

## New Media Influence on Compact Car Purchasing Decision Making in Tamilnadu: An Empirical Study

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### Abstract

In recent days consumerism in India is witnessing a change through by means of technology aspects such as new media. New media is today's technical advancement marketing channel via handheld devices through which the marketers can reach the consumers through their mobile phones, laptops, personal computers, PDA's, tablets, e-mail etc., The automobile market in India is predominated by New Media nowadays. Consumer is given more options to decide over his own ideas before purchasing a product. New media marketing is an effective market communication to reach the target audience. It is important to study the consumer behaviour of purchasing compact cars will give us feedback on how marketing strategies can be worked. A Simple Random sampling technique was adopted in the study to select the sample respondents. Descriptive statistical tools such as Percentage, Mean, Median and Standard deviation have been used to describe the profiles of consumers, new media marketing, preferred product attributes and level of satisfaction. ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like age, sex and income. Chi-Square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and satisfaction. Multiple regression analysis has been used to study the influence of income and lifestyle on overall satisfaction level of the respondents. Correlation analysis has been used to establish the relationship between 'the factors which influenced the purchase' and 'the factors which favoured the level of satisfaction'. This study concludes that new media plays a vital role in marketing compact cars and there is more scope for extensive research in this area.

**KEYWORDS:** New Media, Marketing Trends, Car purchasing decision, Internet Marketing.

### Introduction

In India, sales of compact cars are increasing day by day. It is hard and also impossible to generalize the human purchasing behaviour. Each individual has a unique heredity, environment and experience. To predict such individuals is a complex task. The new era of liberalization, privatization, globalization and technological advancement has brought many changes in the life style of the individuals. Marketers have to understand consumer's taste about what they want and what they want to purchase on what decision.

In India, Automobile Industry has got a higher market potential. There is a higher demand for Indian Automobiles. The purpose of this paper is to survey the influence of new media over consumers buying decision. The paper is divided into three main

sections. The first section discusses the growth of new media in India. The second section discusses the focus of marketers over consumers through new media. And the last as third section deals with the brief profile over the study area.

In India, technology revolution has made tremendous change in the life style of the individuals. Most of the individuals are having Desktops, Laptops, PDA's, Tablets, and Mobile Phones etc. Now the marketers have to concentrate on the advertising area of their products through new media. Multinational companies are entering into the Indian market and also made collaboration with the Indian companies. Also the economic growth and life style of Indians has made the individuals to go for compact cars for their life comfort.

Facebook is the most important platform for marketers in India for engaging customers, followed by Twitter, YouTube and blogging. In India, Maruti, Hyundai, Tata, Volkswagen India Ltd some of the leading car makers have entered into new media marketing with enormous amount of investments towards marketing their products. For an example, Hyundai Eon has made the Internet as their marketing media before the car was launched. A media campaign is made among the consumers before introducing the car. A start countdown of Eon car launching was made in their website. Most of the car makers have made their websites interesting to watch their product information meaningful which leads to marketing of their products.

### **Statement of the Problem**

Due to the emergence of globalization, liberalization and technological revolution there is a tough competition among the car makers. There is a necessity of purchasing a car among individuals to make their life comfort is increasing day-by-day. "Yesterday luxurious is today's necessities" - So the purchasing of compact cars for a mid-size family is increasing day-by-day. To be a successful marketer, the car producing companies have to concentrate to read the minds of the consumers and to reach the consumers through latest marketing styles like new media etc. In recent years, increasing numbers of businesses have been using the Internet and other electronic media in conducting their marketing efforts, giving the chance for Electronic Marketing (as a new marketing phenomenon and philosophy) to grow in a very dramatic and dynamic way. New media plays a vital role over the sales of a company or purchasing decision of a consumer now-a-days. The consumers are the individuals who are the target audience, have the latest handheld devices such as Mobile phones, Laptops, Desktops and Tablets etc., through which the purchasing decision are made. How new media has an impact on purchasing decision of compact cars in Tamilnadu is analysed in this paper.

### **Review of Literature**

*Hill and White (2000)* mention organisations tend to strengthen corporate identity, gather data, provide information to their stakeholders and the media via WWW. *Smith and Chaffey (2005)* "Achieving marketing objectives through applying digital technologies". *Strauss and Frost (2001)* "The use of electronic data and applications for planning and executing the conception, distribution and pricing of ideas, goods and services to create exchanges that satisfy individual and organizational goals". *Mandeep Kaur and Sandhu (2006)* attempted to find out the important features which a customer considers while going for the purchase of a new car. *Chidambaram and Alfred (2007)* reveal that there are some critical factors which influence the brand preferences of the customers. *Based on Lifetips (2007)*, the terms "public relations" and "media relations" are still used interchangeably by many; however they are not

exactly the same. *Satya Sundaram (2008)* analysed how the competition makes the automobile manufacturer to launch at least one new model or a variant of the model every year. *Clement Sudhakar and Venkatapathy (2009)* studied the influence of peer group in the purchase of car with reference to Coimbatore District. The purchase of midsize car or compact car is a result of the friend's influence of an Individual. *Datamonitor (2009)* The number of Internet users had a consistent increase until 2005. From then on, the growth rate is decreased and it is forecasted to be stable until 2013.

*Brown et al (2010)* analysed the consumers' attitude towards European, Japanese and the US cars. [http://articles.economictimes.indiatimes.com/2011-06-07/news/29629837\\_1\\_social-media-social-networking-global-firms](http://articles.economictimes.indiatimes.com/2011-06-07/news/29629837_1_social-media-social-networking-global-firms) (2011)

Increasing number of Indian companies are using social media as an effective business tool with 83 per cent firms in the country agreeing that without social media activity, marketing strategies cannot be successful, according to a survey. *Jawhar Sircar, CEO, Prasar Bharati (2013)* told the future of media is moving in the direction of the digital. Print, films, radio are all heading inexorably towards digitisation of their content and transmission. They would now have to chase their viewers, who are constantly on the move, rather than expect them to watch a fixed TV or sit at a PC desk.

<http://articles.economictimes.indiatimes.com/keyword/new-media> (2013) It hasn't caught on yet in the US, but a global ad campaign for Unilever's army of laundry detergents — sold in Asia as Omo, in France as Skip, and by other names around the planet — hailing that "Dirt is Good," is considered by experts to be a perfect example of a new path for marketing in the 21st century. *Suresh Babu, Digital Marketing Strategist, NSRCEL (2013)* Social networking websites like Facebook and Twitter have more than 250 million and 14 million registered users respectively. Over 346 million people read blogs while 184 million people are active bloggers themselves. With so many online platforms available today, what would be the best strategy for someone venturing into the social media space for marketing? <http://www.newmediatrendwatch.com/markets-by-country/11-long-haul/53-india?showall=1>, *eMarketer, (2012)*, the internet seems to follow its own logic when it comes to advertising influences. Ads in newspapers were actually tied with results in search engines as the type of ad most likely to prompt internet users in India to visit a website. Ads on TV and in magazines were not far behind. Here the present study differs from the above, the buyer behaviour in Tamilnadu by means of new media advertisements is to be analysed.

### Internet Usage in India

Internet penetration in India remains quite low, at just under 9% of the population, but due to the country's massive population, it trails only the US and China in terms of total internet users, according to a eMarketer report, 'India Online: Defining the New Digital Class'. Internet users and penetration in India, 2011-2016:

- 2011: 83.2 million (7.0% of the population; +31.4% change)
- 2012: 107.3 million (8.9% of the population; +28.8% change)
- 2013: 133.1 million (10.9% of the population; +24.1% change)
- 2014: 155.8 million (12.6% of the population; +17.1% change)
- 2015: 175.2 million (12.5% of the population; +14.0% change)
- 2016: 193.8 million (15.3% of the population; +10.6% change)

As internet users in India have become more familiar with the web, its role in consumers' lives has expanded and changed. The internet vies more and more for

consumers' attention, not only when looking for information and communicating with friends and family, but also for purposes of entertainment, taking eyes away from TV, as well as other traditional media. India had the sharpest growth in unique website visitors between 2011 and 2013, at 49%, more than double the growth rate in second-place Russia. And India's online growth still has some distance to go before it hits a ceiling, since most of its online category stats are low when compared to global averages. (<http://www.newmediatrendwatch.com/markets-by-country/11-long-haul/53-india?showall=1>)

### **Objectives of the Study**

The purpose of this research is to study the influence of new media marketing over the consumers, and its importance in the perception of product by consumers. Hence the study is aimed at the following objectives.

- a) To evaluate the consumer's perception and behaviour pertaining to the purchase compact cars.
- b) To identify the new media key factors influencing the purchase of compact cars.
- c) To find out the electronic devices through which the consumers often make purchasing decisions.
- d) To analyse the level of satisfaction among the respondents.
- e) To identify the preference of consumers over compact cars with other segment cars.
- f) To make suggestions from the findings of the study.

### **Methodology**

Before getting into the study, initially a pilot study is conducted. The present study is based on the perceptions, behaviour and satisfaction of the consumers over compact cars. The sources of the primary and secondary data are discussed. Questionnaire is used to collect the primary data. It has taken nearly two months to collect data over internet and as well as in person. Only sample respondents have been selected by adopting the Simple Random Sampling Technique. The secondary data has been collected from the companies' bulletins, annual reports and websites. The national and international journals, referred textbooks, business magazines are used for this research.

### **Sampling Design**

This study is conducted among the respondents of Tamilnadu whose monthly income is more than rupees twenty thousand. A Simple Random Sampling technique is used in the study to select the respondents. Overall 230 respondents were issued questionnaire that who are owning or willing to purchase a compact car. Nearly 30 respondents led to the rejection on account of incomplete responses. Totally 200 respondents are used for this study. The following tools were used in testing the hypotheses and in the analysis of the data. Descriptive statistical tools such as Percentage, Mean, Median and Standard deviation have been used to describe the profiles of consumers, new media marketing, preferred product attributes and level of satisfaction. ANOVA, t-Test and F-Test have been used to test the significant differences between the groups of respondents in their perception and satisfaction for selected independent variables like age, sex and income. Chi-Square test has been used to test the association between the consumer demographic characteristics and preferred product attributes and satisfaction. Multiple regression analysis has been

used to study the influence of income and lifestyle on overall satisfaction level of the respondents. Correlation analysis has been used to establish the relationship between 'the factors which influenced the purchase' and 'the factors which favoured the level of satisfaction'. Factor analysis is employed to identify the key factors responsible for the consumers' purchase of cars and level of satisfaction after purchase. Cluster analysis has been used to identify the consumers with similar tastes and preferences with respect to purchase of car.

### Analysis and Interpretation of Data

The results of the analysis of the collected data are presented below

- i) Impact of new media over individuals
- ii) Average ratings for the influence factors
- iii) Website ranking that influences consumers
- iv) Devices ranking that are used by consumers to reach advertisements.
- v) Level of advertisements on new media and its satisfaction among the respondents.
- vi) To identify the preference of consumers over compact cars with other segment cars.

#### i) New media Impact over Individuals

FACTORS	SAMPLE SIZE	YES	NO
Knowledge on New media	200	127	073
Advertisement Perception over New media	200	098	102
Purchasing Product over Online	200	036	164
Car Company Websites – Visit	200	085	115
Influence of New media over marketing	200	146	054

**Table – I: New media impact over individuals**

From the above table, the knowledge on new media is having a positive growth over individuals. Most of the respondents have knowledge in new media marketing. Watching advertisements over the internet via electronic devices is increasing but nearly half of the respondents have answered they haven't seen nor not interested to watch over the advertisements while they are browsing through websites. And also concluded that the influence of new media over marketing will have a positive increase in upcoming years is agreed by respondents.

#### ii) Compact Car Purchasing influence factors Ranking [1-10]

Factors	Mean	Median	Standard Deviation	Rank
Price	4.0125	4.000	1.2247	1

Fuel Efficiency	4.0120	4.000	1.1476	2
Luxury	4.0000	3.000	1.1345	3
Brand	3.9587	3.000	0.9877	4
Model	3.9555	3.000	1.2787	5
Driving/Space/Design Comfort	3.8675	3.000	1.0987	6
Maintenance	3.8633	3.000	1.2435	7
Resale Value	3.3452	3.000	1.1254	8
Sales and Service	3.3322	3.000	1.1341	9
Pick Up / Technology	2.1234	3.000	1.2322	10

**Table – II: Car purchase influence factors**

From the above calculated table, the ranking order defines that the customers are seeking price and fuel efficiency as the first concern before purchasing the cars. The others factors determines their choice over purchasing of a car.

**iii) Electronic Devices that influences New media marketing [200 Respondents]**

Factors	Desktop	Laptop	Mobile Phone	Tablet	Others
Watching Internet on	96	32	58	12	22
Advertisement is attractive in	96	32	28	nil	44
Which device is supportive for high speed access	76	74	15	33	02

**Table – III: New media marketing and Electronic devices**

From the table, the respondents have listed out their activities and their interest over new media in various electronic devices. From the results, we came to know that most of the respondents are still using desktops

**iv) Website Ranking [200 Respondents]**

Websites	Usage	Informative	Innovative	Rank
Company Website	112	112	150	1
Facebook	42	31	30	2
Twitter	18	8	12	3
YouTube	22	20	8	4
Orkut	4	4	-	5
Others	2	2	-	6

**Table – IV: Ranking of Websites**

From the table, the respondents had answered that the advertisements given in others websites is less informative than the company website. Also the company website has full information about the cars rather than others. The ranking is given in an order with due preference given by the respondents.

v) **Level of Satisfaction on New media advertising [200 Respondents]**

Factors	High	Reliable	Medium	Poor
Knowledge over new media	110	68	14	8
Knowledge on Social Media	110	68	14	8
Whether Advertisements are reachable to consumers through new media?	65	70	45	20
Is new media advertisement is acceptable?	47	48	76	29
Advertisement in new media is worth or not?	101	62	22	15
Is new media advertisement is increasing?	101	66	18	15
New media advertisement is attractive?	143	43	12	2
Information and specifications about car is enough in new media?	124	48	18	10
When comparing traditional marketing, new media advertisement is innovative or not?	165	33	2	-
What will be the future success of new media in India?	178	12	10	-

**Table – V: New media advertising and level of satisfaction**

From the above table, it is known that the impact of new media is increasing day by day. The familiarity of new media is also increasing among individuals for this study throughout Tamilnadu. Some of the respondents has answered that sometimes the advertisements on new media as pop-ups are irrelative while watching others.

vi) **Compact Car purchasing decision over others (in percentage)**

Factors	Compact Cars	SUV
Price	87%	13%
Fuel Efficiency	88%	12%
Luxury	56%	44%
Brand	68%	32%
Model	76%	24%
Driving/Space/Design Comfort	65%	35%

Maintenance	89%	11%
Resale Value	94%	6%
Sales and Service	88%	12%
Pick Up / Technology	64%	36%

**Table – VI: Car purchase decision among respondents**

From the above table, it can be concluded that the consumers are more towards price and fuel efficiency than the other aspects of car. Most of the respondents are seeking compact cars rather than SUV and high end cars. As Indians are economical in culture, their expectation in buying cars is also varies among individual to individual. Nearly 90% of the respondents have stated that their purchasing decision is towards compact cars because of its economical nature.

### **Findings**

From our study, it is founded that new media has impact over the car buyers who are internet savvy through their electronic devices like computers, laptops, mobile phones, tablets etc., Companies like Hyundai, Maruti, Volkswagen and Tata has a major role in new media marketing through websites like Google, Gmail, YouTube, Facebook, twitter, personal blogs, commercial websites and their own websites. The new media had a positive impact on consumer view over the cars they are going to purchase. Each of the individual has a wide knowledge on the product before they are going to purchase a product by getting information from product reviews from social websites, private blogs, and also through the company's website which contains information like product specification, colours, variants, and price detail by state wise. The new media marketing has made a positive improvement over marketing of the products. Also the internet usage is increasing day by day where the car makers can concentrate on new media marketing in a healthy and prosperous way.

### **Future Directions**

From the present study, it is come to known that the basic purchase behaviour and knowledge of the consumers before purchasing the compact cars. The consumers view over the product and their belief on a product by valuable advertisement through various media including new media is notable. The present study focuses on consumer behaviour over Tamilnadu. The study can be carried over the other states in India in future. The further studies conclude the technical advertisement is necessary in future. Research work can be carried out over the various car segments, various customers over all the states of India. There is a broad scope in the study on new media where researchers have wide choices to carry their research.

### **Conclusion**

From our study, the new media marketing has a positive impact on individuals before getting car by knowing its features and reviews through internet from their devices. Like traditional marketing, the individual is not in a situation to bend over the ideas and thoughts of the salesperson. In car marketing, new media has shown a high growth rate in reaching the individuals who are later become a consumer of a particular product. Still the car companies have to keep interest to penetrate through new media by making the consumer to come for their products. In India, Maruti Ltd,



Volkswagen etc., has developed a new trends in internet marketing. The percentage of new media marketing is increasing day by day in India which has a positive growth in coming years. From the study, it is come to known that there is broad research scope in the new marketing area in India. By not only knowing the consumer choice and preference the marketer has to know how to market their products in an innovative way.

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