Factors Influencing Decision to Buy Motor Vehicles Among Youngsters

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Abstract

This paper analyses the factors influencing the decision to buy motor vehicles among youngsters. It examines the demographic, economic, social, and psychological factors that contribute to this decision. The study also investigates the role of brand image, features, price, and fuel efficiency in the purchase decision. The findings of this study can help marketers and manufacturers understand the needs and preferences of young consumers and develop effective marketing strategies.

Keywords: Consumer based-factors, Consumer buying behaviour, Automotive industry, Income, Needs.

INTRODUCTION

The decision to purchase motor vehicles among youngsters is influenced by a complex interplay of various factors, reflecting their unique preferences, lifestyles, and social contexts. As this demographic represents a significant segment of the automotive market, understanding these influences is crucial for manufacturers and marketers aiming to tailor their offerings effectively.

Key Influencing Factors

1. Economic Considerations:

Price and affordability are paramount in the decision-making process. Young consumers often have limited financial resources, making them sensitive to vehicle pricing, financing options, and overall cost of ownership. The perceived value of a vehicle how its features and quality align with its price also plays a critical role in their purchasing decisions.

2. Lifestyle Preferences:

Young buyers tend to prioritize vehicles that align with their active lifestyles. Preferences for specific vehicle types such as SUVs for outdoor activities or compact cars for urban commuting are shaped by personal interests, family needs, and social status aspirations. Additionally, technological features like connectivity and advanced safety systems are increasingly important to this tech-savvy generation.

3. Social Influence:

Peer pressure and social norms significantly impact the vehicle choices of young consumers. Recommendations from friends, family, and social media can sway opinions regarding brands and models. This demographic often seeks vehicles that enhance their social image or reflect their identity.

4. Brand Perception:

Brand loyalty can be influenced by factors such as reputation, marketing strategies, and past experiences with a brand. Young consumers may gravitate towards brands that are perceived as innovative or environmentally friendly, particularly with the growing interest in electric vehicles.

5. Psychological Factors:

Motivations tied to personal identity and self-concept also affect purchasing behavior. Young buyers often seek vehicles that not only meet practical needs but also resonate with their aspirations and values, such as sustainability or luxury.

In conclusion, the decision-making process for purchasing motor vehicles among youngsters is multifaceted, encompassing economic realities, lifestyle choices, social influences, brand perceptions, and psychological motivations. Understanding these factors is essential for stakeholders in the automotive industry to effectively engage this vital consumer segment.

RESEARCH METHODOLOGY

Research Objectives:

- The process is simple and efficient: A questionnaire is created using tools like Google Forms and then shared on popular social media platforms like WhatsApp and Instagram. This approach makes it easy to reach a diverse group of people and collect valuable data for analysis.

- To explore how demographic factors like age, gender, income level, and educational background influence certain outcomes, we turn to quantitative research methods. These methods focus on gathering and analyzing numerical data, helping us test ideas, make predictions, and understand trends on a larger scale.

Example of quantitative research methods: Surveys: Surveys are used to collect data from large number of people. They typically involve asking participants to answer a series of questions about their opinions, attitudes, or behaviours.

Data collection process: Questionnaire is circulated via google form in social media platforms like WhatsApp, Instagram.

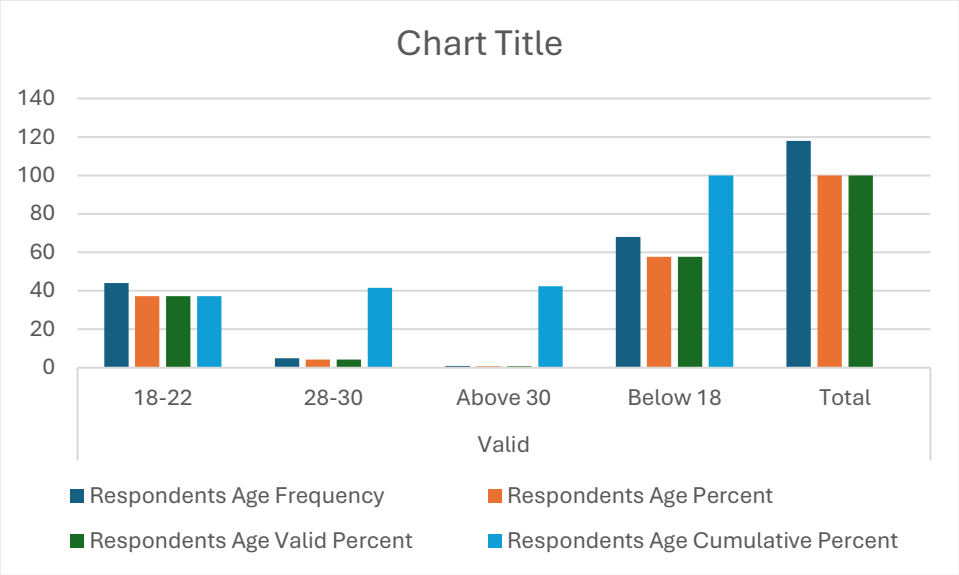
Analytical tool: Excel for data analysis and visualization.

The data is analysed using statistical techniques such as regression analysis to determine the relationship between the marketing mix variables and the purchasing decision of motor vehicles.

Results and analysis

Demographics:

Age:



Interpretation:

The chart highlights that most respondents are younger, with the largest group being those under 18. Young adults aged 18-22 make up the next significant portion, while there are fewer participants in the 28-30 age range. This trend shows a clear focus on younger age groups, which might make it harder to apply the findings to a broader population.

Gender:

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	27	22.9	22.9	22.9
	Male	91	77.1	77.1	100.0
	Total	118	100.0	100.0	

Interpretation:

- There are 118 total observations in the dataset.
- 77.1% of the observations are male, and 22.9% are female.
- The distribution of gender is skewed towards males.

Occupation:

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employed	39	33.1	33.1	33.1
	Self-employed	33	28.0	28.0	61.0
	Student	40	33.9	33.9	94.9
	Unemployed	6	5.1	5.1	100.0
	Total	118	100.0	100.0	

Interpretation:

The table reveals the breakdown of respondents based on their occupations. Students form the largest group, making up 33.9% of the total, which accounts for the majority of the sample. Employed individuals follow closely at 33.1%, while self-employed respondents represent a smaller yet notable 28.0%. On the other hand, unemployed participants make up a very small portion, at just 5.1%.

Income:

Monthly Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Above Rs/- 1,70,000	1	0.8	0.8	0.8
	Less than Rs/- 40,000	83	70.3	70.3	71.2
	Rs/- 40,000-Rs/- 85,000	24	20.3	20.3	91.5
	Rs/- 85,000-Rs/- 1,70,000	10	8.5	8.5	100.0
	Total	118	100.0	100.0	

Interpretation: The table shows the monthly income distribution of respondents in India. The majority (70.3%) earn less than Rs. 40,000 per month, indicating a lower-income profile. A smaller proportion (20.3%)

earn between Rs. 40,000 and Rs. 85,000, while only 8.5% earn between Rs. 85,000 and Rs. 1,70,000. High-income earners (above Rs. 1,70,000) make up a negligible proportion (0.8%). The data is based on a sample of 83 respondents.

Education:

Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	26	22.0	22.0	22.0
	Graduate	30	25.4	25.4	47.5
	High School or Below	27	22.9	22.9	70.3
	Postgraduate	6	5.1	5.1	75.4
	undergraduate	29	24.6	24.6	100.0
	Total	118	100.0	100.0	

Interpretation:

The table reveals that 22.0% of respondents have a diploma, accounting for 22.0% of the sample. Graduates make up 25.4% of the sample, accounting for 47.5%. High school or below respondents constitute 22.9% of the sample, accounting for 70.3%. Only 6 respondents have a postgraduate degree, accounting for 5.1%. Undergraduates make up 24.6% of the sample, accounting for 100%. The smallest group, postgraduates, represents only 5.1%, suggesting a limited number of highly educated individuals in the sample.

Location:

location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rural	25	21.2	21.2	21.2
	suburban	42	35.6	35.6	56.8
	Urban	51	43.2	43.2	100.0
	Total	118	100.0	100.0	

Interpretation:

The table shows the distribution of 118 individuals across different location types, with urban areas having the most people (43.2%). Suburban areas have the least people (21.2%), likely due to lower population density and more open space. The data suggests a diverse geographic region, with urbanization trend being a

significant trend. However, potential biases in data collection should be considered. Understanding the geographic region and demographics can provide a more nuanced interpretation of the data.

Price of the vehicle:

Crosstabs

Have you purchased a motor vehicle in the last two years? * Price of the vehicle

Crosstab

		Price of the vehicle					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	1	6	4	5	2	18
		5.6%	33.3%	22.2%	27.8%	11.1%	100.0%
	Yes	8	35	25	20	12	100
		8.0%	35.0%	25.0%	20.0%	12.0%	100.0%
Total		9	41	29	25	14	118
		7.6%	34.7%	24.6%	21.2%	11.9%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	.625[a]	4	0.960
Likelihood Ratio	0.605	4	0.962
N of Valid Cases	118		

a. 4 cells (40.0%) have expected less than 5. The minimum expected count is 1.37.

Interpretation:

The chi-square test results show P value (0.960) no significant association between vehicle purchases in the last two years and price range, indicating consistent purchasing decisions across various price categories.

Brand reputation:

Have you purchased a motor vehicle in the last two years? * Brand reputation

Crosstab

		Brand reputation					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	0	0	8	5	5	18
		0.0%	0.0%	44.4%	27.8%	27.8%	100.0%
	Yes	4	9	24	33	30	100
		4.0%	9.0%	24.0%	33.0%	30.0%	100.0%
Total		4	9	32	38	35	118
		3.4%	7.6%	27.1%	32.2%	29.7%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	4.846[a]	4	0.304
Likelihood Ratio	6.504	4	0.165
N of Valid Cases	118		

a. 4 cells (40.0%) have expected less than 5. The minimum expected count is .61.

Interpretation:

The data shows that brand reputation, with a P value of 0.304, doesn't significantly impact motor vehicle purchases in the last two years. There's no clear trend or preference for vehicles based on their brand reputation.

Design and Aesthetics:

Have you purchased a motor vehicle in the last two years? * Design and aesthetics

Crosstab

		Design and aesthetics					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	2	1	8	4	3	18
		11.1%	5.6%	44.4%	22.2%	16.7%	100.0%
	Yes	4	14	26	39	17	100
		4.0%	14.0%	26.0%	39.0%	17.0%	100.0%
Total		6	15	34	43	20	118
		5.1%	12.7%	28.8%	36.4%	16.9%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	5.353[a]	4	0.253
Likelihood Ratio	5.184	4	0.269
N of Valid Cases	118		

a. 3 cells (30.0%) have expected less than 5. The minimum expected count is .92.

Interpretation:

The data shows that design and aesthetics haven't played a significant role in motor vehicle purchases over the last two years. There's no clear trend or preference for any vehicle designs.

Fuel efficiency:

Have you purchased a motor vehicle in the last two years? * Fuel efficiency

Crosstab

		Fuel efficiency					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	0	3	7	2	6	18
		0.0%	16.7%	38.9%	11.1%	33.3%	100.0%
	Yes	4	4	21	49	22	100
		4.0%	4.0%	21.0%	49.0%	22.0%	100.0%
Total		4	7	28	51	28	118
		3.4%	5.9%	23.7%	43.2%	23.7%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	12.795[a]	4	0.012
Likelihood Ratio	13.771	4	0.008
N of Valid Cases	118		

a. 5 cells (50.0%) have expected less than 5. The minimum expected count is .61.

Interpretation:

The data reveals a strong link between fuel efficiency and vehicle purchases over the last two years. It shows that people prioritize fuel efficiency when making their decisions, highlighting it as a key factor in choosing a vehicle.

Safety features:

Have you purchased a motor vehicle in the last two years? * Safety features

Crosstab

		Safety features					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	0	2	5	5	6	18
		0.0%	11.1%	27.8%	27.8%	33.3%	100.0%
	Yes	8	12	30	29	21	100
		8.0%	12.0%	30.0%	29.0%	21.0%	100.0%
Total		8	14	35	34	27	118
		6.8%	11.9%	29.7%	28.8%	22.9%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	2.498[a]	4	0.645
Likelihood Ratio	3.604	4	0.462
N of Valid Cases	118		

a. 3 cells (30.0%) have expected less than 5. The minimum expected count is 1.22.

Interpretation:

The data shows that safety features haven't had a significant impact on motor vehicle purchases over the last two years, suggesting that people made their choices regardless of these features.

Technology and features:

Have you purchased a motor vehicle in the last two years? * Technology and features(e.g., GPS, Bluetooth)

Crosstab

		Technology and features(e.g., GPS, Bluetooth)					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	1	2	6	4	5	18
		5.6%	11.1%	33.3%	22.2%	27.8%	100.0%
	Yes	12	7	18	40	23	100
		12.0%	7.0%	18.0%	40.0%	23.0%	100.0%
Total		13	9	24	44	28	118
		11.0%	7.6%	20.3%	37.3%	23.7%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	4.116[a]	4	0.391
Likelihood Ratio	4.132	4	0.388
N of Valid Cases	118		

a. 4 cells (40.0%) have expected less than 5. The minimum expected count is 1.37.

Interpretation:

The data shows that technology features like GPS and Bluetooth haven't played a significant role in motor vehicle purchases over the last two years. There's no clear trend indicating a preference for these specific features.

Environmental impact:

Have you purchased a motor vehicle in the last two years? * environmental impact

Crosstab

		environmental impact					
		1	2	3	4	5	Total
Have you purchased a motor vehicle in the last two years?	No	0	2	5	7	4	18
		0.0%	11.1%	27.8%	38.9%	22.2%	100.0%
	Yes	6	17	24	29	24	100
		6.0%	17.0%	24.0%	29.0%	24.0%	100.0%
Total		6	19	29	36	28	118
		5.1%	16.1%	24.6%	30.5%	23.7%	100.0%

Chi-Square Tests

	Value	df	P=
Pearson Chi-Square	2.006[a]	4	0.735
Likelihood Ratio	2.911	4	0.573
N of Valid Cases	118		

a. 4 cells (40.0%) have expected less than 5. The minimum expected count is .92.

Interpretation:

The data shows that environmental impact hasn't had a significant influence on motor vehicle purchases in the last two years, indicating that people made their choices without much regard for the environmental impact.

Findings

The research findings reveal significant insights into the factors influencing decision to buy Motor vehicles among Youngsters.

Price of vehicle:

In chi-square test, P value (0.960) there is no significant association between vehicle purchases and price.

Brand reputation:

The data shows P value (0.304) brand reputation does not significantly influence the purchase of a motor vehicle and brand reputation.

Design and aesthetics:

The data shows that design and aesthetics do not significantly influence the purchase of a motor vehicle and design and aesthetics.

Fuel efficiency:

The relationship between fuel efficiency and vehicle purchase, when making decisions fuel efficiency is a crucial factor in vehicle purchases.

Safety features:

The data shows that not significantly significantly influence the purchase of a motor vehicle suggesting that individuals did so regardless of these features.

Technology and features:

The technology and features like GPS and Bluetooth do not significantly influence the purchase, with no clear trend suggesting a preference for specific features.

Environmental Impact:

The environmental impact does not significantly influence the purchase of a motor vehicle suggesting so regardless of environmental impact considerations.

Conclusion:

In conclusion, the research indicates that multiple factors contribute to the customer purchasing decision of motor vehicles among youngsters. Enhancing Price of vehicle, Brand reputation, fuel efficiency, safety features, technology and features, and Environmental Impact of purchasing decision. The study highlights the importance of taking a customer-focused approach when it comes to motor vehicles. By truly understanding and responding to these insights, the automotive industry can create an environment that consistently meets and exceeds customer expectations, leading to higher satisfaction and loyalty.

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