

DRIVE AND DECIDE: UNVEILING THE MULTIFACETED INFLUENCES ON CONSUMER CAR PREFERENCES AND PERCEPTIONS

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Introduction

Currently, the car sector in India produces about \$100 billion each year, constituting 2.3% of the nation's GDP and accounting for 8% of total exports. Maruti Suzuki, Ashok Leyland, Tata Motors, Mahindra, Tractors and Farm Equipment Limited, Hindustan Motors, Kerala Automobiles Limited, Tara International, Vehicle Factory Jabalpur, and Reva are prominent players in the Indian automotive industry.

Recent years have seen an enormous shift in the Indian automobile industry, switching from a seller's to a buyer's market. The wide range of alternatives available to consumers has grown due to the entry of foreign automakers into the market (Kaur & Sandhu, 2004). Consequently, the factors that impact consumer purchasing decisions have gotten more intricate. The growing emphasis on sustainability and environmental issues significantly contributes to this shifting landscape (Krishnamurthy et al., 2022). Electric vehicles (EVs) are gaining popularity in India due to consumers' growing awareness of how their purchases impact the environment (Krishnamurthy et al., 2022).

Research has indicated that attitudes and environmental awareness are important factors in how likely Indian consumers are to purchase electric cars (Krishnamurthy et al., 2022).

But price is also quite important in the Indian market, especially in the middle and lower segments (Krishnamurthy et al., 2022). Offering electric cars that are both new compelling and affordable for the general public is the auto sector's main challenge (Krishnamurthy et al., 2022). The adoption of electric vehicles can be greatly accelerated by government policies and thoughtfully designed incentives (Krishnamurthy et al., 2022). The numerous obstacles to the broad adoption of electric vehicles can be addressed with the right kind of government assistance in conjunction with a better knowledge and comprehension of the advantages of electric vehicles among consumers (Krishnamurthy

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et al., 2022).

The car sector in India is multiplying. As their per capita income rises growing percentage of people are motivated to buy luxury goods like cars, jewellery, etc. It yields a comparable outcome because the auto industry is one of the areas of our economy that is expanding the fastest. The most widely used kind of transportation is still an automobile. (Gheorghe & Dan, 2011). However, attaining sustainability requires a decrease in motorized mobility. Thus, when coming up with alternative transportation concepts, it's essential to understand and consider the perspective of car users. (Gheorghe & Dan, 2011) He claims in his study that one of the four traditional components of the marketing mix is pricing and that consumers' decisions to buy durable items like cars are influenced mainly by price. Most Indians prioritize purchasing a car over purchasing a home. However, the availability of a wide range of brands from both domestic and foreign automakers has made it possible for Indians to buy a car and lead luxurious lives. Consumer purchasing decisions are influenced by the kind and brand image of cars and the manufacturers of those vehicles. Thus, they need to maintain their brand identities.

2. LITERATURE REVIEW:

2.1. Consumer behaviour & TPB in the Automotive sector

According to the TPB, when two people want to buy an automobile, for instance, the one who can afford it will buy it, while the one who doesn't have enough money might not be able to (Singh & Srivastava, 2019). Many researchers have employed TPB as a theoretical framework for exploring the purchasing behaviours of consumers (Singh & Srivastava, 2019).

The intense competition in all product categories has made consumer behaviour research indispensable. The automotive sector is currently the most profitable one in India. An increase in income levels, together with a few additional factors like car sales and Indians' way of life, have significantly changed as a result of EMI options and loan offers. The automobile industry's success rests on offering exceptional after-sales services and services and selling customers outstanding cars. Similarly, a study by (Roy, 2022) Offers a thorough introduction to consumer behaviour and a range of other behaviourally associated topics. Variables were produced via an in-depth analysis of several research articles that affect consumers' purchase options.

2.2. Brand Credibility

Examining the concept of brand credibility is crucial because it has a positive association with word-of-mouth marketing, customer retention, and satisfaction, among others, which increase a company's profitability and its ability to compete (Sallam, 2014). Previous research by (Othman et al., 2017) has shown that brand credibility is an essential

predictor of the satisfaction of consumers and consumer satisfaction was positively impacted by brand credibility. Therefore, the following hypotheses were suggested below.

H1: Perceived value was dependent on the brand credibility.

H2: Customer satisfaction and brand credibility were associated positively.

H3: The consumers' intention to purchase and the brand credibility were positively correlated.

2.3. Perceived Value

Researchers have focused a lot of attention on perceived value since it is essential for customer satisfaction, purchasing intent, and gaining a sustainable competitive advantage (Cuong, D.T, 2020). The literature contained several meanings of perceived value. Consumers neglect to benefit from owning or utilizing the good or service, known as the perceived value. According to previous research (Cuong, D.T. 2020), perceived value is both an essential aspect of consumer satisfaction and a predictor of it. Previous empirical research by (Baek & King, 2011) showed that perceived value influenced purchase intention. Thus, the following hypotheses were suggested.

H4: Perceived value and consumer satisfaction were associated positively.

H5: The consumers' intention to purchase and the perceived value were positively correlated.

2.4. Satisfaction

Customer satisfaction has been recognized as a crucial aspect of the business firm and an essential source of consumer pleasure (Kotler & Armstrong, 2016). When results are compared to expectations for a product or service, customer satisfaction refers to the knowledge of clients' satisfaction or dissatisfaction. Customers were unhappy if the results did not meet their expectations; they were content if the results fell short of their expectations; and they were delighted if the outcomes exceeded their expectations. Gaining customer happiness was also one of the main objectives managers had to accomplish. Adequate client satisfaction means going above and above the client's expectations, which gives the business a competitive edge. Studies conducted by (Othman et al., 2017) have shown that brand credibility positively influences consumer satisfaction.

2.5. Purchase Intension

In prior studies by (Rita et al., 2019) Four buyer behaviours are characterized by purchase intention: the buyer would undoubtedly buy the good or service, would anticipate buying, and would intend to buy the good or service in the future. The higher customer satisfaction increased the likelihood that a consumer would make a purchase. Previous empirical research (Alharthey, 2019) revealed that purchase intention was influenced by customer satisfaction. As a result, we proposed the hypothesis as follows.

H6: Purchase intention is positively influenced by consumer satisfaction.

3. OBJECTIVES AND HYPOTHESIS OF THE STUDY:

1. To analyze the extent to which brand credibility influences consumers' car preferences and perceptions. Considering factors such as brand reputation, trustworthiness, and past experiences with the brand.
2. To analyze the impact of perceived value on consumers' car preferences and perceptions, exploring how factors like fuel efficiency, warranty coverage, and overall value proposition contribute to consumer decision-making.
3. To explore the interplay between brand credibility, perceived value, and consumer satisfaction in shaping consumers' car preferences and perceptions, examining how these factors interact and influence each other within the context of car purchasing decisions.

3.1. Null hypothesis:

- H0: Perceived value was not dependent on the brand credibility.
- H0: Customer satisfaction and brand credibility were associated negatively.
- H0: The consumers' intention to purchase and the brand credibility were negatively correlated.
- H0: Perceived value and consumer satisfaction were not correlated.
- H0: The consumers' intention to purchase and the perceived value were not associated.
- H0: Purchase intention was not influenced by consumer satisfaction.

3.2. Alternative hypothesis:

- H1: Perceived value was dependent on brand credibility.
- H1: Customer satisfaction and brand credibility were associated positively.
- H1: The consumers' intention to purchase and the brand credibility were positively correlated.
- H1: Perceived value and consumer satisfaction were associated positively.
- H1: The consumers' intention to purchase and the perceived value were positively correlated.
- H1: Purchase intention is positively influenced by consumer satisfaction.

4. METHODOLOGY:

The population of car users in the study area of Tiruchirappalli City, which is situated in the middle of Tamilnadu, India, is the main focus of the research research. It is also unpredictable. The sampling strategy utilized is non-probability using a simple random sampling technique, and the sample size was set by the statisticians' recommendations. Based on a margin of error of $\pm 5\%$ & a 95% confidence level. Consequently, 385 were determined as the sample size. Although 450 sample responders had the intention to

provide information to the researcher. 9 questionnaires and 7 unexpected errors were identified after the data collection was completed. As a result, the researcher chose 434 Sample Respondents. There was use of both primary and secondary data. The primary data was gathered from the respondents using a structured questionnaire. The questionnaire was framed using a Likert scale with 5 points, 1 (strongly disagree) to 5 (strongly agree) after the questionnaire was compiled it was pilot-tested and finally distributed to the responders through Google Forms as well as in printed forms. Some of them were distributed via social media sites such as WhatsApp, and Telegram. The secondary data was gathered from books, journals, articles that had been published, etc. Here, the gathered data was analyzed using software like SPSS 25 and Microsoft Excel. The CFA and SEM for the proposed study were done using Amos 24.

Table:1 Questionnaire evaluation

Factors		Items	Mean
Brand Credibility	My extensive and favourable experience influenced my purchase decision in the automotive sector.	BC1	2.86
	The combination of high performance and low maintenance strongly impacted me.	BC2	3.05
	Brands that strongly prioritize safety features and consistently succeed in great crash-test scores significantly impact my decision-making process.	BC3	2.74
	Vehicles prioritizing fuel efficiency and incorporating eco-friendly features may be perceived positively.	BC4	3.17
	When making a purchase, I consider the investment's long-term value.	BC5	3.04
	The brand's entire image and perception have an impact.	BC6	3.05
Perceived Value	My decisions are driven by the capacity to personalize a car.	PV1	4.05
	The presence of positive reviews, along with favourable ratings from other consumers, significantly impacts my decision-making process.	PV2	4.00
	The extensive warranty coverage serves as a strong motivation for me.	PV3	3.98
	vehicles that offer good fuel efficiency are often perceived as providing better overall value	PV4	3.98

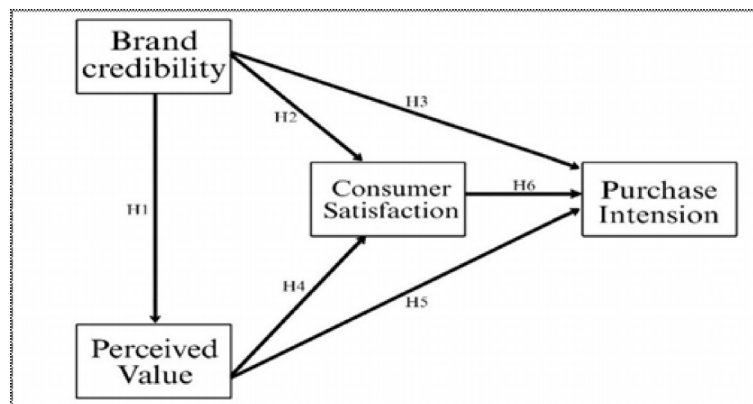
Consumer Satisfaction	I felt satisfied with the car's overall performance, including acceleration, handling, and ride comfort.	SF1	3.75
	I was satisfied with the car's interior for its comfort and ample space.	SF2	3.74
	excellent fuel efficiency, and reduced overall operating expenses satisfy me	SF3	3.91
Purchase Intension	A favourable evaluation of the cost-effectiveness improves the probability of making a purchase.	PI1	4.02
	I evaluate and purchase cars from esteemed and widely recognized automakers.	PI2	3.87
	I believe that cars are the epitome of luxury and prestige.	PI3	4.13

Source: Authors' Own Compilation

The above table 1 presents data on various factors influencing consumer behaviour in the automotive sector, with corresponding items and their mean scores. The factors include Brand Credibility, Perceived Value, Consumer Satisfaction, and Purchase Intension. Each factor comprises multiple items that capture different aspects of consumer perceptions and behaviours.

Fig 1: Conceptual Model (consumer purchase intention)

The interrelationships among all the variables mentioned above were presented in a conceptual model. Figure 1 illustrates the research model that has been developed based on the research's goal, literature review, and hypothesis formulation.



Source: Authors' own Compilation

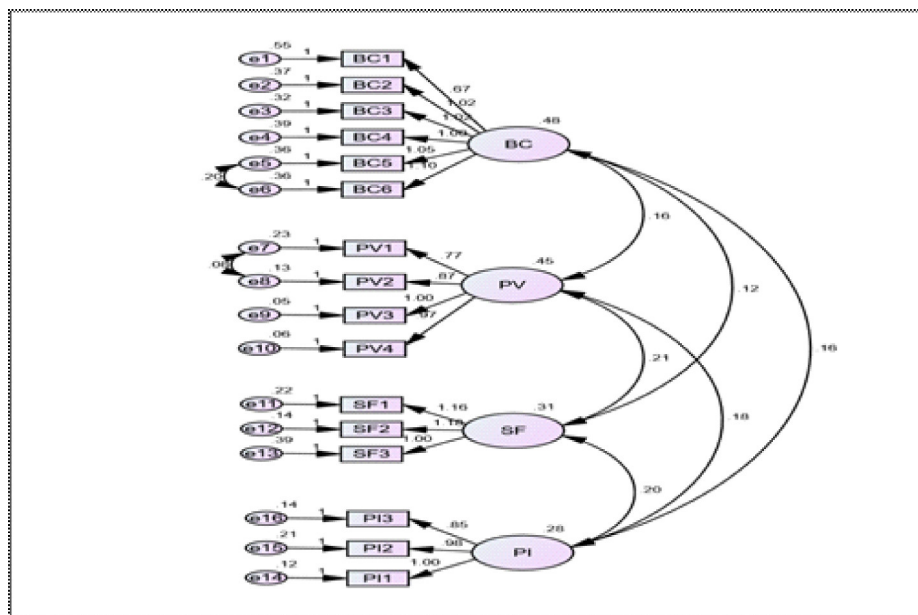
5. DATA AND ANALYSIS:

5.1. Confirmatory factor analysis:

Confirmatory Factor Analysis (CFA) is a powerful statistical technique that enables researchers to assess the validity and reliability of hypothesized factor structures within a dataset. This approach is particularly useful when researchers have a priori knowledge or theoretical expectations about the underlying factor structure of a set of variables.

All of the dimensions exhibited an adequate model-to-data fit, according to the CFA tests: the PCLOSE value was greater than 0.05 ($.158 > 0.05$), the RMSEA value was less than 0.08 ($0.056 < 0.080$), the SRMR value was less than 0.080 ($0.0450 < 0.080$), and the CMIN/DF value was less than 3 ($2.340 < 3$). Therefore, the model was excellent (see fig.2)

Fig. 2: Confirmatory factor analysis



Source: Authors' own Compilation

5.2. Accuracy of the measurement model

CV and DV were assessed to validate the measurement model. When the (AVE) is equal to or greater than 0.50, convergent validity is considered acceptable. It is also necessary to evaluate the construct's reliability (Cronbach's alpha and composite reliability) (Anderson and Gerbing 1988), composite reliability needs to be established. Its objective is to measure the reliability of the internal consistency of the measured items reflecting a latent concept. (Chinna 2009) states that a composite reliability of at least 0.70 is typically

considered to indicate strong reliability.

CR and AVE were valid by the method of (Lowry and Gaskin 2014). CR was found as BC (0.874), PV (0.925), SF (0.827) and PI (0.828). The results exceeded the 0.70 acceptable reliability threshold. Every factor's AVE value was higher than the required minimum (AVE>0.50).

Testing for discriminant validity was appropriate after convergent validity had been confirmed. When the correlation between the two constructs was less than the suggested value then the DV was achieved (see Table 2).

Table 2: Convergent validity

Factors	Cronbach's Alpha	CR	AVE	MSV	MaxR(H)
SF	.814	0.827	0.618	0.448	0.852
BC	.879	0.874	0.540	0.190	0.885
PI	.822	0.828	0.617	0.448	0.835
PV	.931	0.925	0.757	0.334	0.951

Source: Authors' own Compilation

Table 2 shows that the convergent validity standards are satisfied because the entire model's Cronbach's Alpha, (CR), and average variance explained (AVE) are all above the stated values.

Table 3: Discriminant validity

SF	BC	PI	PV
0.786			
0.315	0.735		
0.669	0.436	0.786	
0.578	0.343	0.520	0.870

Source: Authors' own Compilation

Table 3 shows that All of the AVE's constructs have more discriminant validity than the corresponding squared inter-correlated estimates. Therefore, there are no issues with validity here.

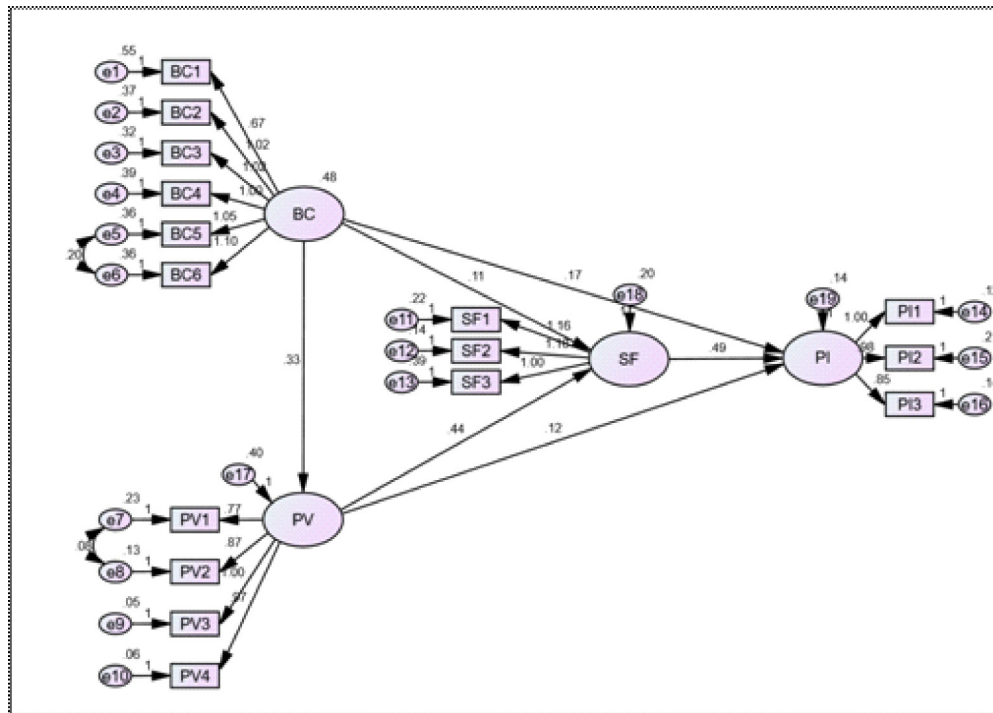
5.3. Evaluation for structural equation modelling

Structural equation modelling (SEM) is a powerful statistical technique that has gained significant attention in the fields of social sciences, psychology, and various other disciplines.

A structural model was evaluated in this study to look at the relationship between BC, PV, SF and PI (see Fig. 5). The model demonstrated a good fit to the data, CFI=0.971>0.90;

GFI =0.940, and RMSEA=0.056 < 0.088. This model demonstrates that the three factors, namely BC, PV, and SF, have a significant impact on PI.

Fig 3: Structural Equation Modelling



Source: Authors' own Compilation

Table 4: Hypothesis test

	Path	Unstandardised Estimates	Standardised Estimates	S.E.	C.R.	P	Sig.
H1	PV <--- BC	.330	.343	.051	6.494	***	Sig.
H2	SF <--- BC	.106	.132	.041	2.554	.011	"
H3	SF <--- PV	.441	.532	.048	9.232	***	"
H4	PI <--- BC	.171	.224	.038	4.514	***	"
H5	PI <--- PV	.116	.146	.045	2.603	.009	"
H6	PI <--- SF	.492	.514	.064	7.723	***	"

Source: Authors' own Compilation

The relationship between constructs revealed that the P-value of H1, H3, H4, H5, and H6 was Lower than 0.01 and significant at the 1% level and H2 at the 5% level. Hence, the alternative hypotheses were accepted (see Table 4)

6. RESULTS AND DISCUSSION:

The present study's findings demonstrate that all six hypotheses outlined in the suggested framework were supported. The findings of this study indicate that consumer satisfaction and perceived value favour purchasing intention, with high levels of influence ($\beta = 0.490$) and ($\beta = 0.440$),, respectively. Additionally, brand credibility marginally influences perceived value, with a coefficient of ($\beta = 0.330$). The level of satisfaction has been impacted by the credibility of the brand, with a minor impact ($\beta = 0.110$). The intention to make a purchase was influenced by both the credibility of the brand and the perceived value, with respective impacts of ($\beta = 0.120$) and ($\beta = 0.170$).

7. CONCLUSION:

This study underscores the importance of enhancing brand credibility and perceived quality to guide automotive brands toward more effective marketing strategies and stronger market positions in India's growing automotive sector. This study presents empirical research investigating the influence of brand credibility and perceived value on customer satisfaction and consumer purchase intention among various car brands. There were a few limitations imposed in this study. Initially, the focus was mostly on assessing the influence of brand credibility, perceived value, satisfaction, and purchasing decisions towards various car brands. Moreover, the study investigating customers' purchasing intentions towards various automakers in Tiruchirappalli city, Tamilnadu, cannot be generalized to other places in Tamilnadu. Therefore, future studies will focus on additional variables influencing consumers' choice to purchase cars. Future research on consumer perception and preference towards car brands can explore emerging technologies, sustainability concerns, cross-cultural variances, brand loyalty, marketing influence, psychological factors, and post-purchase experiences for insights.

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