

## **INFLUENCE OF PRICE BY CONSUMER BUYING BEHAVIOR IN THE AUTOMOBILE INDUSTRY IN SOUTH TAMIL NADU**

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### **ABSTRACT:**

Price is one of the most important factors that influence consumer buying behavior in the automobile industry in Chennai. There are several ways in which price can impact consumer decision-making: Budget constraints: Consumers in Chennai may have a specific budget in mind when considering purchasing an automobile. They may be limited by their financial resources and therefore choose a vehicle that fits within their budget. Value for money: Consumers in Chennai may also consider the value for money that an automobile offers. They may compare the price of a particular vehicle with its features, performance, and overall quality to determine if it is worth the investment. Perception of quality: The price of an automobile can also influence consumer perception of its quality. In Chennai, consumers may associate a higher price with better quality, and may therefore be willing to pay more for a vehicle that they perceive to be of higher quality. Brand reputation: Consumers in Chennai may also consider the reputation of a brand when evaluating the price of an automobile. They may be willing to pay more for a vehicle from a brand that is known for its quality and reliability. Availability of financing options: The availability of financing options can also impact consumer decision-making when it comes to price. Consumers in Chennai may be more likely to choose a higher-priced vehicle if financing options are available that make it more affordable. In summary, price is a critical factor in the decision-making process of consumers in the automobile industry in Chennai. The price of a vehicle can impact consumers' perception of its quality and value for money, and can also influence their brand preference and willingness to purchase based on available financing options.

**KEYWORDS:** Consumer, Buying behavior, Automobile, Budget, money.

### **INTRODUCTION:**

Each of us is a customer in some way. Every one of us and every product category has a distinct purchasing process for products and services. He is regarded as important because customers currently control and dominate the market the ruler. As a result, customers alone choose if they want to purchase a certain brand or product. A marketing manager's primary responsibility in contemporary marketing would be to understand the purchasing habits of the target market (Kotler, 2009). Given that each person is a unique combination of genetics, environment, and experience, it is difficult to forecast the complicated minds of customers. If this conundrum can be answered, then customers buying decision of the cars.

## LITERATURE REVIEW:

**Methodology:** R. Sangeetha Lakshmi (2021) Although consumer preference cannot be perfectly anticipated, it can be done to some extent through consumer research. Globalization has increased competition in the small car market, so companies must focus on assessing consumer preferences to win over and keep customers in the long run. In India, the need for tiny automobiles is being driven by shifting incomes and rising gas prices. Due to parking issues and the rising number of nuclear families, the need for tiny cars is rising. As a result, when designing products, manufacturers should consider the needs, wants, likes, and preferences of the consumer. The researcher would be thrilled if the comments and ideas given here based on the study done were to be adopted. This research is a satisfying activity for the scholar.

Dr. T. Dhanabalan (2013) The consumer's perceived worth is a crucial element that motivates customers' buying decisions, which answers the research issue of what qualities influence the Tamil Nadu consumers' decision to buy an automobile. The perception of value by consumers was uncharted territory of examining the value provided by consumers. Prior studies either looked at the perceived value of Chinese goods in India (Schniederjans et al., 2011) or the Indian market for imported cars (Cato, 2014). It had been crucial for understanding whether Indian consumers evaluated the value of Maruthi Suzuki cars. They have been subjected to these brands for over twenty-five years, and that's why. Brand, price, quality, design, usefulness, and technical considerations are likely to be the first six factors consumers acknowledge when making their decision.

Mandeep Kaur and Sandhu (2006) attempted to find out the essential features that a customer considers while purchasing a new car. The study covers the owners of passenger cars living in the major cities of the State of Punjab and the Union Territory of Chandigarh. The respondents perceive that safety and comfort are the passenger car's essential features, followed by luxuriousness. So the manufacturers must design the product giving maximum weight age to these factors.

## METHODOLOGY:

For the goal of structuring the research process and designing the tools that will be employed for the project's purpose, research methodology is required. More specifically, it pertains to methodically designing a study to guarantee valid and trustworthy outcomes that answer the goals and objectives of the research. Our study methodology aids in determining how the automotive sector responds to environmental concerns. This time, the research methodology has been set up with the intention of examining and rating the green supply chain management practises used in the automotive sector.

## RESEARCH FRAMEWORK:

### FACTORS INFLUENCE PRICE OF VEHICLE

Demand for Vehicle
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**Real incomes of car buyers relative to car prices**

**The cost and availability of motor finance**

**The cost of running a vehicle**

**Consumer confidence**

**The end of the government's Scrap page Incentive Scheme and the rise in VAT**

## **HYPOTHESES:**

### **Demand for Vehicle**

These are new cars that utility companies and the police department utilize, as well as fleet cars used by businesses that provide car rentals and taxi services. In the second half of 2010, fleet car demand increased, but 2011 may witness a fall in demand due in part to cuts to public sector investment.

### **Real incomes of car buyers relative to car prices**

The desire for new cars has a strong income elasticity. We anticipate a rise in demand for new cars as their price drops when real incomes are increasing (i.e., pay is rising faster than inflation). This aspect is anticipated to result in a decline in demand in 2011, as millions of individuals have seen their wages frozen or reduced, which, along with increasing taxes, such as the VAT, is lowering real disposable income.

### **The cost and availability of motor finance**

The cost of operating a car is rising much faster than the average rate of consumer price inflation. Fuel costs are at an all-time high, and the cost of auto insurance is rising quickly. High petrol prices may not always result in a decline in vehicle demand because newer cars are frequently more fuel-efficient than older models, giving buyers the opportunity to save money.

### **The cost of running a vehicle**

The cost of operating a car is rising much faster than the average rate of consumer price inflation. Fuel costs are at an all-time high, and the cost of auto insurance is rising quickly. High petrol prices may not always result in a decline in vehicle demand because newer cars are frequently more fuel-efficient than older models, giving buyers the opportunity to save money.

### **Consumer confidence**

A new car is a significant investment, and with the macroeconomic environment still being unclear, consumers are not confident that now is a good time to make such a purchase. People are struggling because of the recession, therefore many will decide to put off getting a new car until things get better. Many people's thoughts in 2011 will be dominated by the worry of job losses (in the public and private sectors).

### **The end of the government's Scrappage Incentive Scheme and the rise in VAT**

The vehicle scrappage program, which aims to gradually phase out unfit and polluting cars in a sustainable manner, has officially been introduced by the Indian government. Automated Testing Stations and Registered Vehicle Scrapping Facilities spread around the nation will supply the infrastructure for this endeavour. The scrappage regulation kicks in after a vehicle's registration time has passed. Commercial vehicles typically have a ten-year life span compared to private passenger cars' 15-year lifespan, during which time they significantly increase their pollution levels compared to when they were first purchased.

The policy has a number of useful goals. Older vehicles are a significant contributor to pollution, thus eliminating them from circulation will improve public health and contribute to the battle against climate change. The destruction of used cars will boost new car production and sales significantly, which will be good for the auto industry and related enterprises. The cities of India are among of the dirtiest in the world. In this article, the research on programmes and tactics to hasten the scrapping of cars is examined.

### **RESULT AND DISCUSSION:**

There are good reasons to believe challenging year for the Chennai automobile industry. The production in Chennai factories will be directly impacted by the expected 5% or more fall in new car sales. Although changes in the pound exchange rate will affect the balance between demand for domestically and internationally produced cars, it will also have an impact on the desire for imported new vehicles. Customers' perceptions of value so affect their purchasing choices. The high positive connections made it abundantly evident that the most important elements are quality, utility, and technical consideration. In order to boost the perceived value by consumers, manufacturers should focus on these areas and apply them to their cars. A marginal predictor that also has a positive correlation with perceived value can be either brand or price. This result showed that consumers may receive more values and feel more satisfied if their spending grows gradually on the finest brands.

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