



IMPACT OF PSYCHOLOGICAL FACTORS ON CONSUMER BUYING BEHAVIOUR (WITH REFERENCE TO PREMIUM CARS IN HYDERABAD CITY)

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ABSTRACT

KEYWORDS:

Consumer, behaviour, Psychological factors, motivation, perception, learning, attitude.

Marketing hinges on understanding and creating a customer. What consumer would buy it – is no easy task. This would be evident from the fact that though several marketing scholars have spent enormous time and effort on this subject and analysed it from different angles and under different premises, there is no unified, tested and universally established theory of buyer behaviour. What we have is only collection of ideas that have taken from economics, psychology and sociology. There are several factors contributing to the consumer behaviour, one among them is psychological factors which include motivation, perception, learning, attitude and beliefs. The present study examines the influence of Psychological factors on consumer buying behaviour towards premium cars in Hyderabad City. Annova test was used to test the hypotheses of this study. Findings of the research show that traits of psychology affect buying behaviour. The findings indicate that psychological factors influence the consumer buying behaviour towards premium cars.

INTRODUCTION

Indian automobile industry has grown leaps and bounds since 1898, a time when a car had touched the Indian streets for the first time. At present it holds a promising tenth position in the entire world with being # 2 in two wheelers and # 4 in commercial vehicles. Withstanding a growth rate of 18% per annum and an annual production of more than 2 million units, it may not be an exaggeration to say that this industry in the coming years will soon touch a figure of 10 million units per year. Automobile industry is one of the fastest growing industries of the world. With more than 2 million new automobiles rolling out each year, on roads of India, the industry is set to grow further. Automobile industry made its silent entry in India in the nineteenth century. Since the launch of the first car in 1897, India automobile industry has come a long way.

The automobile industry in India is world's third largest, with the country currently being the world's seventh largest commercial vehicle manufacturer. Two-wheelers dominate the industry and had a 79 per cent share in the automobile production in FY17. Two-wheeler sales are expected to grow 8-10 per cent in FY18. Indian automobile industry has received foreign direct investments (FDI) worth US\$ 17.39 billion between April 2000 and June 2017.

The central focus of marketing is consumer. In order to develop successful marketing plans, it is necessary to examine

target market characteristics and needs life-style and purchase processes and structure, product distribution, promotion and price decision accordingly. Consumer means "One who or that which consumes; one who uses a commodity or service". Behaviour means, "manner of behaving or acting; the action or reaction of any material under given circumstances". Consumer Behaviour is simply a subsection of the longer field of human behaviour. "Human behaviour refers to the total process by which individuals interact with the environment". Engle, Blackwell and Kollat have defined consumer behaviour as "The act of individuals directly involved in obtaining and using economic goods and services, including the decision process, that precede and determined these acts". Schiffman and Kanuk stated that "consumer behaviour is the behaviour that consumer display in searching for, purchasing, using, and evaluating product and services and ideas which that they expect will satisfy their needs."

Consumer behaviour is influenced by the individuals, socio cultural factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely the culture, subculture, religion, social class and family life-cycle, personal factors namely age, sex, marital status, education, occupation, income and psychological factors namely the motivation, perception, learning, personality, attitude, lifestyles. These factors highly influence the individuals in arriving at making decisions regarding the products and services.

OBJECTIVES OF THE STUDY

Primary Objective

- To evaluate the factors influencing consumer buying behaviour towards premium cars in Hyderabad City.

Secondary Objective

- To evaluate the **Psychological Factors** influencing consumer buying behaviour towards premium cars in Hyderabad City.

HYPOTHESIS

Primary Hypothesis

H₀ - Consumer buying behaviour towards premium cars is not influenced by varied factors in Hyderabad City.

H₁ - Consumer buying behaviour towards premium cars is influenced by varied factors in Hyderabad City.

Secondary Hypothesis

H₀-4 **Psychological Factors** negatively influence consumer buying behaviour towards premium cars in Hyderabad City.

H₁-4 **Psychological Factors** positively influence consumer buying behaviour towards premium cars in Hyderabad City.

SAMPLING DESIGN

Sampling Plan

The sample plan consists of premium car users in the geographical region Hyderabad of Telangana state. Further, the total size and composition of customers of different demographical areas form the base for prescribing no. and size of respondents.

Sample size

It is a proportional representation of the customer density at a given location, gender levels. These form the base for fixing the sample size of 450 for Hyderabad city of Telangana state.

Sampling Technique

The process of drawing sample respondents from the sample universe is known as sampling technique, among many techniques available Stratified sampling is employed for the purpose since it is more appropriate as the sample respondents are distributed in different places as stratified groups at different hierarchical levels of the firms.

Sample Unit

Sample unit defines the single unit of the sample, in the pre decided sample which is to be drawn from the selected geographical region, a respondent who finds a place will be a male or female, in the age group 30 to > 60 yrs, with any occupational title, and with the income level presupposed.

DATA COLLECTION

The data collected for the present study comprises of both primary and secondary sources.

Primary data

Data Collected from respondents through questionnaire. The respondents were interviewed and asked to fill the questionnaire. The first part deals with their behavior towards luxury cars and factors influencing in making decisions. The second part of the questionnaire contains the questions concern to the respondents profile in terms of their age, sex, occupation, educational background and income.

Secondary Data

In order to fulfil the objectives of the study, secondary data were collected. The secondary data pertaining to Hyderabad city were collected from various government publications and records the major source of secondary data being Census of India 2001, 2011 (provisional results), District Statistical Centre and Collectorate. The secondary data has been collected from various magazines, journals, daily newspapers, survey reports and reference books etc.

STATISTICAL DESIGN

Data Analysis

The data was analyzed giving thought to the main hypothesis to find relationships between, different motivational factors. Each assessment was looked at individually and descriptive statistics were computed for each. Frequency reports on the specific questions were run to determine agreement within the measures. All assessments were also correlated with one another to find existence of any relationships between the variables. The scale used in the Questionnaire was from 1 to 5, 5 being the very high score and 1 being the very low for each question.

STATISTICAL TOOLS APPLIED

The following tests were performed to explore different relationships.

- Multiple regression analysis,
- ANOVA,

Psychological Factors and Age Group

H₀ - *The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City do not vary between different age groups.*

H₁- *The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City significantly vary between different age groups.*

Table 4.29: ANOVA on influence of psychological factors on consumer buying behaviour between Age Groups

Psychological factors	Age	Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	6.561	3	2.245	27.719	.000
Perception	Between Groups	3.877	3	.991	11.860	.000
Learning	Between Groups	.673	3	.238	2.281	.002
Attitude	Between Groups	2.133	3	.515	5.481	.003
Beliefs	Between Groups	3.089	3	.903	9.091	.000

Source: Calculations from psychological factors data through SPSS

From table 4.29, it has been observed that the 'f' value and 'p' value for motivation are; 27.719 and 0.000 respectively at 5% level of significance. The calculated 'p' value (0.000) is

less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the motivation influences consumer buying behaviour towards premium cars in Hyderabad City.

The 'f' value and 'p' value with 3 degrees of freedom for perception are; 11.860 and 0.000 respectively at 5% level of significance. Here the calculated 'p' value (0.000) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the perception also influences consumer buying behaviour towards premium cars in Hyderabad City.

The 'f' value and 'p' value for Learning are 2.281 and 0.002 respectively at 5% level of significance. The computed 'p' value (0.002) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, Learning influences consumer buying behaviour towards premium cars in Hyderabad City.

The 'f' value and 'p' value for Attitude are 5.481 and 0.003 respectively at 5% level of significance. Here the calculated 'p' value (0.003) is less than the table value (0.05).

Hence the alternate hypothesis is accepted. In other words, Attitude influences consumer buying behaviour towards premium cars in Hyderabad City.

The 'f' value and 'p' value with 3 degrees of freedom for Beliefs are; 9.091 and 0.000 respectively at 5% level of significance. Here the calculated 'p' value (0.000) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, Beliefs had much influence on the consumer buying behaviour towards premium cars in Hyderabad City.

Psychological factors and Gender

H₀ - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City do not differ with gender status.

H₁ - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City significantly differ with gender status.

Table 4.31: ANOVA on Psychological factors between Male and Female Customers of Hyderabad City

Psychological factors	Gender status	Sum of Squares	Df	Mean Square	F	Sig.
Motivation	Between Groups	1.924	1	1.924	19.809	.000
Perception	Between Groups	.601	1	.601	5.921	.019
Learning	Between Groups	.002	1	.002	8.124	.006
Attitude	Between Groups	.161	1	.161	6.249	.014
Beliefs	Between Groups	.715	1	.715	6.826	.016

Source: Calculations from psychological factors data through SPSS

From table 4.31, it has been observed that the 'f' value and 'p' value for motivation are 19.809 and 0.000 respectively at 5% level of significance. The calculated 'p' value (0.00) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the motivation has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for perception are; 5.921 and 0.019 respectively at 5% level of significance. Here the calculated 'p' value (0.019) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the perception has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for learning are 8.124 and 0.006 respectively at 5% level of significance. The 'p' value (0.006) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the learning has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value with 1 degree of freedom for attitude are 6.249 and 0.014 respectively at 5% level of significance. Here the calculated 'p' value (0.014) is less than the table value (0.05). Hence the null hypothesis is rejected and alternate hypothesis is accepted. In other words, the attitude had much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for beliefs are 6.826 and 0.016 respectively at 5% level of significance. The 'p' value (0.016) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the beliefs have much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

Psychological factors and Level of Education

H₀ - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City do not differ with levels of education.

H₁ - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City significantly differ with levels of education.

Table 4.32: ANOVA on Psychological factors influence between levels of education of Customers in Hyderabad City

Psychological factors	Education levels	Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	5.0124	2	2.981	3.141	.011
Perception	Between Groups	.659	2	.348	3.846	.041
Learning	Between Groups	.472	2	.249	3.127	.035
Attitude	Between Groups	.841	2	.369	4.019	.029
Beliefs	Between Groups	.694	2	.398	3.824	.039

Source: Calculations from psychological factors data through SPSS

From table 4.32, it has been observed that the 'f' value and 'p' value with 2 degree of freedom for motivation are 3.141 and 0.011 respectively at 5% level of significance. Here the calculated 'p' value (0.011) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the motivation has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for perception are 3.846 and 0.041 respectively at 5% level of significance. The 'p' value (0.041) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the perception has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for learning are 3.127 and 0.035 respectively at 5% level of significance. The 'p' value (0.035) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the learning has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for attitude are 4.019 and 0.029 respectively at 5% level of significance. The calculated 'p' value (0.029) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the attitude has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for beliefs are 3.824 and 0.039 respectively at 5% level of significance. The 'p' value (0.039) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, beliefs have much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

Psychological factors and Occupation

H_0 - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City do not differ with occupation.

H_1 - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City significantly differ with occupation.

Table 4.33: ANOVA on Psychological factors influence between levels of occupation of Customers in Hyderabad City

Psychological factors	occupation	Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	1.0921	4	.286	3.017	.009
Perception	Between Groups	2.819	4	.569	5.982	.001
Learning	Between Groups	1.821	4	.328	2.907	.031
Attitude	Between Groups	3.021	4	.701	7.853	.000
Beliefs	Between Groups	2.951	4	.589	6.023	.002

Source: Calculations from psychological factors data through SPSS

From table 4.33, it has been observed that the 'f' value and 'p' value for motivation are 3.017 and 0.009 respectively at 5% level of significance. The 'p' value (0.009) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, motivation has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for perception are 5.982 and 0.001 respectively at 5% level of significance. The calculated 'p' value (0.001) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, perception has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for learning are 2.907 and 0.031 respectively at 5% level of significance. The calculated 'p' value (0.031) is less than the table value (0.05). Hence the

alternate hypothesis is accepted. In other words, the learning has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for attitude are 7.853 and 0.000 respectively at 5% level of significance. The calculated 'p' value (0.000) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the attitude has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The 'f' value and 'p' value for beliefs are 6.023 and 0.002 respectively at 5% level of significance. The calculated 'p' value (0.002) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, beliefs have much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

Psychological factors and Income

H_0 - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City do not differ with income..

H_1 - The influence of psychological factors on consumer buying behaviour towards premium cars in Hyderabad City significantly differ with income.

Table 4.34: ANOVA on Psychological factors influence between income groups of Customers in Hyderabad City

Psychological factors	Income group	Sum of Squares	df	Mean Square	F	Sig.
Motivation	Between Groups	1.201	4	.302	3.568	.019
Perception	Between Groups	1.985	4	.529	4.974	.003
Learning	Between Groups	2.985	4	.689	7.124	.001
Attitude	Between Groups	2.846	4	.521	5.847	.000
Beliefs	Between Groups	2.457	4	.528	5.927	.000

Source: Calculations from psychological factors data through SPSS

From table 4.34, it has been observed that the ‘f’ value and ‘p’ value for motivation are 3.568 and 0.019 respectively at 5% level of significance. The calculated ‘p’ value (0.019) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, motivation has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The ‘f’ value and ‘p’ value for perception are 4.974 and 0.003 respectively at 5% level of significance. The calculated ‘p’ value (0.003) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, perception has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The ‘f’ value and ‘p’ value for learning are 7.124 and 0.001 respectively at 5% level of significance. The ‘p’ value (0.001) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the learning has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The ‘f’ value and ‘p’ value for attitude are 5.847 and 0.000 respectively at 5% level of significance. The calculated ‘p’ value (0.000) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the attitude has much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

The ‘f’ value and ‘p’ value for beliefs are 5.927 and 0.000 respectively at 5% level of significance. The calculated ‘p’ value (0.000) is less than the table value (0.05). Hence the alternate hypothesis is accepted. In other words, the beliefs have much influence on the buying behaviour of customers towards premium cars in Hyderabad city.

FINDINGS

Age

- It is observed that psychological factors like motivation, perception, learning, attitude and beliefs show bearing impact on the buying behaviour of customers towards premium cars in Hyderabad city among the different age groups.

Gender

- It is found that all the psychological factors influence the buying behaviour of customers towards premium cars in Hyderabad city irrespective of gender status.

Education

- It is found that all the psychological factors influence the buying behaviour of customers towards premium cars in Hyderabad city irrespective of education status.

Occupation

- It is found that all the psychological factors influence the buying behaviour of customers towards premium cars in Hyderabad city irrespective of occupation.

Income

- It is found that all the psychological factors influence the buying behaviour of customers towards premium cars in Hyderabad city irrespective of income level.

Suggestions

- Most of the psychological factors needs to be supported at early age groups i.e 30 to 40 years and among female group.

Conclusions:

- Psychological factors coupled with behavior are better solutions to influence the buying behaviour of customers towards premium cars in Hyderabad city.

SCOPE FOR FURTHER STUDY

The influence of Psychological factors on the buying behaviour of customers towards premium cars in Hyderabad city can be broadened by investigating customer perceptions and identifying any other psychological factors. Larger geographic sample and different geographical regions considering few more demographical factors and be included.

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