

On a shopping spree

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Prospective car buyers tap various sources for information, but their decision is influenced by a mix of rational and emotional factors.

WHY does someone buy a car? Ask yourself this question and you'd probably come up with several answers. Of course, the most obvious reason is functional – a car takes one from one place to another. But that's not all. Other factors too trigger the purchase of a car, though rational or need-based factors are most often the primary purchase triggers.

This was confirmed by the *Business Line-Indica* survey that found 54 per cent of the respondents ranking the need to upgrade from a two-wheeler as one of the top three reasons for buying a car. And 31 per cent of the respondents declared the primary reason they bought a car was because a two-wheeler was becoming too inconvenient given the family's needs. Forty-nine per cent said they bought a car because there was a need to travel long distances.

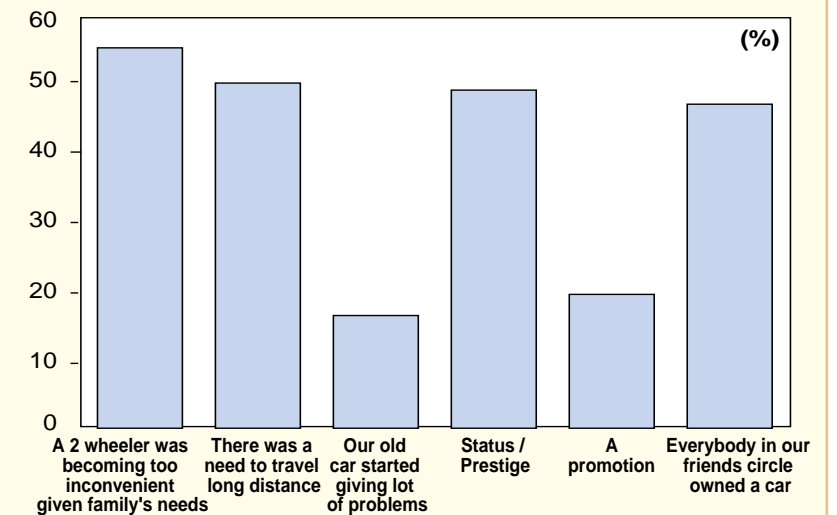
The emotional\psychological triggers come next, with 48 per cent of the respondents declaring that the purchase of a car was triggered by the fact that a car is considered a status symbol. And 46 per cent of the respondents across cities said their decision to buy a car was triggered by the fact that all their 'friends' owned a car. Twenty per cent said there was a 'need' for a second car in the family, while 11 per cent said the family 'needed' a car.

And while the functional reasons for the purchase of a car were important across all the cities surveyed, it was only in New Delhi, Mumbai and Hyderabad that the rational triggers dominated. And even in Delhi, the status (emotional) factor was just one per cent behind the more functional reasons



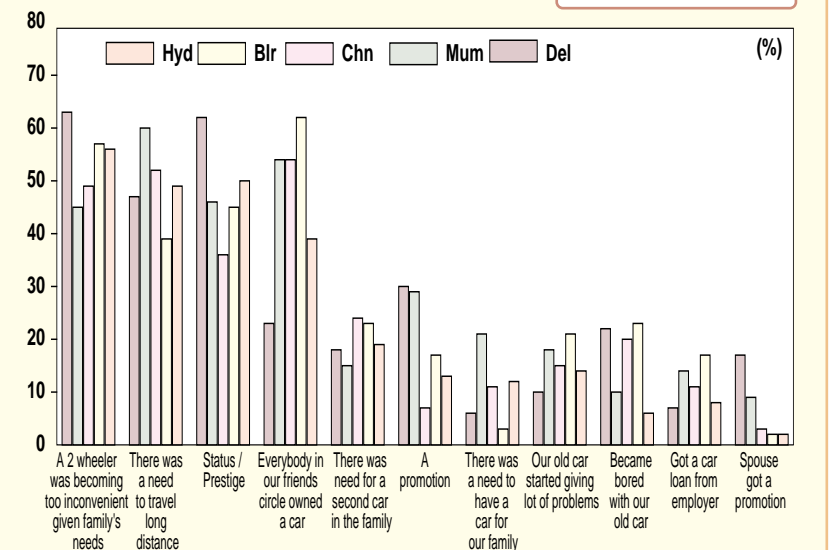
Pic: Ramesh Sharma

Purchase triggers (Top 3 ranks)



In some cases column totals may not add up to 100 per cent as multiple responses were elicited from respondents.

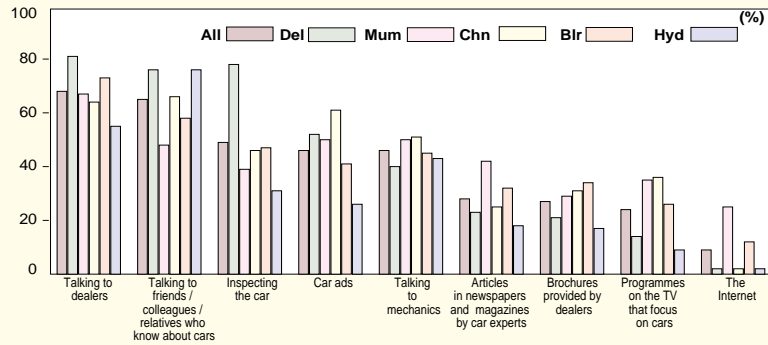
Purchase triggers across cities



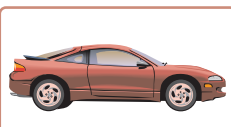
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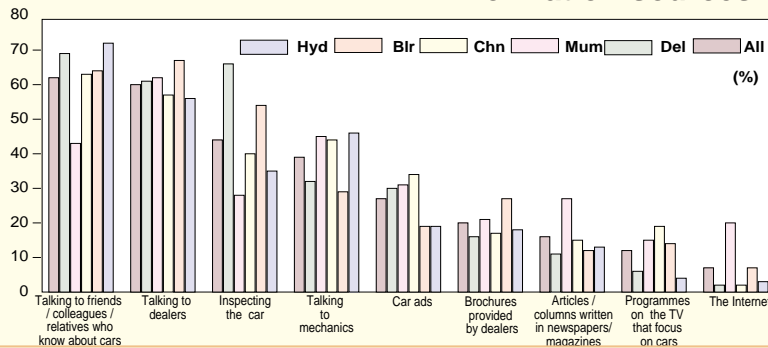
Where was information sourced?



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How reliable were information sources?



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for buying a car. The pattern that emerges is that while functional factors do influence the decision to buy a car, other emotional and social factors play an almost equally important role. The bottomline is that the decision to buy a car is sparked off by a desire to move up or upgrade; of course this headway can be in purely functional terms or on an emotional level too.

Information search

Once you have decided to buy a car, the next step is to search for information on the brands available. This happens even if the prospective buyer already has a specific car brand or model in mind.

On an average a buyer gathers information from multiple sources - generally from three or four. Of these, talking to the car dealer is the most common source, and also considered the second most reliable. Across cities 68 per cent of the people surveyed did this, and 60 per cent felt the information sourced from a car dealer was reliable. The dealer was also a leading source of information in all the cities surveyed. However, dealers topped the reliability ratings only in Bangalore and Mumbai. Next in popularity are the views of friends and relatives, with 65 per cent of the respondents claiming to have made use of information gathered from this source. While 62 per cent across the cities declared this to be dependable, it topped the reliability charts in Delhi, Chennai and Hyderabad.

Interestingly, car advertisements were used to gather information by only 46 per cent of the respondents across the cities, with those in Chennai (61 per cent) giving it some importance. However, very few people seem to find ads to be dependable, with just 27 per cent declaring that they are reliable. Here again, respondents in Chennai (34 per cent) seem to have greater faith in car advertising.

Another interesting finding is that despite the cyber boom, the Internet is still not a favourite source of information, at least when it comes to buying cars. Only nine per cent of the respondents use it to collect information on cars. And most of those who use online sources for gathering dope on cars are from Mumbai, 25 per cent. And while seven per cent of the respondents across cities believe the Net is a reliable source of information, among the individual cities, 20 per cent of the Mumbaikars believe so.

Making a choice

Once all the information has been gathered, next comes the question of taking a decision on which brand to choose. At this stage two

elements influence the potential buyer. One is a set of more rational factors such as performance, after-sales service, repayment of loans and so on. The other factors that come into play at this stage are the more emotional factors such as the shape of the car, its looks, colour, image and so on. The family too plays a role here, with its influence being felt more in terms of the emotional factors. And while the buyer is often influenced in his or her choice by the more emotional factors, he/she tries to legitimise this choice by linking it to some functional advantage of the car.

The actual stage at which a particular brand is chosen varies. Twenty-eight per cent of the respondents declared that they decided on the car to buy after visiting a dealer, while 20 per cent said they took a decision after talking to friends or relatives who are supposed to know more about cars. Eighteen per cent said that they really could not say exactly when the decision to buy a particular car brand was made.

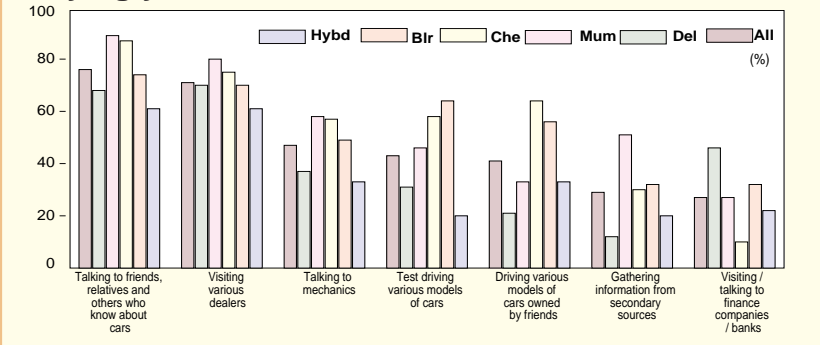
There are no major differences on this parameter when it comes to sub-classifications such as new and second-hand cars, or luxury and small cars. The only exception is when it comes to the purchase of a second-hand car. While eleven per cent of the respondents say that they consulted a mechanic before buying a car, 30 per cent of those who bought a second-hand car say they sought a mechanic's advice before making the purchase.

The purchase process

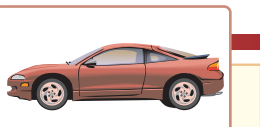
The *Business Line*-Indica survey also examined just what the potential buyer does before actually buying a car. Talking to relatives, friends and others who know about cars topped the list of activities that happen while a car purchase is being contemplated, with 76 per cent of the respondents across cities opting for this. Seventy-one per cent of the respondents also visited the dealers. Of course this would, in



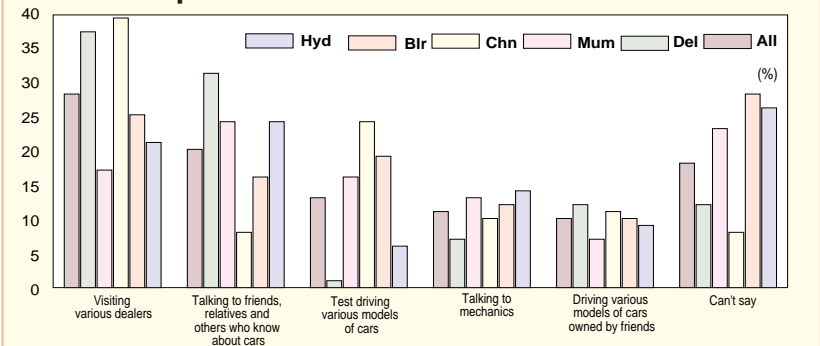
What did you do before buying your car?



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When was the brand decided upon?



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all probability, have been in search of information. Talking to a mechanic and actually test-driving various models of cars came next at 47 per cent and 43 per cent respectively. Discussions with finance companies and banks comes relatively lower down the list, with 27 per cent opting for this while deciding on the purchase. There are no major differences between various segments on this parameter, except that more people who intend to buy a second-hand car consult a mechanic before the purchase. ■