



“INFLUENCE OF TEENAGERS ON FAMILY PURCHASE DECISION OF AUTOMOBILES”

Suchitra Srivastava

Associate Professor, Department of Management, Jagannath International Management School, Vasant Kunj, New Delhi, India.

Silky Gaur

Assistant Professor, Department of Management, Jagannath International Management School, Greater Noida, Uttar Pradesh, India.

ABSTRACT

The automobile industry is one of the most lucrative industries in India. It constitutes 7.1% of the country's GDP. Due to the increase in disposable income in both rural and urban sector and easy finance being provided by all the financial institutes, the passenger car sales have increased at the rate of 9.8% in 2015. Also many car manufactures are increasingly interested in the small car segment which has shown fascination from Indian consumers. One factor that could help the companies in the marketing their product is by how and what the customer considers while purchasing a car. Due to the advent of nuclear families and increase in disposable income, many family decisions take into account the opinion of children too. This gives the companies an opportunity to market and advertise their products not only to adults but also teenagers.

The present research is an attempt to observe the decision making roles a teenager plays in the family decision making and the impact of those roles in the final decision of buying a car. It will be mainly a primary research and the information will be gathered from both primary and secondary research. The area of research will be Delhi/NCR. A questionnaire will be given to respondents and their responses will be recorded to arrive to a conclusion.

KEYWORDS: Teenagers Family Purchase Decision Automobiles Consumer Perception

1. INTRODUCTION

The passenger car market is one of the most enthralling industries in India when it comes to marketing. Rising prosperity, easier access to finance, barrage of new launches and a plethora of alternatives has made the segment a popular one. Companies, domestic or international, are all in for the raging competition and are trying their best to capture more market. All sorts of strategies and tactics are explored and practiced to stay ahead of the competition. One way to grab more market is to identify and understand a customer and build marketing campaign around it. The growing say of teenagers in family decision making should attract the marketer's attention. Teenagers can play plenty of roles in the decision making process. They can be any of the following:

INITIATOR

Identifies the problem that needs to be overcome .

GATEKEEPER

Provides and denies access to the members of DMU. Can dictate the flow of information from suppliers to the DMU .

INFLUENCER

Is not directly responsible for the decision but has significant influence on it .

DECIDER

The individual who makes the final decision to buy after taking all other inputs, typically the budget holder.

BUYER

The individual who carries out the buying process including the negotiation.

USER

This category will actually use the product or consume the service.

In India, the type of car one drives, determines the success and social status of the person. So, the more expensive car one has, the more successful or affluent one is assumed to be in comparison with peers or colleagues. This typical judgement is an important factor for people, especially in the middle income group and it can be used as an important factor while

devising a marketing plan. Teenagers specifically will be lured to this judgement and to design strategies taking into account their behaviour may prove helpful to the company.

2. LITERATURE REVIEW

Sebald (1992) opined that the ages from 13 to 19 are teen years and considered a period of transition from childhood to adulthood.

Belch et al(2005) stated that children's attitude towards brand or product is usually in developing stage so current experiences leads to future brand image in mind of individual.

Shoham and Dalakas (2005) and Foxman et al. (1989) viewed that children have more decision making influence in the products of their primary interests like which they are going to use at home whereas other household products from which they get benefit but do not use by themselves did not have much influence of their choice at the time of purchase.

Foxman et al., (1989) and Mangleburg, (1990) suggested that children have a notable effect on some family decisions like where to spend vacations, how to travel, where to go for entertainment, and dining out.

Moschis and Mitchell (1986) and Caruana and Vassallo (2003) explained that friends, family members and various types of electronic media influence adolescents to take a part in family purchasing decisions and give their point of view.

Kaur and Medury (2010), explain in their article that urban Indian adolescents have a significant influence on the family decision-making process. Teenagers' role in decision making was found to be more in the mid-value products rather than products of high value in all cases. There are many other factors which raise aspirations and dictate consumptions. These factors are early consumer socialization, busy parents and increasing media contact. The research also emphasized that the decision-making stage and the corresponding influence of children have also been inspected by previous research on children's influence on family decision making.

(Belch et al., 1985; Darley and Lim, 1986; Jenkins, 1979; Sosanie, 1977) opined that children have involvement in sub-decisions regarding color, model, and brand choices in family purchases.

Sachdeva (2009) mentions that a few decades ago most of the families had more than two children. It was considered a matter of pride having a large family. Now couples are going for

nuclear families with one child. Another significant change is related to working status where both parents are working and providing a strong financial base. International schooling, improved standard of materials for the day to day activities and costly games are becoming increasingly normal for the children. These factors are bringing the child to the centre of attraction for families.

Veloso et al. (2008) studied some parents and children in low-income families. It was noticed that such families did not buy products in bulk and had to take care of more than one child. Therefore, it was further observed that they make several trips for shopping and ended up spending more time in a shopping environment. It was also observed that they often take their children for shopping.

Tinson et al. (2008) suggested that the level of children's influence correspond with the product type. This implies that children generally have a considerable impact if the product is designed for their personal consumption than if it is for a family product.

Flurry (2007) stated that children have a significant influence when the product is designed for their personal consumption. It was concluded that for a few family products like family holidays or automobiles, children have an indirect influence on the family decision-making process jointly, especially those living in a single-parent household. This is because the children have an enhanced, almost equal status and will often be consulted in family product decision making.

Vysekalova (2004), asserted that adolescents might be very attractive market for clothing producers for various reasons. They have a certain budget and they spend their money on buying clothes as independent consumers. They also seem to have significant influence on decision making process of their parents. Teenagers tend to be very responsive to emotional stimulations. One of the reasons is that they do not have enough experiences and, thus, they can easily confuse reality and fiction. Differences exist in particular age groups. Adolescents in the target group 13–18 years old are the most susceptible by advertisement. They are in the age when they create their consumer habits. These habits may create brand loyalty. In this stage, young people become self-conscious; they pick offered values and imitate behaviour and lifestyle of their role models

The above research work was done by authors to extensively understand the impact of teenagers in decision making. There has been no research done on the impact of roles teenagers play in the family decision making.

This research attempts to explore which roles are played more by teenagers and the impact of these roles in the decision making process. This article takes the research forward and aims at understanding the impact of various roles on the final decision of buying a product.

3. RESEARCH OBJECTIVES

Following are the research objectives of the study:

- 1) To explore the various roles a teenager plays in the family decision making.
- 2) To observe which decision making roles are generally played by the teenager.
- 3) To explore if the roles have an impact on the final decision making by the family.

4. RESEARCH METHODOLOGY

4.1 Research Design & Instrument

A systematic and organized methodology was obtained for the research study. The research design was descriptive. Based on the increase in the disposable income in the middle and upper middle income group families, consequent changes in the purchasing pattern of the families for which exhaustive literature review primarily in West was available, the objectives of study were chalked out.

Focus group discussions were then conducted with the students of various batches of the undergraduate programme to gain insight into the overall purchasing decisions in their families for different products in general and automobiles in particular. Questionnaire was intricately designed to tap not only the demographic variables but also the students' view point on various aspects related to the purchase of an automobile for the family.

4.2 Sampling

After successful pre-test of questionnaires, stage was prepared for the main study. For the main study, random sampling and stratified sampling were used. The stratified sample consisted of a leading management institute of Delhi, India. From this institute, the students were randomly selected. Convenience sampling was used, depending on the number of students present in the campus in a given week. Data were collected through questionnaire and recorded on Likert scale. Percentage analysis was carried out.

5. FINDINGS AND ANALYSIS

The sample consisted of 76% males and 24%.The responses could have a gender bias.It was found that 72% teenagers came from families where both parents were not working, while in the remaining, one parent was working. Both working implies in general, a higher family income but lower quality time with the family. It also guarantees to some extent, greater independence for the children, whether deliberate or unintentional. In both cases, adolescents wish to express themselves as independent individuals. In addition, they find avenues to explore.

It is interesting to note that all the respondents have at least one car;the distribution being 46% having two cars, 24% having three and 6% having more than three cars. They depict the middle class and the upper middle class of the social setup of the country.

Another important observation was that only 16% had cars in the range of rupees one lakh to rupees five lakhs. These obviously belonged to the small car segment, where economy was a major concern.

In 50% of the responses, it was the father or the head of the family who proposed the idea of the car purchase. It is interesting to note that 28% respondents believed that the teenagers proposed the idea of the purchase. In other words, they were the ones who discovered the need for the purchase.

44% of the respondents believed that the family members somewhat agreed to their persuasion or point of view, while 34% strongly believed that the final purchase decision was a result of their persuasion.

As a follow-up,72 % respondents opined that the final purchase decision was the same that they had desired.

The final decision was taken by the father, as confirmed by 80 % of the respondents. This corroborates the fact that ours is a patriarchal society, despite being the capital city which is presumed to be the hub of all developmental activities.

Regarding the different factors considered by the youth, quality was the most important (20%) followed by the price (16%). The other factors considered were engine performance, mileage, brand and looks. This is another interesting finding. Though quality is an important determinant, yet the percentage of youth who actually sought quality was low. Even lesser number of them was concerned about the price.

RELEVANCE OF STUDY

To have a better understanding of the influence of the teenagers in the family decision regarding the purchase of an automobile. The results of the study may be used by the marketers to build marketing strategies accordingly. They should incorporate the quality dimensions of the product in the advertising as the study has indicated that it is the most important factor according to the teenagers in making a choice among various alternatives.

The advertising could include a comparative analysis among the various choices available in a given segment as is commonly used in the FMCG companies. The word of caution being to highlight the salient features while not downplaying the competitors

LIMITATIONS OF STUDY

The study was carried out on a limited number of respondents in Delhi region and a convenience sample was chosen.

CONCLUSION

According to a report by the UN, with 356 million 10-24-year-olds, India has the world's largest youth population. The report further stated that "Never have there been so many young people. Never again is there likely to be such potential for economic and social progress. How we meet the needs and aspirations of young people will define our common future."

According to Bo Shin Seo, Managing Director and CEO, Hyundai Motor India, "Our total investment in India is more than US\$ 2.7 billion. Hyundai has strong expansion plans for future to meet customer aspirations and expectations." Similar sentiments are expressed by other leading automobile companies.

Hence it is imperative that appropriate market strategies be designed to match the supply the match and demand. The present study is aimed at helping marketers tap the vast potential market.

REFERENCES

E-Journals

http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/329/1

https://www.researchgate.net/publication/267791569_CAR_MARKET_AND_BUYING_BEHAVIOR-A_STUDY_OF_CONSUMER_PERCEPTION

<http://www.thehindu.com/todays-paper/tp-in-school/india-has-worlds-largest-youth-population-un-report/article6612615.ece>

<https://www.questia.com/library/97610509/adolescence-a-social-psychological-analysis>

https://businessperspectives.org/journals_free/im/2008/im_en_2008_04_Martensen.pdf

https://books.google.co.in/books?id=BKwaAgAAQBAJ&pg=PA136&lpg=PA136&dq=sachdeva+2009+couples+nuclear&source=bl&ots=OkTRzAF0Eu&sig=PbhBdh5vbOn_CkUTMII2t4nL6Rk&hl=en&sa=X&ved=0ahUKEwjsl7C8ud3RAhWLPY8KHWXDAv0Q6AEIMDAG#v=onepage&q=sachdeva%202009%20couples%20nuclear&f=false

<http://www.acrwebsite.org/search/view-conference-proceedings.aspx?Id=6487>

<http://www.emeraldinsight.com/doi/abs/10.1108/17473611111114768>

Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2016-17

Books

Consumer Behavior, Schiffman, Leon G.; Kanuk, Leslie Lazar, 8th Edition,
ISBN 10: 0130673358 / ISBN 13: 9780130673350

Journals

Interactive Agency Choice in Automobile Purchase Decisions: The Role of Negotiation in Determining Equilibrium Choice Outcomes ,David A. Hensher, John M. Rose and Ian Black, *Journal of Transport Economics and Policy*, Vol. 42, No. 2 (May, 2008), pp. 269-296