

# EMPIRICAL INVESTIGATION OF FACTORS DETERMINING PURCHASE DECISION

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## Abstract

Advertising alludes to the exercises of an organization related with purchasing and selling an item or administration. It incorporates publicizing, selling and conveying items to individuals. Individuals who work in organizations' promoting divisions attempt to stand out enough to be noticed of target crowds utilizing trademarks, bundling plan, superstar supports and general media openness. Purchaser conduct is the investigation of how singular clients, gatherings or associations select, purchase, use, and arrange thoughts, merchandise, and administrations to fulfill their necessities and needs. It alludes to the activities of the purchasers in the commercial center and the hidden thought processes in those activities. Advertisers expect that by understanding what makes the customers purchase specific labor and products, they will actually want to decide—which items are required in the commercial center, which are old, and how best to introduce the merchandise to the shoppers. The primary point of the examination is to recognize the significance of item related traits while settling on buy choice.

**Keywords:** Consumer behavior, Purchase decision

## Introduction

Shopper conduct addresses the investigation of people and the exercises that occur to fulfill their acknowledged necessities. That fulfillment comes from the cycles utilized in choosing, getting, and utilizing items or administrations when the advantages got from those cycles meet or surpass shoppers' assumptions. Through this interaction, the individual embarks to discover approaches to satisfy the need he has distinguished. That interaction incorporates the person's musings, sentiments, and conduct. At the point when the cycle is finished, the purchaser is confronted with the undertaking of investigating and processing all the data, which decides the moves he will make to satisfy the need.

Balathandayutham and sritharan (2013) contended in their examination that intellectual and mental cycles are a definitive consequence of physiological ones. Physio-psychological field of study holds many promising substance which can help us in elaboration and clarification of buyer conduct. Allow us to take an illustration of the nerve center which is pronounced as focal piece of the cerebrum whose usefulness is principally to control utilization (Sritharan et al, 2008). Those substance changes in the blood and body of the person because of the utilization/eat of the main item brings about a blood borne which guides the mind to go for additional utilization. Thusly this individual will arrange one more item to utilize/eat. All such practices are clarified based on research discoveries which are directed on the elements of the nerve center and other important pieces of the cerebrum.

Interior and outer boosts of customer conduct are truly significant factor for buyers purchasing choice. Inward upgrades in buyer conduct alludes to the purchaser such inquiries like which item should buy, the amount he/she needs to buy, while outer improvements answer the inquiries like which brand among various elective brands is more dependable and usable. An official choice of the purchaser in each circumstance will consistently be founded on these interior and outside upgrades. The fundamental focal point of the examination is to distinguish the significance of item related traits while settling on buy choice.

## Review of literature

This examination plans to explore how purchasers' socio-segment profile impacts on the choice to purchase utilized or new vehicles across various auto sections, an exploration concentrated by Arpita Srivastava<sup>1</sup> and Mitu Matta (2011). The examination centers around a significant vehicle market in Europe, France. The information were acquired from the French Institute of Statistics (INSEE), comprising of a delegate test of 1,967 French families who purchased another or utilized vehicle inside a time of this examination. The paper depends on irregular utility hypothesis and applies multinomial logit demonstrating. The discoveries propose that financial, singular, family attributes sway on vehicle portion decision, just as the choice of whether to purchase another or a trade-in vehicle.

This examination researches and investigates the connection between factors which influence purchaser purchasing conduct for utilized vehicles in Pune city. Surveys were disseminated to respondents living in Pune city who have bought the pre-owned vehicle. The all out example comprises of 84 respondents. Chi-square was utilized to test the speculations. The consequence of this investigation gives proof and bits of knowledge about the connection between the variable which influences buyer purchasing conduct for utilized vehicles. The examination uncovers the critical connection between family pay and make of the vehicle; sex and shade of the vehicle; family pay and selling cost. Aside from that, the investigation additionally gives significant knowledge toward the comprehension on how various components give the base to buy aim and influences the shopper purchasing conduct of trade-in vehicles, Shriram Shimpi (2010).

Sudarshan and Sunil (2016) investigated purchaser purchasing conduct, with the client assuming the three unmistakable parts of client, payer and purchaser. This exploration paper primarily centers around Automobile (Four wheeler) Customers and their purchasing conduct in pune city. Unmistakable sort research configuration was utilized in the investigation. Test is 265 Customers who own a vehicle. Accommodation inspecting method is utilized in the exploration. Information is gathered through organized poll. Information is broke down through utilizing Excel and different measurable apparatuses. Discoveries are gotten from the information investigation and required ideas that uncovers the components which impacts on clients purchasing choice while he buy or purchases a vehicle. Indeed, even clients give more significance to the brand, Safety, Price and Product credits factor while they purchase the vehicle.

In 2012, Samuel and Kola explore that the buyer discernments and conduct of the vehicle proprietors which will give us input on how promoting systems can be functioned in Victoria Island in Lagos State, Nigeria. A basic irregular inspecting procedure was received in the examination to choose the example respondents. An aggregate of 350 meeting plans were ready and out of this, lone 327 meeting plans were topped off and gathered. Information were gathered through a meeting plan in regards to gathering of the respondents on the utilization of vehicles. Spellbinding factual apparatuses like rate, mean, middle and standard deviation, ANOVA, T-Test, F-test, Chi-square test, Multiple relapse, Correlation examination, Cluster investigation has been utilized in this research. The study illuminates different highlights that the makers should focus on to draw in the imminent purchasers. This investigation reasons that shopper conduct assumes an imperative part in showcasing vehicles and there is more degree for broad exploration around here.

## Research methodology

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In this study qualitative and descriptive research are used. **Descriptive research** includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. Whereas **qualitative research** is specially important in the behavioural science where the aim is to discover the purchase decision of car users. Through such research researcher can analyse the various factors which motivate people to behave in a particular manner or which make people like or dislike a particular thing.

**Primary data:** It refers to the data that the investigator collects for the very first time .It will provide the investigator with the most reliable first-hand information about the respondents. This may be collect from direct personal investigation, indirect oral interview; mailed questionnaire etc., In this study, the source of data is primary data through **questionnaire method**. The data is collected around Chidambaram town area among 100 respondents. **Secondary data:** The data which is collected through various published sources such as journals, text books, unpublished resources and internet were used in this research work. The purpose of analysing data is to obtain usable and useful information. The analysis, irrespective of whether the data is qualitative or quantitative, may:

- Describe and summarise the data
- Identify relationships between variables
- Compare variables
- Identify the difference between variables
- Forecast outcomes

**TOOLS USED IN THIS RESEARCH:**

- Descriptive analysis
- Factor analysis

**Table 1 - Descriptive statistics of promotional related attributes while making purchase decision**

	N	Minimum	Maximum	Mean	Std. Deviation
<b>Low financing rates</b>	100	1	5	3.22	1.069
<b>Schemes and discounts</b>	100	2	5	3.40	.829
<b>Campaigns/exchange melas/car shows</b>	100	1	5	2.68	1.213
<b>Advertising images</b>	100	1	5	3.28	1.190
<b>Valid N</b>	100				

**Interpretation:**

The above descriptive statistics shows that the promotional related attributes, In this various attributes schemes and discounts of the car having the highest mean value 3.40 followed by advertising images of the car with mean value of 3.28 then low financing rates of the car having the mean value of 3.22 and campaigns/car shows/exchange melas were stands with the mean value of 2.68.

Table 2 - Factor analysis on different factors influence to make purchase decision

	Component 1	Component 2	Component 3	Component 4	Component 5
Shape of the car (e.g. hatchback or sedan)	.873				
Manufacturer's/Brand (e.g:Maruti ,Hyundai)	.819				
Car class (e.g. economy or luxury)	.807				
Colour and size	.662				
Dealer sales staff	-.545				
Models (e.g. package sizes such as Alto Lxi)		-.720			
Design		.668			
Previous experience with the brand				.526	
Friends and neighbours			.703		
Family members and relatives			.649		
My job position			.579		
Brochures/Car magazines/consumer reports				.522	
Ways to purchase (e.g. dealers that sell it)					.634

### Interpretation:

The factor analysis extract the various influencing factors into five new components and the five groups named as “**Corporate class**” based on its 5 different factors such as shape of the car, manufacturer's/brand, car class, color and size, dealer sales staff. Two factors were loaded in 2<sup>nd</sup> components such as models and design and it is named as “**Product model**”. In the third component, three components were loaded namely friends and neighbours, family members and relatives, my job position and it is named as “**Word of mouth**”. Two factors previous experience with brand, brochures/car magazines/consumer reports and its loaded as 4<sup>th</sup> factor and it is named as “**Promotion aspects**” and finally fifth factor termed as “**Dealer influence**”.

## Findings and suggestions

The result of the survey shows that customers perceive many factors when deciding to purchase their car. Firstly, most of the customers are bargaining during the purchase and at the same time, customers give more importance to cost of spare parts, schemes, discounts and service centres. So, it is suggested that the car manufacturers may reduce the price of the cars by offering various schemes and discounts by providing certain percentage of discount for the customers who are already having the same brand of car, which helps to increase the sales.

It shows that customers looking forward to presence of safety features when buying cars. So, the suggestion to the manufacturers or carmakers is to produce the cars with higher safety features like automatic speed control, alert to the adjacent vehicles by sensors, vehicle to vehicle communication, Instead of using high-strength steel and aluminium, use carbon fiber material for the car body. It will reduce the weight of the car, using carbon fiber to reduce the weight could improve fuel economy. These things may help the customers to be better safety.

## Conclusion

The objective of the study is to identify the purchase decision of the car and the influencing factors, important factors of the customers while making purchasing decision had found out through the various analysis. In the fast world, family needs enhanced the purchasing power more and more people initiate to buy a car. It can be concluded that purchase decision determined by the safety features of the cars. Customers involving price bargaining and they give more importance to car spare parts, schemes and discounts and service centres. So, the decreasing price of the cars, increasing service availability and the production with more safety features helps to increase the sales of the cars. Keep these things in mind while planning the manufacturing and marketing of their cars.

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