

INFLUENCE OF OCCUPATION ON PURCHASE INTENTION OF CARS

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Abstract

In modern world economy, car ownership is a major parameter to understand economic development of any country. Increasing degree of car ownership signals countries' economic and social development. Academic researchers and marketers utilize consumer demographics to identify consumers' characteristics that will help them segment the consumer market for automobiles. Moreover, demographic factors of consumers are the most readily available and easy method to measure individual consumers. This research shows the study of the influence of occupation on a consumer's purchase intention of cars. The total sample size chosen was 200. The survey was conducted using a questionnaire, which included a total of 16 questions. The respondents included the citizens of India. The data is analyzed using two methods- descriptive analysis and inferential tools such as correlation and regression. The research included four variables such as Income Level, type of Occupation, level of occupation, Purchase Intention. Out if this purchase intention was dependent on the other three variables. The results showed that occupation has a very weak impact or influence on the purchase intention of cars.

Keywords: *Purchase intention, occupation, Income level.*

I. INTRODUCTION

The automobile industry has a leading position in emerging economies as a result of the recent

technological developments and significant changes in social life. India is an emerging market for worldwide auto-giants. Due to low cost of labor many multinational companies are investing in India. Its automotive industry has grown rapidly from the mid 1990's. Indian market before independence was seen as a market for foreign vehicles. The automobile industry in India mainly focused on servicing, dealership, financing and maintenance of vehicles. The Indian automobile industry includes two-wheelers, trucks, cars, buses and three-wheelers that play a vital role in the growth of the Indian economy. According to Janson (1989) and pendyala et.al., (1995) car is modeled as a function of socio economic variables, household characteristics or public transport services.

Academic researchers and marketers utilize consumer demographics to identify consumers' characteristics that will help them segment the consumer market for cars. Moreover, demographic factors of consumers are the most readily available and easy method to measure individual consumers purchase intention. Moreover demographic factors of consumers may provide information that will help predict consumer behavior in terms of consumers' segmentation with psychographic variables. Therefore, the study uses demographic factor to explore the correlation of consumers' intention to purchase a new automobile, because demographic factors can describe in more detail what individual

consumers need and want. Various other market environmental factors such as advertising, distribution channel, selling price, and brand also affect a consumer's intention for purchasing an automobile. This paper is an attempt to examine the influence of occupation on the purchase intention of cars. The study focuses on understanding the consumer behavior towards the purchase intention of cars on the basis of their occupation. Consumer behavior examines how emotions, attitudes and preferences affect the buying behavior of a consumer. It is also concerned with all persons involved either directly or indirectly in the purchase decision and consumption activities. These also include brand-influencers and opinion leaders. The study done by other researchers on the purchase intention of automobiles have been conducted in various foreign countries such as Malaysia, USA, Pakistan etc. These researchers have done their study on the basis of various demographic factors.

Demographics factors include age, family size, gender, income, occupation, education level, marital status etc. Age is constantly used with other demographic factors such as gender, income, and race when conducting research on consumer behavior. In addition, age has a strong correlation with the income of consumers. Demographic factor plays a very important role in the purchase intention of a product or service. Similarly occupation, income level and family size play a very important role in the purchase of cars. Purchase Intention refers to a customer's willingness to purchase a particular good or service. Purchase Intention is therefore a dependent variable that depends on various internal and external factors.

II. REVIEW OF LITERATURE

Kotler, Keller (2006) According to Kotler and Keller the demographic factor can be divided into gender, age, income, educational background, race and marital status. The demographic factors chosen by them in their study were- gender, age, income and race.

Kaushal (2013) this research paper explores and conceptualizes various factors and develops a model, which influence the purchase patterns of cars. Data for the study was collected from 400 car users' sample from four cities in Uttar Pradesh through a structured questionnaire with 39 items on five-point scale. The study identified five important factors that influence the buyer behavior to purchase a car, viz., safety & security, esteem, operational convenience, economy and quality.

Eze et. al. (2012) this research paper talks about the factors affecting the purchase intention of cars in Malaysia. The research was done with the help of questionnaires. A total of 1018 copies of the questionnaire were distributed. The data analysis was done with the help of SPSS. As per the research the major factors that affected the purchase intention was the knowledge about the product, price, brand name, advertising.

Altaf, Hashim, (2016) this research shows the purchase intention of cars in Pakistan. The survey was done in two cities of Pakistan- Islamabad and Lahore. A sample size of 200 was chosen and the research was done with the help of questionnaire. According to the research the factors influencing the purchase intention of cars in Pakistan are- Product intrinsic and extrinsic characteristics, Value added features (such as spare part availability, warranty, and technical support), Price, Word of Mouth communication, Social and media Influences, and relationship with

dealers. However, three predictors of auto purchase intentions stand out as the most significant factors, i.e. Product, Price, and After Sales Services.

Narteh et. al. (2012) According to the study done by them in Africa they found that the factors affecting the purchase of cars in Africa were- the brand awareness, specification of a car, emotional connection, accessibility and the external influences.

Dias (2004) Dias did a research on 4 different variables for the consumer purchase behavior. These are- automobiles, electronics, clothing and household goods. The research sample consisted of 561 respondents by online survey and adopted the snowball sampling method to collect data. After the survey he found that the income of the consumer affected the purchase of automobiles and clothing, whereas there was no affect of the income of the consumer on the purchase of household goods and electronics.

Fab et. al. (2012) this study adopted the Theory of Reasoned Action model to explore the correlation between demographic factors of consumers and their intention to purchase an automobile in Los Angeles, the United States. The study undertook an online survey to collect data by the snowball sampling method. The research sample of the study was collected from working adults, who were 21 years old and above who were either living or working in Los Angeles County. The number of respondents of this study was 562. The demographic factors included in this research were gender, age, race, and income of consumers. The study concludes that the demographic factors that affected the affected the purchase intention most was the race of the consumers and the income of the consumers had no impact.

Thiripurasundari (2016) this study focuses on durable goods relating to automobile industry, especially passenger cars. This research is related to studying those factors that are responsible for influencing the purchase decision of a brand and to determine the most important factor among them, which a car buyer thinks, would influence his/her car brand decision. This is a descriptive study of the factors influencing brand equity among the car owners in Puducherry.

Prasitphol, Serhateri (2002) explored those demographic factors (age, gender, income, occupation, and education) of consumers in Japan, Thailand, and the United States. The result of Prasitphol's research indicated different demographic factors affected consumers in terms of their culture. Culture consists of unique idiosyncrasies that influence the attitudes and beliefs of consumers, which in turn affects the consumers' purchase intention and purchase behavior. As a result, gender was one of influence factors affected the intention of consumers to purchase an automobile in these three countries. Income only affected the intention of consumers to purchase an automobile in Thailand.

Bhat and Sen (2006) this research was related to finding the impact of different demographic factor such as income, family size and gender in United Kingdom. The research found that higher income consumers were more likely to have passenger cars, SUVs and minivans and they also stated that the presence of children had a significant effect on consumers' purchase decisions, because parents tend to have SUVs and minivans for safety and comfort. Gender and employment status were also found as statistically significant influencers. An extensive data cleaning and filtering process was applied to derive the analysis data set for this study. The analysis in this

study is restricted to understanding multiday travel behavior and activity allocation for working adults 18 years and over, in recognition of the structural differences that may exist between workers and non-workers in how they allocate activities and time across weekdays and weekend days.

Letchumanan et. al. (2016) this paper is related to finding the impact of brand name on purchase of automobile in Malaysia. A theoretical framework was used to analyze the hypothesis. The survey was done with the help of a questionnaire to explore the relations between branding and consumers' decision-making process. There were a total of 120 respondents from Johor Bahru, Malaysia. The results were analyzed based on the key terms: brand equity, brand loyalty, brand awareness, pricing strategy, consumer behavior, and purchase decision. The results showed that the consumers have a strong preference towards branded cars, which are associated with good quality and superior performance. Branded cars also have a positive effect on a consumers' status in the society.

Jiang and Shengjun (2016) this research paper is related to finding the purchase intention for electric vehicles in China from a customer-value perspective. A total of 480 respondents were there out of which 454 responses were valid. The respondents were mainly adults who have driving experience. The results revealed that customers pay more attention to the environmental value of Electric Vehicles but have fears related to electricity leakage, explosions or radiation exposure from batteries. These findings indicate that the Chinese government's support for Electric Vehicles is still not sufficient, and that government promotion of a low-carbon lifestyle must be enhanced.

Statement of Problem

Few studies have considered only age, gender and income in the demographic factors. They have thus neglected the other demographic factors such as family size, marital status and occupation. Also, there have hardly been any studies conducted in India.

Objective

1. To determine whether or not the occupation of an individual is affecting his/her purchase intention of cars.
2. To ascertain the role of occupation on purchase intention of cars as a whole.
3. To find which occupation has the most influence on the purchase intention.
4. To determine the other factors in relation to the car that affects the purchase intention of car of a consumer.

Conceptual Framework

Demographic factors are the factors that are used to define the characteristics of a person or a population. Some commonly used demographic factors include race, age, gender, income, marital status, job, religion and educational achievement. The demographic factor used in this research study is Occupation. The willingness of a customer to buy a certain product or a certain service is known as purchase intention. Purchase intention is a dependent variable that depends on several external and internal factors. For the current study the different types of cars that will be included are: SUV, Sedan, Hatchback, MUV, VAN.

Hypotheses

H1: The level of occupation will have a positive influence in the purchase intention of cars

H2: Income has a positive influence in the purchase intention of cars

H3: Occupation of the consumer will have a positive influence in the purchase intention of cars

III. METHODOLOGY

- Data Collection- Primary data is being collected with the help of questionnaires. The type of data used will be qualitative and quantitative.

- Data Analysis- The data will be analyzed by using two methods descriptive analysis and inference tools (correlation and regression).

- Sample Size- Based on the research done by various authors the sample size used will be 200.

- Sampling method: Convenience sampling.

IV. DATA ANALYSIS

Correlations			
		P.I. total	Occupation
P.I. total	Pearson Correlation	1	.097
	Sig. (2-tailed)		.173
	N	200	200
Occupation	Pearson Correlation	.097	1
	Sig. (2-tailed)	.173	
	N	200	200

The Pearson’s correlation between purchase intention and occupation shows the value of 0.097. This shows that there is a weak positive relation between the two variables but the significance level shows the value of 0.173, which is greater than 0.05 and thus this correlation is not significant or there is no significant relationship between the two variables.

Correlations			
		P.I. total	INCOME
P.I. total	Pearson Correlation	1	.150*
	Sig. (2-tailed)		.034
	N	200	200
INCOME	Pearson Correlation	.150*	1
	Sig. (2-tailed)	.034	
	N	200	200

*. Correlation is significant at the 0.05 level (2-tailed).

The Pearson’s correlation between purchase intention and income shows the value of 0.150. This shows that there is a positive relation between the two variables. Also, the significance level shows the value of 0.034, which is less than 0.05 and thus this correlation is significant or there is a significant relationship between the two variables. Therefore increase in income will have a proportionate increase in the purchase intention.

Correlations			
		P.I. total	OCCUPATION LEVEL
P.I. total	Pearson Correlation	1	-.064
	Sig. (2-tailed)		.365
	N	200	200
OCCUPATION LEVEL	Pearson Correlation	-.064	1
	Sig. (2-tailed)	.365	
	N	200	200

The Pearson's correlation between purchase intention and occupation level shows the value of -0.064. This shows that there is a weak negative relation between the two variables but the significance level shows the value of 0.365, which is greater than 0.05 and thus this correlation is not significant or there is no significant relationship between the two variables.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.218 ^a	.048	.033	3.382
a. Predictors: (Constant), OCCUPATION LEVEL, Occupation, INCOME				

The R square value shows 0.048. This shows that there is a weak relation between the independent variable and the dependent variable. The change in independent variable will have a minimal change in the dependent variable.

V. FINDINGS

The research shows that 59% respondents belong to the age group of 20-40, which shows the youth of India. As there is high population of youth in India most of the respondents belong to this age bracket. 31.5% respondents have an income of above 30,00,000 p.a. which also shows that their disposable income. From the data collected it can also be inferred that most of the respondents believe that their purchase intention of car is influenced by the change in their income. From the data collected it can be inferred that 51% respondents believe that their purchase intention of car is not influenced by their occupation. Most of the respondents prefer to purchase cars which cost less than Rs.20,00,000 i.e. 52% respondents prefer cars which cost less than 20,00,000. Safety, seat comfort and mileage are the most important features that the respondents look for in a car. There is a weak positive correlation between the purchase intention of cars and the occupation but

it is not significant. The correlation shows the value of 0.097, which is positive. There is a significant positive correlation between the purchase intention of cars and income, which means that a change in the independent variable (income) will have a proportionate change in the dependent variable (purchase intention). The correlation shows the value of 0.150, which is positive. There is a weak negative correlation between the purchase intention of car and the level of occupation and it is not significant. The correlation shows the value of -0.064, which is negative. The regression analysis also shows that there a weak relation between the dependent variable and independent variable as R square shows the value 0.048.

Conclusion

The research conducted shows that income plays a very important role in the purchase intention of cars but occupation has a very weak relation with the purchase intention of cars. The literature review also

showed various demographic factors, which influenced the purchase intention of car in various different countries around the world. The researchers had mainly focused on age, income, gender and the neglected other demographic factors such as family size, marital status and occupation. Therefore, future studies can be based on these factors and can study the purchase intention of consumers around India, as there have been very few studies that have been conducted in India.

VI. REFERENCE

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