of BS6, improved protection standards, and increased insurance costs is expected to increase the cost of ownership of new PVs from 12 to 15 percent.

CONCLUSION:

The COVID-19 epidemic has caused damage all across the world. The issue has become more pressing in recent weeks as a result of the coronavirus outbreak. even if almost the entire globe is the outbreak is still going on, and Wuhan, China, is where it's at its worst. The hardest-hit nation is China, and as a result, its economic growth has slowed down significantly. China's exports have declined sharply, with no sign of improvement predicted, despite widespread concerns about Chinese commodities and tightening global protection measures.

China is a huge source of imports for India. Our Chinese partners play a significant role in the availability of Indian cars. And we don't mean that in a casual way. A record number of automotive parts worth USD 4.5 billion were produced in China in 2018–19. Amazingly, 27% of auto parts are produced in China and, as we previously revealed, are exported to Indian businesses for 4.5 billion. We will be forced to pay a very high price for the sector's expansion if this cooperation suffers even a slight setback.

According to ICRA, essential automotive parts including fuel injection pumps, EGR units, computer components, turbo chargers, airbag components, etc. are the key non-domestic commodities that can limit the development of industrial vehicles, passenger cars, and two-wheelers. According to tractor firms, this drop is not happening because their component manufacture is ingrained. Switching to suppliers from countries other than China appears to be the answer. This proves to be a difficult undertaking, though, as the shift cannot be made immediately and successfully. Even though the transformation is still taking place, there is currently not enough supply in India to fulfil demand, especially given how the country is getting ready to comply with BS6 criteria.

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